

**By: Senator Ferguson**

Requested: July 10, 1995

Introduced and read first time: January 10, 1996

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: January 31, 1996

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Adoption Expenses**

3 FOR the purpose of altering certain maximum amounts allowed as a subtraction  
4 modification under the income tax for certain expenses incurred by adoptive parents  
5 in the adoption of a child; limiting the subtraction modification for certain adoption  
6 expenses to children domiciled in Maryland; and providing for the application of  
7 this Act.

8 BY repealing and reenacting, with amendments,  
9 Article - Tax - General  
10 Section 10-208(b)  
11 Annotated Code of Maryland  
12 (1988 Volume and 1995 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Tax - General**

16 10-208.

17 (b) The subtraction under subsection (a) of this section includes reasonable and  
18 necessary adoption fees, court costs, attorney fees, and other expenses INCURRED TO  
19 ADOPT A CHILD WHO IS DOMICILED IN MARYLAND not exceeding:

20 (1) [\$2,000] \$3,000 that a parent incurs in the adoption of a child whom the  
21 State determines is a child with a special need, as described in § 473(c)(1) and (2) of the  
22 Social Security Act, if the adoption is made through a private, not forprofit, licensed  
23 adoption agency, or a public child welfare agency; and

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1                   (2) [\$1,000] \$2,000 that a parent incurs in the adoption of a child without a  
2 special need as provided under item (1) of this subsection.

3                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 July 1, 1996 and shall be applicable to all taxable years beginning after December 31,  
5 1995.