



Adoption Tax Credit

The Adoption Tax Credit is a one-time credit families can claim if they adopt a child with special needs: children who receive adoption assistance/subsidy benefits from the state or federal government. Families can take this credit even if they incur no adoption expenses. The amount of credit is based on the year you finalized your child(ren)'s adoption. For 2014, the amount was \$13,190 per child. Please note that the amount of credit can change from year to year.

How much of the credit you can claim is based on your income. In 2014, families who had a federal adjusted gross income over \$237,880 were not eligible for the tax credit. Families who had a federal adjusted gross income over \$197,880 were eligible for a partial credit. Families with a federal adjusted gross income *under* \$197,880 were eligible for the full credit. Please note that the income limits can change from year to year.

For more information on the adoption tax credit, please visit the following sites:

Adoption Learning Partners – [Adoption Tax Credit Webinar](#) (free)

This webinar is updated in January every year to give updated information for the latest tax-filing year.

Creating a Family – [Adoption Tax Credit for Adoption Finalized in 2014](#)

IRS – [Topic 607: Adoption Credit and Adoption Assistance Programs](#)

NACAC – [Federal Adoption Tax Credit](#)

Adoption Assistance Programs

Families who adopt children with special needs are often eligible to receive adoption assistance/adoption subsidies. These subsidies are available to families to help offset some of the costs of adoption, and to help with medical and other services a child may need. Families will negotiate adoption assistance payments with the State the child is from prior to finalization. The amount of adoption assistance a family will receive will never exceed the foster care amount. In many

cases, the rate adoptive families receive is less. The amount of adoption subsidies given varies from state to state, and sometimes by county within a state. Some states give subsidies based on the out-of-pocket expenses a family anticipates they will owe for a child's services. Other states will give adoption subsidies based on the child's current level of functioning. Each state may also define "special needs" differently. In some states, families have the option of signing a "deferred agreement", meaning they will not begin to receive adoption assistance payments until the need arises to meet the needs of the child. The family and the child's state work out the terms of the agreement prior to finalization. The terms are often based on "risk factors" outlined in the child's file, or as recommended in a psychiatric report or other documents.

Federal adoption assistance is also available to families, known as Title IV-E Adoption Assistance. Families cannot receive both state and federal adoption assistance.

Families can appeal the State's decision regarding adoption assistance by going through the State's Fair Hearing and Appeals Process.

For more information on Adoption Assistance, please visit the following sites:

AAICAMA – [Association of Administrators of the Interstate Compact on Adoption and Medical Assistance Home Page](#)

Child Welfare Information Gateway – [Adoption Assistance for Children Adopted in Foster Care](#)

Child Welfare Information Gateway – [Adoption Assistance by State](#)

NACAC – [Adoption Subsidy Definitions](#)

NACAC – [Adoption Subsidy Fact Sheets](#)

NACAC – [Eligibility and Benefits for Federal Adoption Assistance](#)

NACAC – [Negotiating Title IV-E Adoption Subsidy Agreements](#)

NACAC – [Renegotiation and Modification of Adoption Subsidy Agreements](#)

NACAC – [State Adoption Subsidy Profiles](#)

For more information on **Oregon's Adoption Support Program**, please visit the following sites:

DHS – [Adoption Assistance Handbook](#)

NACAC – [Oregon State Subsidy Profile](#)

Oregon Secretary of State – [Adoption Assistance Policy 413-130-0000](#)

ORPARC – [Adoption Assistance Coordinator Contact List](#)

ORPARC – [Federal Adoption Tax Credit for Tax Year 2014](#)

College Scholarships and Financial Aid

Some youth who were adopted from the foster care system may be eligible for college scholarships, financial aid, or Education and Training Vouchers (ETVs). Some schools offer tuition waiver and/or college scholarships for youth adopted from foster care. For children who were adopted from foster care at age 13 or older, they may consider themselves as an “independent student” on the Free Application for Federal Student Aid (FAFSA) form. This means they do not have to count family income, and therefore are more likely to receive financial aid. In addition, any adoption subsidies a family is receiving do not count as income on the FAFSA form.

For children who were adopted from foster care at age 16 or older, they may apply for ETV assistance. This provides youth with up to \$5,000 per year for youth who are enrolled in college, or at an accredited technical or vocational training program.

For more information on college scholarships and financial aid, visit the following sites:

Dave Thomas Foundation for Adoption – [National and State College Scholarship Resources](#)

Federal Student Aid – [FAFSA Home Page](#)

Foster Care to Success – [ETV FAQs](#)

Foster Care to Success – [Other ETV States](#) (scroll down for Oregon)

NACAC – [How to Cover College Expenses for Your Adopted Child](#)

U.S. Department of Education – [Pell Grants](#)

Voice for Adoption – [College Financial Aid Resources for Former Foster Youth](#)