STATE OF NEW YORK

9002

IN ASSEMBLY

February 1, 2024

Introduced by M. of A. TAPIA -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to allowing a tax credit for the adoption of special needs children

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 606 of the tax law is amended by adding a new subsection (ppp) to read as follows:

(ppp) Adoption of special needs children tax credit. (1) A resident taxpayer shall be allowed a credit against the tax imposed by this article in an amount equaling thirty percent of the qualified adoption expenses paid during the taxable year in conjunction with the taxpayer's adoption of a handicapped child or a hard to place child or five thousand dollars, whichever is less. If the amount of the credit allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, the excess shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section six hundred eighty-six of this article, provided, however, that no interest shall be paid thereon.

(2) The following terms shall have the following meanings: (A) "Handicapped child" and "hard to place child" shall have the same meaning as in section four hundred fifty-one of the social services law and the regulations promulgated thereunder.

(B) "Qualified adoption expenses" shall mean the reasonable and necessary adoption fees, court costs, attorneys' fees, and other expenses that are directly related to the legal adoption of a handicapped child or hard to place child by the taxpayer for which the taxpayer has not received a subsidy, reimbursement or federal tax credit under the internal revenue code, provided, however, that such costs shall not include any costs associated with litigation.

§ 2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2024.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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