

117TH CONGRESS  
1ST SESSION

# H. R. 3031

To amend the Internal Revenue Code of 1986 to provide for a refundable adoption tax credit.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2021

Mr. DANNY K. DAVIS of Illinois (for himself, Mrs. WALORSKI, Ms. BASS, and Mr. BACON) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide for a refundable adoption tax credit.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Adoption Tax Credit  
5 Refundability Act of 2021”.

6 **SEC. 2. REFUNDABLE ADOPTION TAX CREDIT.**

7 (a) CREDIT MADE REFUNDABLE.—

8 (1) CREDIT MOVED TO SUBPART RELATING TO  
9 REFUNDABLE CREDITS.—The Internal Revenue  
10 Code of 1986 is amended—

1 (A) by redesignating section 23 as section  
2 36C, and

3 (B) by moving section 36C (as so redesign-  
4 nated) from subpart A of part IV of subchapter  
5 A of chapter 1 to the location immediately be-  
6 fore section 37 in subpart C of part IV of sub-  
7 chapter A of chapter 1.

8 (2) CONFORMING AMENDMENTS.—

9 (A) Section 25(e)(1)(C) of such Code is  
10 amended by striking “sections 23 and 25D”  
11 and inserting “section 25D”.

12 (B) Section 36C of such Code, as so redes-  
13 igned, is amended—

14 (i) in subsection (b)(2)(A), by striking  
15 “(determined without regard to subsection  
16 (c))”,

17 (ii) by striking subsection (c), and

18 (iii) by redesignating subsections (d)  
19 through (i) as subsections (e) through (h),  
20 respectively.

21 (C) Section 137 of such Code is amend-  
22 ed—

23 (i) in subsection (d), by striking “sec-  
24 tion 23(d)” and inserting “section  
25 36C(c)”, and

1 (ii) in subsection (e), by striking “sub-  
2 sections (e), (f), and (g) of section 23” and  
3 inserting “subsections (d), (e), and (f) of  
4 section 36C”.

5 (D) Section 1016(a)(26) of such Code is  
6 amended by striking “23(g)” and inserting  
7 “36C(f)”.

8 (E) Section 6211(b)(4)(A) of such Code is  
9 amended by inserting “36C,” after “36B,”.

10 (F) The table of sections for subpart A of  
11 part IV of subchapter A of chapter 1 of such  
12 Code is amended by striking the item relating  
13 to section 23.

14 (G) Paragraph (2) of section 1324(b) of  
15 title 31, United States Code, is amended by in-  
16 serting “36C,” after “36B,”.

17 (H) Paragraph (33) of section 471(a) of  
18 the Social Security Act (42 U.S.C. 671(a)) is  
19 amended by striking “section 23” and inserting  
20 “section 36C”.

21 (I) The table of sections for subpart C of  
22 part IV of subchapter A of chapter 1 of the In-  
23 ternal Revenue Code of 1986 is amended by in-  
24 serting after the item relating to section 36B  
25 the following new item:

“Sec. 36C. Adoption expenses.”.

1 (b) THIRD-PARTY AFFIDAVITS.—Section 36C(h) of  
2 the Internal Revenue Code of 1986, as redesignated and  
3 moved by subsection (a), is amended—

4 (1) by striking “such regulations” and inserting  
5 “such regulations and guidance”,

6 (2) by striking “including regulations which  
7 treat” and inserting “including regulations and  
8 guidance which—

9 “(1) treat”,

10 (3) by striking the period at the end and insert-  
11 ing “, and”, and

12 (4) by adding at the end the following:

13 “(2) provide for a standardized third-party affi-  
14 davit for purposes of verifying a legal adoption—

15 “(A) of a type with respect to which quali-  
16 fied adoption expenses may be paid or incurred,  
17 or

18 “(B) involving a child with special needs  
19 for purposes of subsection (a)(3).”.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2020.

23 (d) TRANSITIONAL RULE TO TREAT CARRYFORWARD  
24 AS REFUNDABLE CREDIT.—In the case of any excess de-  
25 scribed in section 23(c) of the Internal Revenue Code of

1 1986 with respect to any taxpayer for the taxable year  
2 which precedes the first taxable year to which the amend-  
3 ments made by this section apply, such excess shall be  
4 added to the credit allowable under section 36C(a) of such  
5 Code with respect to such taxpayer for such first taxable  
6 year.

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