

FISCAL NOTE

June 13, 2019

Bill No:	HB 296	Printer's No:	269	Sponsor:	Toohil (R)
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COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund- Lost Revenue	See "FISCAL IMPACT"	\$10,000,000

SUMMARY: HB 296 amends the Tax Reform Code (TRC) to establish a tax credit program for foster and adoptive parents.

ANALYSIS: HB 296 amends TRC to create a tax credit for foster and adoptive parents. The credit is applicable against income tax. The bill establishes a \$500 credit for foster parents in any year where the foster child was claimed as a dependent. The bill establishes a \$1000 credit for adoptive parents in any year where the taxpayer qualifies for the Federal adoption tax credit.

HB 296 stipulates that the Department of Revenue shall process applications for this tax credit, in consultation with the Department of Human Services (DHS) and county agencies to verify that the applicant qualifies for the credit.

HB 296 sets the limit for the total amount of the credit at \$10,000 annually. The credit is non-refundable but may be carried over for five subsequent tax years at a reduced amount.

HB 296 takes effect 60 days after passage.

FISCAL IMPACT: HB 296 creates a \$10 million tax credit for foster and adoptive parents, which represents \$10 million in annual forgone revenue to the General Fund. Additionally, DHS may incur costs to development and maintain a system for tracking eligible foster and adoptive parents.