

**CHAPTER 354**

**(Senate Bill 26)**

AN ACT concerning

**Income Tax – Subtraction Modification for Adoption Expenses**

FOR the purpose of altering certain maximum amounts allowed as a subtraction modification under the income tax for certain expenses incurred by adoptive parents in the adoption of a child; ~~limiting the subtraction modification for certain adoption expenses to children domiciled in Maryland;~~ and providing for the application of this Act.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 10-208(b)

Annotated Code of Maryland

(1988 Volume and 1995 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

10-208.

(b) The subtraction under subsection (a) of this section includes reasonable and necessary adoption fees, court costs, attorney fees, and other expenses ~~INCURRED TO ADOPT A CHILD WHO IS DOMICILED IN MARYLAND~~ not exceeding:

(1) ~~[\$2,000]~~ \$3,000 that a parent incurs in the adoption of a child whom the State determines is a child with a special need, as described in § 473(c)(1) and (2) of the Social Security Act, if the adoption is made through a private, not for profit, licensed adoption agency, or a public child welfare agency; and

(2) ~~[\$1,000]~~ \$2,000 that a parent incurs in the adoption of a child without a special need as provided under item (1) of this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1996 and shall be applicable to all taxable years beginning after December 31, 1995.

Approved May 14, 1996.