

AMENDMENT NO. _____ Calendar No. _____

Purpose: To amend the Internal Revenue Code of 1986 to expand and extend through 2014 the adoption tax credit, and for other purposes.

IN THE SENATE OF THE UNITED STATES—111th Cong., 1st Sess.

H. R. 3590

To amend the Internal Revenue Code of 1986 to modify the first-time homebuyers credit in the case of members of the Armed Forces and certain other Federal employees, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by
_____ to the amendment (No. 2786)
proposed by Mr. REID

Viz:

- 1 At the appropriate place in title IX, insert the fol-
- 2 lowing:

1 **Subtitle _____—Expansion of Adop-**
2 **tion Credit and Adoption Assist-**
3 **ance Programs**

4 **SEC. __01. EXPANSION OF ADOPTION CREDIT AND ADOP-**
5 **TION ASSISTANCE PROGRAMS.**

6 (a) INCREASE IN DOLLAR LIMITATION.—

7 (1) ADOPTION CREDIT.—

8 (A) IN GENERAL.—Paragraph (1) of sec-
9 tion 23(b) of the Internal Revenue Code of
10 1986 (relating to dollar limitation) is amended
11 by striking “\$10,000” and inserting “\$15,000”.

12 (B) CHILD WITH SPECIAL NEEDS.—Para-
13 graph (3) of section 23(a) of such Code (relat-
14 ing to \$10,000 credit for adoption of child with
15 special needs regardless of expenses) is amend-
16 ed—

17 (i) in the text by striking “\$10,000”
18 and inserting “\$15,000”, and

19 (ii) in the heading by striking
20 “\$10,000” and inserting “\$15,000”.

21 (C) CONFORMING AMENDMENT TO INFLA-
22 TION ADJUSTMENT.—Subsection (h) of section
23 23 of such Code (relating to adjustments for in-
24 flation) is amended to read as follows:

25 “(h) ADJUSTMENTS FOR INFLATION.—

1 “(1) DOLLAR LIMITATIONS.—In the case of a
2 taxable year beginning after December 31, 2009,
3 each of the dollar amounts in subsections (a)(3) and
4 (b)(1) shall be increased by an amount equal to—

5 “(A) such dollar amount, multiplied by

6 “(B) the cost-of-living adjustment deter-
7 mined under section 1(f)(3) for the calendar
8 year in which the taxable year begins, deter-
9 mined by substituting ‘calendar year 2008’ for
10 ‘calendar year 1992’ in subparagraph (B)
11 thereof.

12 If any amount as increased under the preceding sen-
13 tence is not a multiple of \$10, such amount shall be
14 rounded to the nearest multiple of \$10.

15 “(2) INCOME LIMITATION.—In the case of a
16 taxable year beginning after December 31, 2002, the
17 dollar amount in subsection (b)(2)(A)(i) shall be in-
18 creased by an amount equal to—

19 “(A) such dollar amount, multiplied by

20 “(B) the cost-of-living adjustment deter-
21 mined under section 1(f)(3) for the calendar
22 year in which the taxable year begins, deter-
23 mined by substituting ‘calendar year 2001’ for
24 ‘calendar year 1992’ in subparagraph (B)
25 thereof.

1 If any amount as increased under the preceding sen-
2 tence is not a multiple of \$10, such amount shall be
3 rounded to the nearest multiple of \$10.”.

4 (2) ADOPTION ASSISTANCE PROGRAMS.—

5 (A) IN GENERAL.—Paragraph (1) of sec-
6 tion 137(b) of the Internal Revenue Code of
7 1986 (relating to dollar limitation) is amended
8 by striking “\$10,000” and inserting “\$15,000”.

9 (B) CHILD WITH SPECIAL NEEDS.—Para-
10 graph (2) of section 137(a) of such Code (relat-
11 ing to \$10,000 exclusion for adoption of child
12 with special needs regardless of expenses) is
13 amended—

14 (i) in the text by striking “\$10,000”
15 and inserting “\$15,000”, and

16 (ii) in the heading by striking
17 “\$10,000” and inserting “\$15,000”.

18 (C) CONFORMING AMENDMENT TO INFLA-
19 TION ADJUSTMENT.—Subsection (f) of section
20 137 of such Code (relating to adjustments for
21 inflation) is amended to read as follows:

22 “(f) ADJUSTMENTS FOR INFLATION.—

23 “(1) DOLLAR LIMITATIONS.—In the case of a
24 taxable year beginning after December 31, 2009,

1 each of the dollar amounts in subsections (a)(2) and
2 (b)(1) shall be increased by an amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year in which the taxable year begins, deter-
7 mined by substituting ‘calendar year 2008’ for
8 ‘calendar year 1992’ in subparagraph (B)
9 thereof.

10 If any amount as increased under the preceding sen-
11 tence is not a multiple of \$10, such amount shall be
12 rounded to the nearest multiple of \$10.

13 “(2) INCOME LIMITATION.—In the case of a
14 taxable year beginning after December 31, 2002, the
15 dollar amount in subsection (b)(2)(A) shall be in-
16 creased by an amount equal to—

17 “(A) such dollar amount, multiplied by

18 “(B) the cost-of-living adjustment deter-
19 mined under section 1(f)(3) for the calendar
20 year in which the taxable year begins, deter-
21 mined by substituting ‘calendar year 2001’ for
22 ‘calendar year 1992’ in subparagraph thereof.

23 If any amount as increased under the preceding sen-
24 tence is not a multiple of \$10, such amount shall be
25 rounded to the nearest multiple of \$10.”.

1 (b) CREDIT MADE REFUNDABLE.—

2 (1) CREDIT MOVED TO SUBPART RELATING TO
3 REFUNDABLE CREDITS.—The Internal Revenue
4 Code of 1986 is amended—

5 (A) by redesignating section 23, as amend-
6 ed by subsection (a), as section 36B, and

7 (B) by moving section 36B (as so redesign-
8 ated) from subpart A of part IV of subchapter
9 A of chapter 1 to the location immediately be-
10 fore section 37 in subpart C of part IV of sub-
11 chapter A of chapter 1.

12 (2) CONFORMING AMENDMENTS.—

13 (A) Section 24(b)(3)(B) of such Code is
14 amended by striking “23,”.

15 (B) Section 25(e)(1)(C) of such Code is
16 amended by striking “23,” both places it ap-
17 pears.

18 (C) Section 25A(i)(5)(B) of such Code is
19 amended by striking “23, 25D,” and inserting
20 “25D”.

21 (D) Section 25B(g)(2) of such Code is
22 amended by striking “23,”.

23 (E) Section 26(a)(1) of such Code is
24 amended by striking “23,”.

1 (F) Section 30(c)(2)(B)(ii) of such Code is
2 amended by striking “23, 25D,” and inserting
3 “25D”.

4 (G) Section 30B(g)(2)(B)(ii) of such Code
5 is amended by striking “23,”.

6 (H) Section 30D(c)(2)(B)(ii) of such Code
7 is amended by striking “sections 23 and” and
8 inserting “section”.

9 (I) Section 36B of such Code, as so reded-
10 signated, is amended—

11 (i) by striking paragraph (4) of sub-
12 section (b), and

13 (ii) by striking subsection (c).

14 (J) Section 137 of such Code is amend-
15 ed—

16 (i) by striking “section 23(d)” in sub-
17 section (d) and inserting “section 36B(d)”,
18 and

19 (ii) by striking “section 23” in sub-
20 section (e) and inserting “section 36B”.

21 (K) Section 904(i) of such Code is amend-
22 ed by striking “23,”.

23 (L) Section 1016(a)(26) is amended by
24 striking “23(g)” and inserting “36B(g)”.

1 (M) Section 1400C(d) of such Code is
2 amended by striking “23,”.

3 (N) The table of sections for subpart A of
4 part IV of subchapter A of chapter 1 of such
5 Code of 1986 is amended by striking the item
6 relating to section 23.

7 (O) Paragraph (2) of section 1324(b) of
8 title 31, United States Code, is amended by in-
9 serting “36B,” after “36A,”.

10 (P) The table of sections for subpart C of
11 part IV of subchapter A of chapter 1 of the In-
12 ternal Revenue Code of 1986 is amended by in-
13 serting after the item relating to section 36A
14 the following new item:

“Sec. 36B. Adoption expenses.”.

15 (c) EXTENSION OF CREDIT AND ADOPTION ASSIST-
16 ANCE PROGRAMS.—

17 (1) IN GENERAL.—Section 36B of the Internal
18 Revenue Code of 1986, as redesignated by sub-
19 section (b), is amended by adding at the end the fol-
20 lowing new subsection:

21 “(i) TERMINATION.—This section shall not apply to
22 expenses paid or incurred in taxable years beginning after
23 December 31, 2014.”.

1 (2) IN GENERAL.—Section 137 of the Internal
2 Revenue Code of 1986 is amended by adding at the
3 end the following new subsection:

4 “(g) TERMINATION.—This section shall not apply to
5 expenses paid or incurred in taxable years beginning after
6 December 31, 2014.”.

7 (3) SUNSET FOR MODIFICATIONS MADE BY
8 EGTRRA TO ADOPTION CREDIT REMOVED.—Title IX
9 of the Economic Growth and Tax Relief Reconcili-
10 ation Act of 2001 shall not apply to the amendments
11 made by section 202 of such Act.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2009.