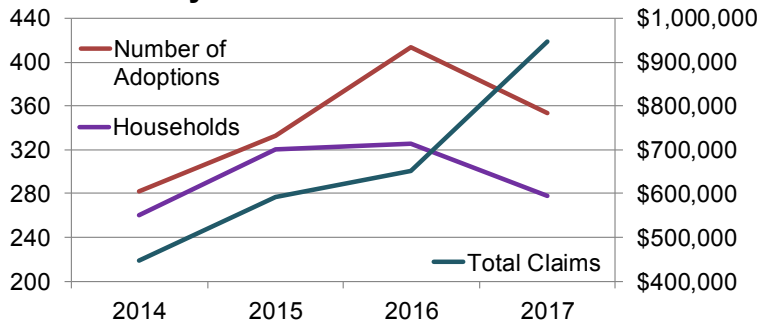


Adoption Tax Credit

Tax Credit Description

A refundable tax credit equal to 100% of the amount of qualified adoption expenses incurred during the tax year associated with the adoption of a child under 18 years old was first available in tax year 2014. The credit can only be claimed once an adoption is finalized. Prior to January 1, 2017, the maximum amount allowed was \$2,500 per adoption. For adoptions on or after January 1, 2017, the maximum amount of the tax credit is \$5,000. An adoption means the permanent placement in Iowa of a child by a qualifying agency.

Adoption Tax Credit Claims, Adoptions, and Claimants by Tax Year

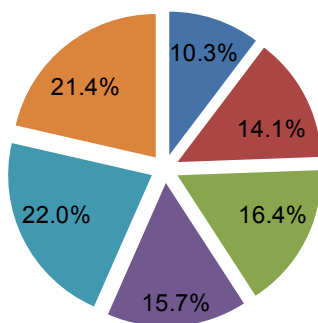


Adoption Tax Credit Fast Facts, All Years

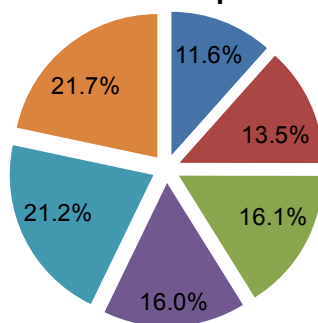
- **\$2.6 Million in Total Credits**
- **\$1,906 Average Credit per Adoption**
- **31% increase in Total Claims in TY 2017 with doubling of Maximum Credit**
- **1,184 Households Account for 1,383 Adoptions**
- **41.4% of Claims equaled Maximum Credit**

Distribution of Adoptions and Adoption Tax Credits by Family Income

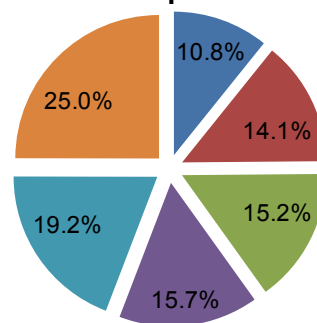
Share of Households



Share of Adoptions



Share of Adoption Credits



- Less Than \$30,000
- \$30,000 - \$49,999
- \$50,000 - \$69,999
- \$70,000 - \$89,999
- \$90,000 - \$119,999
- \$120,000 or Higher

Adoption Tax Credit Claims by County, Tax Years 2014-2017

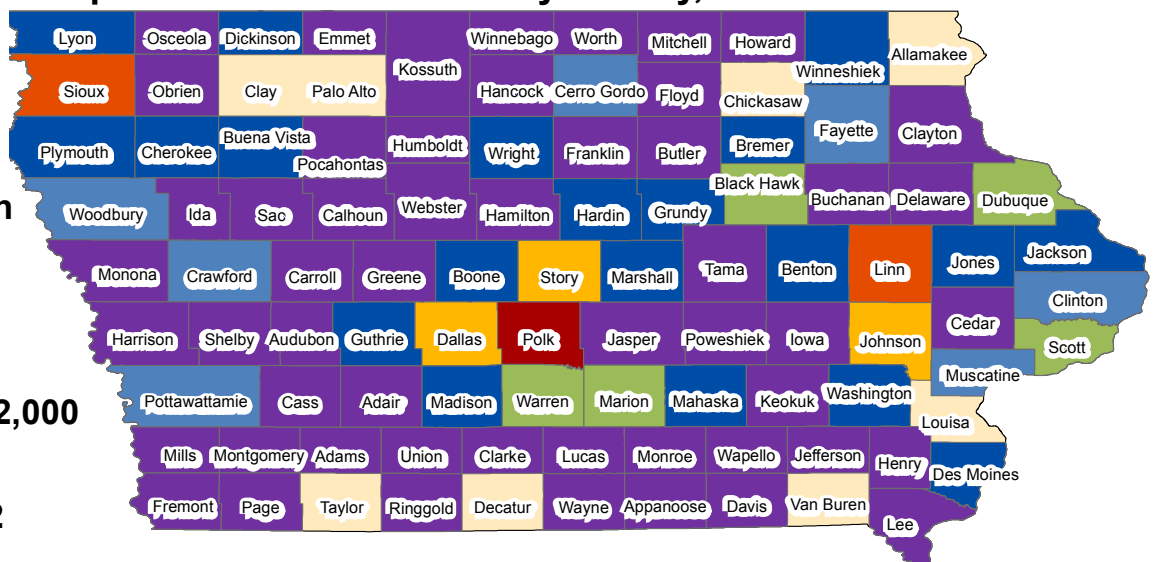


Average Adoption Costs:

Domestic Infant - \$37,000

International - \$42,000

Foster Care Adoption - \$2,622



Source: Nelson Law Firm PLLC

- 1 - 5
- 6 - 10
- 11 - 20
- 21 - 30
- 31 - 50
- 51 - 77
- 225
- No Adoptions