

Adoptive Parents: Don't Delay Your Adoption Credit Refund



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Many taxpayers and their tax professionals claiming the newly-expanded adoption credit are slowing down their refund by failing to include required documentation, such as an adoption order or decree, with their return. If you do not attach all the required documentation such as an adoption decree or subsidy agreement to your return or your taxpayer's return, your refund will be delayed.

Because of these documentation requirements, any taxpayer claiming the adoption credit must file a paper return, rather than filing electronically, and attach all required documentation. It is necessary for the IRS to review the documents submitted. Normally, it takes about three weeks to get a refund claimed on a complete and accurate paper return where all required documents are attached.

However, processing times vary. Because the IRS must verify the submitted documents, because the documents issued by states, counties and foreign countries are not uniform, and because the documentation may need to be supplemented, it is difficult for the IRS to estimate the time it will take to process any particular return.

Taxpayers may also be asked, after filing their returns, to substantiate any qualified adoption expenses they paid.

The adoption credit, at up to \$ 13,360 per child, is the largest refundable tax credit available to individual taxpayers.

If you plan to claim the credit, avoid refund delays by following these tips:

- Fill out and attach to your return [Form 8839](#), Qualified Adoption Expenses.
- Include with your return one or more adoption-related documents. Required documentation varies, depending upon whether this is a domestic or foreign adoption, whether the adoption has been finalized and whether it is for a child with special needs. For a list of acceptable documents, see the [Instructions for Form 8839](#).
- Use [IRS Free File](#) to prepare your return. Again, because of the documentation requirement, you cannot e-file your return. Instead, print out your return and mail it to the IRS, along with all required documentation.

Were you contacted by the IRS about your adoption credit claim?

The IRS is committed to processing adoption credit claims quickly, but it also must safeguard against improper claims by ensuring the standards for this important credit are met.

If your return is selected for review, please keep in mind that it's necessary for the IRS to ensure the legal criteria are met before the credit can be paid. If you are owed a refund beyond the adoption credit, you will still receive that part of your refund while the review is being conducted.

You will be notified by the IRS if your return is selected for review. Once the initial review of your return is complete, you will receive a subsequent notice explaining the steps you need to take such as providing certain documentation to resolve the issue. If no additional steps are necessary, we will notify you that we have processed the credit and released the remaining refund. (8/4/11)

If you receive a notice about your filed tax return, follow these simple tips:

- Each letter and notice offers specific instructions on what you need to do to satisfy the inquiry. Review the correspondence and compare it with the information on your return.
- Mail or fax the requested documents and information, along with the bottom tear-off portion of the notice, to the IRS address or fax number shown on the notice. Allow at least six weeks for a response.
- Taxpayers should call the phone number on the notices they receive from the IRS if they have questions.

The IRS appreciates the assistance of those providing the documentation needed to protect this important credit to ensure only those who qualify receive it.

These additional links may also be helpful:

- [Adoption Credit Documentation Requirements](#)
- [Adoption Benefits FAQs](#)
- [Six Things to Know About the Expanded Adoption Tax Credit](#)
- [Seven Facts about the Expanded Adoption Credit](#)
- [Legal guidance](#)
- [Tax Topic 607](#), Adoption Credit

Six Things to Know About the Expanded Adoption Tax Credit



Six Things to Know About the Expanded Adoption Tax Credit

IRS Summertime Tax Tip 2011-10, July 27, 2011

If you are adopting a child in 2011, the Internal Revenue Service encourages you to familiarize yourself with the adoption tax credit. The Affordable Care Act increased the amount of the credit and made it refundable, which means it can increase the amount of your refund.

Here are six things to know about this valuable tax credit:

1. The adoption tax credit, which is as much as \$13,170, offsets qualified adoption expenses making adoption possible for some families who could not otherwise afford it. Taxpayers who adopt a child in 2010 or 2011 may qualify if you adopted or attempted to adopt a child and paid qualified expenses relating to the adoption.
2. Taxpayers with modified adjusted gross income of more than \$182,520 in 2010 may not qualify for the full amount and it phases out completely at \$222,520. The IRS may make inflation adjustments for 2011 to this phase-out amount as well as to the maximum credit amount.
3. You may be able to claim the credit even if the adoption does not become final. If you adopt a special needs child, you may qualify for the full amount of the adoption credit even if you paid few or no adoption-related expenses.
4. Qualified adoption expenses are reasonable and necessary expenses directly related to the legal adoption of the child who is under 18 years old, or physically or mentally incapable of caring for himself or herself. These expenses may include adoption fees, court costs, attorney fees and travel expenses.
5. To claim the credit, you must file a paper tax return and Form 8839, Qualified Adoption Expenses, and you must attach documents supporting the adoption. Documents may include a final adoption decree, placement agreement from an authorized agency, court documents and the state's determination for special needs children. You can still use IRS Free File to prepare your return, but it must be printed and mailed to the IRS, along with all required documentation. Failure to include required documents will delay your refund.
6. The IRS is committed to processing adoption credit claims quickly, but it also must safeguard against improper claims by ensuring the standards for this important credit are met. If your return is selected for review, please keep in mind that it is necessary for the IRS to ensure the legal criteria are met before the credit can be paid. If you are owed a refund beyond the adoption credit, you will still receive that part of your refund while the review is being conducted.

For more information see the Adoption Benefits FAQ page available at www.irs.gov or the instructions to IRS Form 8839, Qualified Adoption Expenses, which can be downloaded from the website or ordered by calling 800-TAX-FORM (800-829-3676).

Links:

- [Adoption Benefits FAQs](#)
- [Form 8839, Qualified Adoption Expenses](#)
- [Instructions for Form 8839, Qualified Adoption Expenses](#)