

ADOPTION

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ADVOCATE

NO. 1

Adoption Tax Credit Advocacy Kit

What is the adoption tax credit?

The adoption tax credit, which can be claimed for eligible adoption-related expenses, has helped thousands of American families offset the high cost of adoption since the credit was established in 1997. Since 2003, families that adopted children with special needs could claim the full credit regardless of their qualified adoption expenses. The credit has made adoption a more viable option for many parents who might not otherwise have been able to afford adoption, allowing them to provide children with loving, permanent families. With more than 100,000 children in U.S. foster care available for adoption, and countless millions of orphaned and abandoned children around the world, the continuation of the adoption tax credit is vital to providing love, safety, and permanency to as many children as possible.

History of the adoption tax credit

- Since its introduction in 1997, the adoption tax credit has historically been a non-partisan issue widely supported by Congress, and available in some form every year.
- The adoption tax credit is available for eligible families that adopt through foster care, intercountry adoption, and private domestic adoption.
- Over time, the details of the credit have changed. The requirements for determining families' eligibility have changed, those adopting children with special needs became eligible to claim the credit without expenses, and the amount of the credit has increased. Before 2010, the credit could be carried forward over multiple years, and in 2010 and 2011 the



TOPIC

The Adoption Tax Credit

This advocacy kit is designed to help you educate policymakers, members of the media, and others on the importance of extending the adoption tax credit to help every child find a family. Please use this kit as a guideline and personalize it to share why this message matters to you. Feel free to print, copy, share, and disseminate these materials to increase the impact we can make together.



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credit was made refundable, allowing families to receive the full benefit during a single tax year regardless of taxes due that year.

- Although many bills have been introduced to make the adoption tax credit permanent, they have never passed. Instead, it has always been extended or amended as a part of other pieces of legislation, including the Small Business Job Protection Act of 1996, the Economic Growth and Tax Relief Reconciliation Act in 2001, the Health Care and Education Reconciliation Act in 2010, and the Tax Relief Act at the end of 2010.
- In 2012, the credit amount decreased to \$12,650. It is no longer refundable, eliminating the availability of the credit to some lower- or moderate-income families without tax liability. The 2012 credit may be carried forward for five additional years, applying to each year's liability until the full credit amount is used or time expires.
- The current adoption tax credit will sunset December 31, 2012. If Congress does not take action, the credit will revert back to \$6,000 and apply only to the limited number of special needs adoptions that have adoption expenses. No credit will remain for most adoptions.

For More Information on the Adoption Tax Credit, Please Visit:

AdoptionTaxCredit.org



/adoptiontaxcredit



/saveadoptcredit

SAVE THE ADOPTION TAX CREDIT

The Facts

The adoption tax credit provides financial benefits to families that open their homes to children through adoption from foster care, intercountry adoption, or private domestic adoption.

The adoption tax credit, with a maximum of \$12,650 in 2012, has helped to offset the high cost of adoption for hundreds of thousands of families since it was established in 1997. The IRS estimates that the credit benefited 96,949 children and their families in 2010. With more than 100,000 children in U.S. foster care available for adoption and countless millions of orphans and abandoned children around the world, the continuation of the adoption tax credit is vital to providing love, safety, and permanency through adoption to as many children as possible.

The Need

The current adoption tax credit is set to expire on December 31, 2012. If that happens, adoption may require a cost insurmountable for many American families, resulting in fewer children finding love and permanency through adoption. Although the credit remains through 2012, many families will not benefit because it is not refundable. In 2013, the credit will decrease to only \$6,000 and will be available to very few adoptive families.

Congress must act now to pass legislation that will protect and extend the adoption tax credit and

encourage the right of every child to grow up safe and loved in a family of their own.

The Goal

Adoption Tax Credit Priorities

The adoption tax credit should be:

- *Inclusive*: Children, whether adopted from foster care, through intercountry adoption, or through private domestic adoption, should be able to benefit from the adoption tax credit.
- *Permanent*: The adoption tax credit should become a permanent part of the tax code to ensure continued support to those who bring children into families through adoption.
- *Refundable*: The adoption tax credit should be refundable, to ensure that families with moderate and lower incomes receive the full benefit of the credit.
- *Flat for Special Needs*: All families who adopt a child with special needs should be eligible for a “flat” tax credit, meaning they can claim the maximum credit without documenting expenses. This distinction, which is already in current law, recognizes the fact that many of the expenses associated with adopting children with special needs show up after an adoption is finalized.

A regularly updated list of relevant pending legislation is available at: www.adoptioncouncil.org/policy-priorities/adoption-tax-credit.html or www.adoptiontaxcredit.org/legislation.

TIPS FOR TALKING TO CONGRESS

Personalize.

Introduce yourself and state your concern. Give a clear and concise explanation of why you are visiting and why this issue is important to you.

Example: Hi, thank you for taking the time to talk to me. My name is Joe from Detroit, Michigan. I want to ask you to help save the adoption tax credit. This issue is especially important to me because I was once in foster care, but found a family through adoption. The adoption tax credit helped me become a part of a family, and I want other children to have the same love and safety I found.

Educate.

Members of Congress and their staff are responsible for many issues. You are a resource to help them learn about the issues you care about. They might not yet be aware of your concern, but that doesn't mean they won't help. Prepare a clear, concise, and informative message to share. It is helpful to provide them with a handout summarizing your concern that includes contact information for follow-up questions.

If they ask questions you can't answer, don't worry! Take advantage of the opportunity to continue the conversation. Say: "I'm not sure, but I would be glad to find out for you." Be sure to get contact information and respond, or ask an expert to help you respond.

Example: The adoption tax credit has helped families afford adoption since 1997, but the credit, as we know it, is set to expire on December 31, 2012. For 2012, some eligible families can receive up to \$12,650. Families that adopt children from foster care, through



Helpful Advocacy Tips

Be clear and concise: Meeting or call time is often limited. Plan what you want to say in advance so you are able to provide all the information you want to share.

Leave information: Leave behind a summary of your concerns and recommendations; include contact information.

Follow up: Send an email, card, or letter thanking the person you met with. Respond to any questions they had and provide any helpful resources.

Be kind: Even if the people you speak with seem uninterested or disagree with you, be kind. They may be of help in the future or less likely to oppose your concern.

domestic infant adoption, or through intercountry adoption are eligible. Unfortunately, the credit is not refundable in 2012, so it won't help many middle- and lower-income families. After 2012, unless Congress acts, the credit will end for the majority of families. Only families that adopt children from foster care that the state has classified as having special needs will be eligible for a much smaller, \$6,000 tax credit – and only if they have IRS-qualified costs, which many will not.

Advocate.

Explain the specific response you would like. Members of Congress care about their constituents' concerns. Describe in a clear, concise, and complete way what actions you believe would best solve the problem.

Example: I believe the best adoption tax credit would be *permanent*, so that it would always be available to support children joining families through adoption. It should also be *inclusive* to ensure that children benefit whether they are adopted from foster care, through intercountry adoption, or through private domestic adoption. It should be a *refundable* credit, so that families, especially those with moderate and lower incomes, can receive the full benefit of the credit regardless of their tax liability. It is also important that the credit remain "*flat*" for *children with special needs*. "Flat" means the credit will not depend on a family's out-of-pocket adoption expenses. This is important because many of the costs that help these children succeed in a family come after an adoption is finalized.

SAMPLE VISIT OR PHONE SCRIPT

Hi, I would like to ask Senator/ Representative [NAME] to support the adoption tax credit. May I speak to the Senator/Representative or the person in charge of adoption or tax policy in your office?

(When connecting with the appropriate person or leaving a message)

My name is NAME and I'm calling from CITY, STATE. I want to share with you my concerns about the adoption tax credit. The adoption tax credit as we know it now is set to expire on December 31, 2012. And even this year it is not refundable, which means that many families like ours will not benefit from it. I hope that you will support legislation that will save the adoption tax credit. It is especially important to me because... *(Your voice matters! Share why the credit matters to you personally and explain exactly what you want them to support. If a specific bill already exists, name it.)*

The adoption tax credit is an important resource to help children find families and make adoption affordable for families that want to open their homes to a child.

- I believe the adoption tax credit should be made permanent so that it can always help children in need find families.
- I believe the credit should remain *inclusive* to ensure that children benefit whether they are adopted from foster care, through intercountry adoption, or through private domestic adoption.



Visiting or Calling Your Senators and Representatives

You can find your Representative and Senators' contact information by visiting: www.senate.gov/general/contact_information/senators_cfm.cfm or www.house.gov/representatives

Remember to ask for the person that handles tax issues and/or adoption-related issues.

If possible, when visiting, try to make an appointment.

When calling, if no one is available, you can leave a detailed message with contact information.

When you present your concerns, remember to:

Personalize. Your voice matters! Tell them why this issue is especially important to you.

Educate. Staffers are responsible for many issues. If they don't know about your concern, it doesn't mean they don't care.

Advocate. Know what specific type of actions you want to request, and plan how to clearly and concisely share them.

- I believe the credit should be *refundable* to ensure that families, especially those with moderate and lower incomes, receive the full benefit of the credit regardless of their tax liability.
- It is also important that the credit remain "*flat*" for children with special needs. "Flat" means that the credit will not depend on the family's expenses to finalize the adoption. This ensures that families that have adopted children with special needs, which includes the vast majority of children in foster care, will be able to receive the credit. This is important because many of the special costs that these adoptive families face come after an adoption is finalized.

I hope Senator/Representative NAME will help save adoption tax credit. Do you have any questions about the credit? Would you like to receive a factsheet describing the adoption tax credit and what I believe would make the best adoption tax credit? *(Be sure to get contact information and send this information if communicating by phone.)*

Thank you so much for your time today. I really appreciate your attention to this issue. It's very important to me, and I hope that

you will support the adoption tax credit and help many more children find the loving, permanent families they need and deserve.

SAMPLE LETTER OR EMAIL

Dear Senator/Representative NAME:

I am writing to ask you to support the adoption tax credit, which is set to expire on December 31, 2012. Since 1997, the adoption tax credit has helped tens of thousands of parents offset the high cost of adoption, making it possible for them to provide children with loving, permanent families.

The adoption tax credit is especially important to me and my family because... *(Tell Congress why you care. Your Members of Congress value your voice!)*

If Congress does not take action, the current adoption tax credit will expire at the end of 2012. The credit will be reduced to \$6,000, and will only benefit the few families that adopt children with special needs and have qualified adoption expenses. Most families adopting children from foster care, intercountry adoption, and domestic infant adoption will not receive any benefit. Without the adoption tax credit, many parents hoping to adopt will be unable to do so, and others will face great financial hardship. The adoption tax credit is essential to ensuring that as many children as possible find the forever families they deserve and ensuring that those families are in a more stable financial position to provide an environment where children can thrive.

The adoption tax credit must be extended to help as many children as possible find the permanent, loving family they need and deserve. And for 2012 it should be made refundable again so that most adoptive families will benefit from it. The best adoption tax credit would be permanent, refundable, inclusive of all types of adoption, and remain a “flat” tax for children with special needs. Enclosed, for your reference, is a factsheet with more information about the adoption tax credit.

On behalf of the countless children waiting to be adopted, and the many thousands of families that stand to benefit from the adoption tax credit, thank you for your attention to this important issue.

Sincerely,

NAME

CITY, STATE

EMAIL ADDRESS / PHONE NUMBER



Contacting Your Senators and Representatives by Letter or Email

You can find your Congress members' contact information by visiting: www.senate.gov/general/contact_information/senators_cfm.cfm or www.house.gov/representatives

It may be helpful to call the office and ask for the name and email or postal address of the staff member who handles adoption issues to be sure your message finds its way to the best person.

SAMPLE OPED OR LETTER TO THE EDITOR

Save the Adoption Tax Credit – Children Need Families

While the decision to adopt a child is one of the most joyful and rewarding a family can make, it may also be one of the most expensive. For most domestic infant or intercountry adoptions the cost is typically between \$10,000 and \$40,000. Adoption from foster care is more affordable upfront, but children adopted from foster care often have significant special needs that may require added expenses for years to come. Many children in need of families have faced challenges and may need additional care to reach their full potential. The adoption tax credit, currently \$12,650, goes a long way to support parents willing to give families to children who need and deserve them.

In our family, the adoption tax credit was life-changing for our children because... We could not have adopted without the credit because... *(Include your own story or personal details on why this credit matters to you!)*

Since 1997, the adoption tax credit has helped thousands of American families defray a portion of the high cost of adoption, allowing them to provide children with loving, permanent families through adoption while experiencing reduced financial hardship. Although the adoption tax credit has been extended every year, it has never been made a permanent part of the tax code, despite its wide bipartisan support and the strong recommendations of child welfare advocates. Unless Congress takes action, on December 31, 2012 the adoption tax credit will be reduced to less than half of its current amount, and very few adoptive families will be eligible for it. Without immediate action, the 2012 adoption tax credit will not be refundable, meaning that many lower- or moderate-income families will not benefit at all.

If many American families can't afford the high costs related to adoption, it is the waiting children who will suffer – the more than 100,000 children currently available for adoption from foster care, and the countless millions of orphaned and abandoned children worldwide. Our legislators have the opportunity to continue the life-changing support the adoption tax credit provides. Please join me and other adoption advocates. Use your voice to bring change for children. Contact your Senators and Representatives in Congress and ask them to act on behalf of children and families and Save the Adoption Tax Credit.

Signed, NAME

Join NCFA as an Adoption Advocate



National Council
For Adoption

About National Council For Adoption

Founded in 1980, the National Council For Adoption (NCFA) is an adoption advocacy nonprofit that promotes a culture of adoption through education, research, and legislative action.

Our areas of focus are infant adoption, adoption out of foster care, and intercountry adoption. Passionately committed to the belief that every child deserves a nurturing, permanent family, we serve children, birthparents, adoptive families, adoption agencies, U.S. and foreign governments, policymakers, media, and the general public as the authoritative voice for adoption.

Why Join NCFA?

NCFA's Adoption Advocates have a unique opportunity to unite with a community of people who are passionate about adoption. Our members will help make a difference in the lives of thousands of children waiting to be adopted and play a key role in promoting a culture of adoption in our nation and around the world through advocacy, social networking, blogging, and sharing with others the personal impact of adoption in their lives.

Who Can Join?

We welcome all who share in the belief that every child deserves a loving, permanent family. Our members include adopted individuals, birthparents, adoptive parents, families, social workers, students, and adoption professionals from all walks of life.

Stay Informed!

Visit www.adoptioncouncil.org/policy-priorities/adoption-tax-credit.html to sign up for updates on the adoption tax credit and other important adoption policies.

Exclusive Benefits for Adoption Advocates

- Access to NCFA's Members-only "Adoption Advocates" community listserv – a great resource for connecting and communicating with other Members
- Access to NCFA's Members-only bi-weekly adoption blog – *Launching in March 2012!*
- Individualized advice from experienced adoption professionals on adoption-specific questions
- Up to 10% discount on conference and training registration fees
- NCFA Membership Card
- Free "Global Ambassador for Adoption" bumper sticker
- Regular news and updates from NCFA, including the *Adoption Advocate*, our monthly publication dedicated to adoption issues
- Membership dues are 100% tax-deductible

Annual Membership Dues \$35*

For more information or to become an Adoption Advocate, visit www.adoptioncouncil.org.

* Membership is free for all birthparents, as well as for students with valid student ID.