



# TAX INFORMATION FLYER

## As per Internal Revenue Service (IRS) TAX TIP:

### Are You Eligible for an Adoption Tax Credit?

- Adoptive parents may qualify for a tax credit on their federal tax return.
- The credit may be allowed for the adoption of a child with special needs even if you do not have any qualifying expenses.
- For more information, contact your tax advisor or go to the IRS (Internal Revenue Service) website [www.irs.gov](http://www.irs.gov).

### Are You Eligible for the State Deduction for Certain Adoptions?

- Parents who adopt a child who is in foster care or a youth receiving extended foster care services may be eligible.
- Louisiana provides a deduction of \$5,000 for adoptive parents instead of the \$1,000 dependency deduction.
- The deduction can be claimed for the year in which the adoption is finalized.
- The deduction is claimed on Louisiana form IT-540, Schedule E, using code 30E.

**Note:** To find more information on the internet about the tax credit search: Adoption Tax Credit and the year (ex. Adoption Tax Credit 2020).