

# CONGRESSMAN JIM OBERSTAR NEWS RELEASE

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## OBERSTAR SUPPORTS LEGISLATION TO INCREASE ADOPTION TAX CREDIT

WASHINGTON--Members of the House of Representatives and Senate joined Congressman Jim Oberstar (D-MN) today to celebrate the introduction of the "Hope for Children Act," a bill to expand the adoption tax credit to \$10,000. The current \$5,000 credit is set to expire in 2001 for non-special needs adoptions. One hundred and eighty-eight House Members have signed on to be original co-sponsors of the legislation.

"My late wife Jo and I adopted our son Ted when he was three weeks old, and he brought us such joy. He is now the father of two children of his own. Since Ted came into our family, I have been a strong advocate for adoption and making adoption easier for families nationwide," Oberstar said. "From the outset of my service in Congress, I have worked to utilize the tax code to promote adoption. In 1975, I introduced legislation (H.R. 11086) to allow a \$500 tax deduction for adoption expenses. In 1996, President Clinton signed into law the minimum wage increase legislation that also contained a \$5,000 tax credit for adoptions and a \$6,000 credit for special needs adoptions. This law made the \$6,000 credit permanent for special needs adoptions, but the non-special needs credit is scheduled to expire at the end of 2001. It is very important that we extend that tax credit to continue to help thousands of adoptive families across the nation."

The Hope for Children Act permanently extends and doubles the adoption tax credit to \$10,000, indexes the credit for inflation, increases the earnings limit, and exempts the beneficiaries from the Alternative Minimum Tax. Additionally, the bill extends and doubles the tax exclusion allowed for employer-provided adoption benefits which is also set to expire this year, and includes a \$10,000 flat credit for special needs adoptions. This bill mirrors S. 148, introduced by Senator Larry Craig (R-ID) and Senator Mary Landrieu (D-LA), on January 23, 2001. The House version was introduced by the "Hope Coalition," a Congressional group comprised of Oberstar, Representatives Jim DeMint (R-SC), Spencer Bachus (R-AL), Peter King (R-NY) and House Conference Vice Chair Deborah Pryce (R-OH). A similar bill was introduced in the 106th Congress, and it had 280 House co-sponsors.

"All of us -- no matter what party we belong to or what political philosophy we believe in -- want

**every child to have a loving, permanent home," Congressman Jim Oberstar said today. "Many parents who want to open their hearts and homes to a child through adoption cannot because of the huge expense. Adoption can cost anywhere between \$8,000 to \$20,000 or more, and the cost continues to rise. This process is more expensive than most families can handle and is the chief obstacle to bringing a child who is alone in the world together with a loving family."**

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