

Here's how you know



# Adoption Credit

If you adopt an eligible child, you may be able to claim the Adoption Credit or income exclusion for employer-provided adoption benefits. Qualified adoption expenses are limited to \$17,280 per qualifying child for 2025. The credit and the exclusion apply to international, domestic, private or public foster care adoptions.

Beginning in tax year 2025, a portion of the Adoption Credit is refundable up to \$5,000. The non-refundable portion of the credit can be carried forward for a maximum of 5 years; however, it cannot result in a refund. Any remaining non-refundable portion after 5 years is forfeited.

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## Eligibility

You are eligible for the Adoption Credit if you meet these criteria:

- Your modified adjusted gross income (MAGI) was \$259,190 or less in 2025. The credit is available but reduced if your MAGI was between \$259,191 and \$299,189. The credit is unavailable if your MAGI was \$299,190 or more.
- If married, you must file jointly to claim the credit. [Exceptions](#) exist for married filing separately, and you can [amend past returns](#) to change your filing status if needed.
- You may qualify if you're a registered domestic partner in a State that allows second-parent adoption. However, you cannot claim the credit for expenses related to adopting your spouse's child.
- A "qualified child" for the Adoption Credit must be:
  - Under age 18, or
  - Physically or mentally incapable of self-care.

Use the [Interactive Tax Assistant](#) to see whether you qualify to claim the Adoption Credit.

## Qualified expenses

Qualified adoption expenses are reasonable and necessary expenses you paid to adopt, including:

- Adoption fees
- Attorney fees
- Court costs
- Travel expenses (including meals and lodging) while away from home
- Other expenses directly related to, or for the principal purpose of, the legal adoption
- Expenses paid before identifying an eligible child, such as home study fees

## **Expenses that don't qualify for the credit**

Expenses aren't eligible if they are:

- To adopt your spouse's child
- For a surrogate parent arrangement
- Allowed for another federal tax credit or deduction
- Paid by a Federal, State or local program
- Reimbursed by your employer

## **Exclude expenses from income**

If your employer provides adoption benefits for qualified expenses, you may not have to include those benefits in your income, which means you may not have to pay taxes on them. You can exclude up to \$17,280 from your income in 2025 if your employer paid you those benefits:

- Under a written qualified adoption assistance program
- Directly or through a third party

You can find these payments on your Form W-2, Box 12, Code T, or your salary may have been reduced to pay these benefits.

Subtract this employer-provided benefit from your income **before** you calculate the adoption tax credit. See [Employer-Provided Adoption Benefits](#) for more information.

## Rules for children with special needs

Beginning in 2025, Indian tribal governments have the same authority as State governments to determine whether a child has special needs for the purpose of claiming the Adoption Credit.

For special needs adoptions, a child qualifies if they:

- Are a U.S. citizen, and
- A state or Indian tribal government has determined the child:
  - Can't or shouldn't be returned to their parents' home, and
  - Is not likely to be adopted without assistance to the adoptive family.

Acceptable documentation of the state or Indian tribal government's determination of special needs includes, but is not limited to:

- An adoption assistance or subsidy agreement issued by the state, tribal court or tribal government representative
- Certification from the state, county or tribal welfare agency, or tribal government verifying that the child is approved to receive adoption assistance
- Certification from the state, county, or tribal welfare agency, or tribal government verifying that the child has special needs

- An official letter on state, county, or tribal government letterhead confirming the special needs determination

Find examples of State and Indian tribal government determinations for special needs in the [Instructions for Form 8839](#), Qualified Adoption Expenses.

If you adopt a child with special needs, you may be able to claim:

- The full income exclusion, even if your employer didn't pay expenses (if your employer has a written qualified adoption assistance program)
- The full credit even if you didn't pay any qualified adoption expenses

## When to claim the credit

- Domestic adoptions: Claim expenses each year as you incur or pay them as long as the adoption is finalized. Claim expense the year after you incur or pay them if the adoption is still in progress and not final. If the child is a U.S. citizen or resident, you may claim the credit even if the adoption is unsuccessful.
- Foreign adoptions: Claim expenses once the adoption is final. When it's final, you can claim all eligible expenses you paid, including in past years.
- Adoption of children deemed by a state or Indian tribal government welfare agency as special needs or hard to place: Claim expenses when the adoption is final.

Find examples of these timing rules to claim the credit in the [Instructions for Form 8839](#), Qualified Adoption Expenses.

## **Figure the credit and exclusion amounts**

**The credit amount applies to the adoption of each child individually, not each calendar year.** If you claim expenses in more than one year for the same adoption (final or in progress), you must subtract past credit amounts you claimed from your remaining credit.

Example: You claimed a \$3,000 Adoption Credit in 2024 for expenses incurred in 2023 for the adoption of a child that was not finalized during that year. In 2025, you paid \$17,280 for additional expenses related to the adoption of the same child, which was finalized during the year. Since you are claiming expenses related to the adoption of the same child and have already claimed a \$3,000 Adoption Credit in past years, you can only claim a credit of \$14,280 in 2025 (\$17,280 less the \$3,000 credit you previously claimed).

**The income exclusion is in addition to the credit, but you can't claim both for the same expenses.** You must claim any allowable exclusion before claiming any allowable credit. To do this, complete Part III of Form 8839 before you complete Part II.

Example: In 2025, you paid \$10,000 in qualified adoption expenses, and your employer reimbursed you for \$4,000. You can exclude \$4,000 from your income. Your maximum credit is \$6,000 (\$10,000 less the \$4,000 employer reimbursement).

If you adopt a child deemed to be **special needs** (previously defined), you may be able to take the income exclusion even if your employer didn't pay qualified expenses.

## Claim the credit

To claim the Adoption Credit or exclusion:

- Complete [Form 8839](#), Qualified Adoption Expenses, and attach the form to your tax return.
- Report the required information about the eligible child on Form 8839, Part I. The child's identifying number can be their Social Security number, [adoption taxpayer identification number \(ATIN\)](#) or [individual taxpayer identification number \(ITIN\)](#). Use [Form W-7A PDF](#), Application for Adoption Tax Identification Number for Pending U.S. Adoptions ([Instructions PDF](#)), to receive an ATIN. **Note:** See Instructions for Form 8839 if you can't give complete information about an eligible child you tried to adopt in prior years because the adoption was either unsuccessful or wasn't final by the end of 2025.
- Keep the adoption documentation for your records.

## Amend an incorrect return

If you claimed an incorrect credit amount, file an [amended return](#). You can [check the status of an amended return](#) around 3 weeks after you submit it. You should generally allow 8 to 12 weeks for your Form 1040-X to be processed.

If you claimed the credit and we reject or reduce it, you can consider appealing it.

## Related

- [Form 8839, Qualified Adoption Expenses](#)
- [Instructions for Form 8839](#)
- [Adoption Taxpayer Identification Number](#)
- [Publication 5851, New Parents Check](#) eligibility for these tax credits and deductions [PDF](#)
- [Publication 6123, Adoption Tax Credit Checklist](#) [PDF](#)
- [Publication 6124, 5 Things to Know About the Adoption Tax Credit](#) [PDF](#)

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