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Notice 14-05

Adoption Credit Reenacted
(July 1, 2014)

During the 2014 Legislative Session Senate Bill 265 was passed and signed into law. New Section 4 of the Bill reenacts the adoption credit that was found in K.S.A. 79-32,202 prior to its repeal during the 2012 Legislative Session. The reenacted provisions are effective for tax year 2014 and later years. Specifically, New Section 4 provides:

> New Sec. 4. Commencing in tax year 2014, and all tax years thereafter, and in addition to the credit provided in subsection (b), there shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to: (1) 25% of the amount of the credit allowed against such taxpayer's federal income tax liability pursuant to section 23 of the federal internal revenue code determined without regard to subsection (c) of such section; (2) in addition to subsection (a)(1), 25% of the amount of such federal income tax credit, if the child adopted by the taxpayer was a resident of Kansas prior to such lawful adoption; and (3) in addition to subsections (a)(1) and (a)(2), 25% of the amount of such federal income tax credit, if the child adopted by the taxpayer is a child with special needs, as defined in section 23 of the federal internal revenue code, and the child was a resident of Kansas prior to such lawful adoption, for the taxable year in which such credit was claimed against the taxpayer's federal income tax liability.
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> (b) Commencing in tax year 2014, and all tax years thereafter, there shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to $1,500 for the taxable year in which occurs the lawful adoption of a child in the custody of the secretary for children and families or a child with special needs, whether or not such individual is reimbursed for all or part of qualified adoption expenses or has received a public or private grant therefor. As used in this subsection, terms and phrases shall have the meanings ascribed thereto by the provisions of section 23 of the federal internal revenue code.
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> (c) The credit allowed by subsections (a) and (b) shall not exceed the amount of the tax imposed by K.S.A. 79-32,110, and amendments thereto, reduced by the sum of any other credits allowable pursuant to law. If the amount of such tax credit exceeds the taxpayer's income tax liability for such taxable year, the amount thereof which exceeds such tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credits has been deducted from tax liability.

Please note that specific information about how to claim the credit on the individual income tax return will be included in the instruction booklet.

Taxpayer Assistance

Additional copies of this notice, forms or publications are available from our web site, **www.ksrevenue.org**. If you have questions about this Notice, please contact:

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