

Adoption Tax Credit 2025

Outline

- What is the Adoption Tax Credit for adoption being claimed on 2025 federal taxes? \$17,280 per eligible adoption
- What is different about this year's Adoption Tax Credit?
 - How did this change come about? (advocacy matters!)
- What is a "credit," and how does it differ from a deduction or some other form of tax savings?
- How would you claim the Adoption Tax Credit if you get a tax refund every year?
 - Should you still apply the credit to your federal income taxes if you don't have any federal tax liability?
- What types of adoptions are included or excluded in the Adoption Tax Credit?
- Stepparent adoption?
- Embryo adoption?
- Same-sex partner, second-parent adoption?
- Unmarried heterosexual second-parent adoption?
- Surrogacy?
- Are kinship adoptions covered? Are kinship guardianship arrangements/expenses covered?
 - What if the relative child was never involved with the foster care system?
- Can you claim the Adoption Tax Credit for each adoption you complete, even if you completed them in the same year?
 - What about adopting siblings at the same time?
- What is a Qualified Adoption Expense for purposes of the Adoption Tax Credit 2025?
- When can you claim the Adoption Tax Credit for:
- Domestic Private/Infant Adoption
- International Adoption
- Re-adoption in the US for International Adoption
- Foster Care Adoption
- Kinship Adoption
- For purposes of filing the Adoption Tax Credit, what qualifies as a Special Needs Adoption?
- How does the Adoption Tax Credit differ for adoptions from foster care?
 - Is it the same thing as when we think of a special needs child through international adoption?

- What does the IRS accept as proof of “special needs” in foster adoptions?
 - What is a \$0 subsidy agreement?
- Can you reclaim your expenses for an adoption that did not result in a placement (that is, a failed adoption)? How?
- What income level (Modified Adjusted Gross Income) is excluded from claiming the Adoption Tax Credit in 2025?
- How long can the credit be carried over?
 - Why is this useful for families filing for the credit?
- What if you didn’t claim the Adoption Tax Credit when eligible?
 - Is the Adoption Tax Credit something you can amend your tax return for?
 - How do you amend it, and how many years back?
- Will the Adoption Tax Credit offset self-employment tax?
- How does the Secure Act impact us if we are claiming the Adoption Tax Credit for 2025 taxes?
 - Qualified Birth or Adoption Distribution from a Qualified Retirement Plan without penalty.
- What should you do if the child’s Social Security Number is unavailable when you file?
 - Should you use an Adoption Taxpayer Identification Number (ATIN #) if you don’t have the child’s Social Security number?
- How does the Adoption Tax Credit work in conjunction with employee adoption benefits?
 - For special needs (foster care) adoption?
- If you adopt, can you still claim the Child Tax Credit?
 - What do you need to get the Child Tax Credit for your adopted child?
- Do you need to send any documentation for the Adoption Tax Credit to the IRS when you file your taxes?
 - What type of documentation should you keep in your records? For how long?
- The Adoption Tax Credit used to be a fully refundable credit. And now, partial refundability is good news after years of not. But do you think it will remain partial or return to fully refundable?
- How to advocate for refundability? <https://adoptiontaxcredit.org>