

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION

P. O. BOX 88

JEFFERSON CITY, MISSOURI

February 27, 2004

MEMORANDUM

TO: REGIONAL EXECUTIVE STAFF, CIRCUIT MANAGERS, AND
CHILDREN'S DIVISION STAFF

FROM: FREDERIC M SIMMENS, DIRECTOR

SUBJECT: SPECIAL NEEDS ADOPTION TAX CREDIT MANUAL CHANGES

SECTION 4 CHAPTER 30 ATTACHMENT F: SPECIAL NEEDS
ADOPTION TAX CREDIT

POWERPOINT: ADOPTION TAX CREDIT

ADOPTION TAX CREDIT LOG

REFERENCE: CHILDREN'S DIVISION

DISCUSSION:

The purpose of this memorandum is to share policy changes to the Child Welfare Manual, Section 4, Chapter 30, Attachment F, Missouri Special Needs Adoption Tax Credit and to introduce a form titled, Adoption Tax Credit Log and a PowerPoint program entitled, "Adoption Tax Credit: A How-To Guide." At this time of year, many workers may have inquiries from adoptive families about the Special Needs Adoption Tax Credit. These policy changes and PowerPoint should assist you in answering questions families may ask so that they can determine if they may be eligible for the tax credit, as well as assist you in completing the necessary fields on their tax credit forms and in filing copies of the forms you complete appropriately.

The Missouri Special Needs Adoption Tax Credit is provided for in Missouri Statutes sections 135.325-135.339 RSMo. Missouri families adopting a special needs child may be eligible to receive a Missouri Adoption Tax Credit for non-recurring adoption expenses. These expenses may be claimed up to \$10,000.00, if the adopting parent(s) have not been reimbursed by federal, state or local resources for these same expenses. Generally, most families who receive adoption subsidy do not qualify for this tax credit if their non-recurring expenses were paid for through their subsidy.

Changes to the existing policy located in the Child Welfare Manual, Section 4, Chapter 30, Attachment F, include an emphasis on the procedural requirement that the entire Form ATC (with the exception of Part D and possibly Part C) be completed prior to the Children's Division providing assurances and signatures that the child meets special needs criteria and that no state, local or federal funds have been provided to this family with regard to the adoption of this child. The family documents all allowable adoption expenses in Part B of the form prior to the Children's Division staff providing a signature.

The attached Adoption Tax Credit Log document is to be used to track the Special Needs Adoption Tax Credit forms (Form ATC) your county is asked to sign each year. This log is to be attached to the front inside cover of a file entitled, "Adoption Tax Credit FY__". All signed ATC forms are to be logged, including the forms that were submitted for children who have been in the custody of the Children's Division. Forms that were submitted for children who have been in the custody of the Children's Division are to be filed in their adoption file, however, must still be logged.

To reiterate existing procedure, an Adoption Tax Credit file for each tax year is to be developed and maintained by a designated staff person in each county office. This file is to be entitled "Adoption Tax Credit FY__". According to existing policy, we are to maintain a copy of the form as well as the supporting documentation the parents provide in a file for that year, for five years. It is imperative that we follow policy with regard to record maintenance.

A downloadable version of the PowerPoint, "Adoption Tax Credit: A How-To Guide" is attached to this memorandum. You may choose to download this slide show onto your computer for future reference. The intent of this slide show is to provide workers with a friendly guide in working with the Missouri Special Needs Adoption Tax Credit. This PowerPoint will also be available to workers on the Children's Division Intranet site.

Necessary Action:

1. Review this memorandum with all Children's Division Staff.
2. Replace any printed versions of the Child Welfare Manual Section 4, Chapter 30, Attachment F with the new, updated version.
3. Route any questions with regard to this memorandum and the attached documents through normal, supervisory channels.

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Attachments