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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Qualified Adoption Expenses

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040 or 1040NR.
▶ See separate instructions.

Name(s) shown on return

Your social security number

Before you begin: See **Definitions** on page 1 of the instructions.

Part I Information About Your Eligible Child or Children—You must complete this part. See page 2 of the instructions for details, including what to do if you need more space.

1	(a) Child's name First Last		(b) Child's year of birth	Check if child was—			(f) Child's identifying number
				(c) born before 1989 and disabled	(d) a child with special needs	(e) a foreign child	
Child 1				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Child 2				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Caution. If the child was a foreign child, see **Special rules** in the instructions for line 1, column (e), that begin on page 2, before you complete Part II or Part III. If you received **employer-provided adoption benefits**, complete Part III on the back next.

Part II Adoption Credit

	Child 1	Child 2	
2 Maximum adoption credit per child	\$10,960	00	\$10,960 00
3 Did you file Form 8839 for a prior year for the same child? <input type="checkbox"/> No. Enter -0-. <input type="checkbox"/> Yes. See page 4 of the instructions for the amount to enter.			
4 Subtract line 3 from line 2			
5 Qualified adoption expenses (see page 4 of the instructions)			
Caution. Your qualified adoption expenses may not be equal to the adoption expenses you paid in 2006.			
6 Enter the smaller of line 4 or line 5			
7 Add the amounts on line 6. If zero, skip lines 8 through 11 and enter -0- on line 12			
8 Modified adjusted gross income (see page 4 of the instructions)			
9 Is line 8 more than \$164,410? <input type="checkbox"/> No. Skip lines 9 and 10, and enter -0- on line 11. <input type="checkbox"/> Yes. Subtract \$164,410 from line 8			
10 Divide line 9 by \$40,000. Enter the result as a decimal (rounded to at least three places). Do not enter more than 1.000			×
11 Multiply line 7 by line 10			
12 Subtract line 11 from line 7			
13 Credit carryforward from prior years (line 23 of your Credit Carryforward Worksheet on page 5 of the 2005 Form 8839 instructions)			
14 Add lines 12 and 13			
15 Enter the amount from Form 1040, line 46, or Form 1040NR, line 43			
16 1040 filers: Enter the total of any amounts from Form 1040, lines 47 through 51 and line 53; Form 8396, line 11, and Form 5695, line 12. 1040NR filers: Enter the total of any amounts from Form 1040NR, lines 44 through 46 and line 48; Form 8396, line 11; and Form 5695, line 12.			
17 Subtract line 16 from line 15			
18 Adoption credit. Enter the smaller of line 14 or line 17 here and include on Form 1040, line 54, or Form 1040NR, line 49; and check box b on that line. If line 17 is smaller than line 14, you may have a credit carryforward (see page 4 of the instructions)			

Part III Employer-Provided Adoption Benefits

		Child 1		Child 2		
19	Maximum exclusion per child	19	\$10,960 00		\$10,960 00	
20	Did you receive employer-provided adoption benefits for a prior year for the same child? <input type="checkbox"/> No. Enter -0-. <input type="checkbox"/> Yes. See page 4 of the instructions for the amount to enter.	20				
21	Subtract line 20 from line 19	21				
22	Employer-provided adoption benefits you received in 2006. This amount should be shown in box 12 of your 2006 Form(s) W-2 with code T	22				
23	Add the amounts on line 22					23
24	Enter the smaller of line 21 or line 22. But if the child was a child with special needs and the adoption became final in 2006, enter the amount from line 21	24				
25	Add the amounts on line 24. If zero, skip lines 26 through 29, enter -0- on line 30, and go to line 31			25		
26	Modified adjusted gross income (from the worksheet on page 6 of the instructions)	26				
27	Is line 26 more than \$164,410? <input type="checkbox"/> No. Skip lines 27 and 28, and enter -0- on line 29. <input type="checkbox"/> Yes. Subtract \$164,410 from line 26	27				
28	Divide line 27 by \$40,000. Enter the result as a decimal (rounded to at least three places). Do not enter more than 1.000	28			×	
29	Multiply line 25 by line 28	29				
30	Excluded benefits. Subtract line 29 from line 25					30
31	Taxable benefits. Is line 30 more than line 23? <input type="checkbox"/> No. Subtract line 30 from line 23. Also, include this amount, if more than zero, on line 7 of Form 1040 or line 8 of Form 1040NR. On the line next to line 7 of Form 1040 or line 8 of Form 1040NR, enter "AB." <input type="checkbox"/> Yes. Subtract line 23 from line 30. Enter the result as a negative number. Reduce the total you would enter on line 7 of Form 1040 or line 8 of Form 1040NR by the amount on Form 8839, line 31. Enter the result on line 7 of Form 1040 or line 8 of Form 1040NR. On the line next to line 7 of Form 1040 or line 8 of Form 1040NR, enter "SNE."					31



You may be able to claim the adoption credit in Part II on the front of this form if either of the following applies.

- The total adoption expenses you paid in 2006 were not fully reimbursed by your employer and the adoption became final in 2006 or earlier.
- You adopted a child with special needs and the adoption became final in 2006.



Instructions for Form 8839

Qualified Adoption Expenses

General Instructions

What's New

New rules apply in determining when a foreign adoption becomes final. See Rev. Proc. 2005-31, 2005-26 I.R.B. 1374, available at www.irs.gov/irb/2005-26_IRB/ar01.html.

Purpose of Form

Use Form 8839 to figure the amount of your adoption credit and any employer-provided adoption benefits you can exclude from your income. You can claim both the credit and the exclusion for expenses of adopting an eligible child. But, you cannot claim both for the same expenses.

Adoption credit. Use Form 8839, Part II, to figure the amount of any adoption credit you can take on Form 1040, line 53, or Form 1040A, line 34. You may be able to take this credit if any of the following applies.

1. You paid qualified adoption expenses in:
 - a. 2004 and the adoption was not final at the end of 2004, or
 - b. 2005 and the adoption became final in or before 2005.
2. You adopted a child with special needs and the adoption became final in 2005.
3. You paid expenses after 1996 in connection with the adoption of an eligible foreign child and the adoption became final in 2005. See the instructions for line 1, column (e), that begin on page 2.
4. You have a carryforward of an adoption credit from a prior year.

Income exclusion for employer-provided adoption benefits. Use Form 8839, Part III, to figure the amount of any employer-provided adoption benefits you can exclude from your income on Form 1040 or 1040A, line 7. You may be able to exclude these benefits from income if your employer had a qualified adoption assistance program (see *Employer-Provided Adoption Benefits* on this page) and any of the following applies.

- You received employer-provided adoption benefits in 2005. However, special rules apply for benefits received in connection with the adoption of an eligible foreign child. See the instructions for line 1, column (e), that begin on page 2.
- You adopted a child with special needs and the adoption became final in 2005.
- You received employer-provided adoption benefits after 1996 in connection with the adoption of an eligible foreign child and the adoption became final in 2005. See the instructions for line 1, column (e), that begin on page 2.

You must complete Form 8839, Part III, before you can figure the credit, if any, in Part II.



You cannot exclude employer-provided adoption benefits if your employer is an S-corporation in which you own more than 2% of the stock or stock with more than 2% of the voting power.

Definitions

Eligible Child

An eligible child is:

- Any child under age 18. If the child turned 18 during the year, the child is an eligible child for the part of the year he or she was under age 18.
- Any disabled person physically or mentally unable to take care of himself or herself.



If you and another person (other than your spouse if filing jointly) adopted or tried to adopt an eligible child, see the instructions for line 2 (or line 19 if applicable), on page 4 before completing Part II (or Part III).

Employer-Provided Adoption Benefits

Employer-provided adoption benefits are amounts your employer paid directly to either you or a third party for qualified adoption expenses under a qualified adoption assistance program. Generally, a qualified adoption assistance program is a separate written plan set up by an employer to provide adoption assistance to its employees. For more details, see Pub. 15-B, Employer's Tax Guide to Fringe Benefits.

Employer-provided adoption benefits should be shown in box 12 of your Form(s) W-2 with code T. Your salary may have been reduced to pay these benefits. You may also be able to exclude amounts not shown in box 12 of your Form W-2 if all of the following apply.

- You adopted a child with special needs. See the instructions for line 1, column (d), on page 2 for the definition of a child with special needs.
- The adoption became final in 2005.
- Your employer had a qualified adoption assistance program as described above.

Qualified Adoption Expenses

Qualified adoption expenses are reasonable and necessary expenses directly related to, and for the principal purpose of, the legal adoption of an eligible child.

Qualified adoption expenses include:

- Adoption fees.
- Attorney fees.
- Court costs.
- Travel expenses (including meals and lodging) while away from home.
- Re-adoption expenses relating to the adoption of a foreign child.

Qualified adoption expenses do not include expenses:

- For which you received funds under any state, local, or federal program.
- That violate state or federal law.
- For carrying out a surrogate parenting arrangement.

- For the adoption of your spouse's child.
- Paid or reimbursed by your employer or any other person or organization.
- Paid before 1997.
- Allowed as a credit or deduction under any other provision of federal income tax law.

Who Can Take the Adoption Credit or Exclude Employer-Provided Adoption Benefits?

You may be able to take the credit or exclusion if all three of the following apply.

1. Your filing status is single, head of household, qualifying widow(er), or married filing jointly. If your filing status is married filing separately, see *Married Persons Filing Separate Returns* below.
2. Your modified AGI is less than \$199,450 or you have a carryforward of an adoption credit from a prior year. To figure your modified AGI, see the instructions for line 8 on page 4 (for the credit) or line 26 on page 6 (for the exclusion).
3. You report the required information about the eligible child in Part I.

Married Persons Filing Separate Returns

You may be able to take the credit or exclusion if all of the following apply.

- You meet items (2) and (3) under *Who Can Take the Adoption Credit or Exclude Employer-Provided Adoption Benefits* above.
- You lived apart from your spouse during the last 6 months of 2005.
- The eligible child lived in your home more than half of 2005.
- You provided over half the cost of keeping up your home.

Specific Instructions

Part I—Information About Your Eligible Child or Children Line 1

Complete all columns that apply to the eligible child you adopted or tried to adopt. If you do not give correct or complete information, your credit and any exclusion may be disallowed.

If you cannot give complete information about an eligible child you tried to adopt in 2004 because the adoption was either unsuccessful or was not final by the end of 2005, complete the entries you can on line 1. Enter "See Page 2" in the columns for which you do not have the information. Then, on the bottom of page 2, enter the name and address of any agency or agent (such as an attorney) that assisted in the attempted adoption.

Child 1 or Child 2

If you made more than one attempt to adopt one eligible child, combine the amounts you spent and complete only the "Child 1" line. Do not report the additional attempt(s) on the "Child 2" line. Complete the "Child 2" line only if you adopted or tried to adopt two eligible children.

Example. You planned to adopt one child. You had one unsuccessful attempt to adopt a child and later

successfully adopted a different child. Complete only the "Child 1" line because you made more than one attempt to adopt one eligible child.



If you filed Form 8839 for a prior year in connection with this adoption, enter your 2005 information on the same line (Child 1 or Child 2) that you used in the prior year.

More Than Two Eligible Children

If you adopted or tried to adopt more than two eligible children, fill in and attach as many Forms 8839 as you need to list them. Also, enter "See Attached" to the right of the *Caution* below line 1.

For Part II, fill in lines 2 through 6 for each child. But fill in lines 7 through 18 on only one Form 8839. The amount on line 7 of that Form 8839 should be the combined total of the amounts on line 6 of all the Forms 8839.

For Part III, fill in lines 19 through 22 and 24 for each child. But fill in lines 23 and 25 through 31 on only one Form 8839. The amount on line 23 of that Form 8839 should be the combined total of the amounts on line 22 of all the Forms 8839. The amount on line 25 of that form should be the combined total of the amounts on line 24.

Column (c)

A child is disabled if the child is physically or mentally unable to take care of himself or herself.

Column (d)

A child is a child with special needs if all three of the following apply.

1. The child was a citizen or resident of the United States or its possessions at the time the adoption process began.
2. A state (including the District of Columbia) has determined that the child cannot or should not be returned to his or her parents' home.
3. The state has determined that the child will not be adopted unless assistance is provided to the adoptive parents. Factors used by states to make this determination include:
 - a. The child's ethnic background and age,
 - b. Whether the child is a member of a minority or sibling group, and
 - c. Whether the child has a medical condition or a physical, mental, or emotional handicap.



If you check the box in column (d), be sure to keep evidence of the state's determination in your records.

Column (e)

A child is a foreign child if he or she was not a citizen or resident of the United States or its possessions at the time the adoption process began.

Special rules. If you paid qualified adoption expenses after 1996 in connection with the adoption of a foreign child and the adoption became final in 2005, you can use the total expenses paid after 1996 in determining the amount to enter on line 5. But you cannot include more than \$5,000 of expenses paid before 2002 in determining the total. If you and another person (other than your spouse if filing jointly) each paid qualified adoption expenses to adopt the same child, the total qualified expenses (including those subject to the \$5,000 limit) must be divided between the two of you. You can divide it in any way you both agree.

Exclusion of Prior Year Benefits Worksheet
(for the adoption of a foreign child that became final in 2005)

1. Did you receive employer-provided adoption benefits before 2002 for the adoption of the foreign child?
 - No.** Skip lines 1 and 2; enter -0- on line 3 and go to line 4.
 - Yes.** Enter the total **1997 through 2001** employer-provided adoption benefits you received for the adoption of the foreign child **1.** _____
2. Enter **\$5,000**. If you and another person (other than your spouse if filing jointly) each received employer-provided adoption benefits after 1996 and before 2002 to adopt the same child, see instructions below **2.** _____
3. Enter the **smaller** of line 1 or line 2 **3.** _____
4. Enter the total **2002 through 2005** employer-provided adoption benefits you received for the adoption of the foreign child **4.** _____
5. Add lines 3 and 4 **5.** _____
6. Enter **\$10,630**. If you and another person (other than your spouse if filing jointly) each received employer-provided adoption benefits in 2002 through 2005 to adopt the same child, see instructions below. **6.** _____
7. Enter the **smaller** of line 5 or line 6 here and on Form 8839, line 19. If necessary, cross out the preprinted amount on line 19 and enter the result above the preprinted amount **7.** _____

Next:

- Enter -0- on Form 8839, line 20.
 - Enter the amount from line 7 above on Form 8839, line 21.
 - On Form 8839, line 22, enter the total amount of employer-provided adoption benefits received in **1997 through 2005**. On the dotted line next to line 22, enter "PYAB" and the total amount of benefits you received in **1997 through 2004**.
 - Complete Form 8839 through line 30. Then, complete lines 8 through 13 below to figure the amount of any prior year benefits you can exclude and the taxable benefits, if any, to enter on Form 8839, line 31.
8. Is the amount on your 2005 Form 8839, line 30, less than the amount on Form 8839, line 23?
 - No.** Skip lines 8 through 10 and go to line 11.
 - Yes.** Subtract line 30 from line 23 **8.** _____
 9. Enter the total **1997 through 2004** employer-provided adoption benefits included on Form 8839, line 22, for all children **9.** _____
 10. **Taxable benefits.** Subtract line 9 from line 8. If zero or less, enter -0-. Enter the result here and on Form 8839, line 31. If more than zero, also include this amount on line 7 of Form 1040 or 1040A. On the dotted line next to line 7, enter "AB." **10.** _____
 11. Enter the amount from Form 8839, line 30 **11.** _____
 12. Enter the total **2005** employer-provided adoption benefits included on Form 8839, line 22, for all children . . . **12.** _____
 13. **Prior year excluded benefits.** Subtract line 12 from line 11. If zero or less, **stop**; you cannot exclude any of your prior year benefits **13.** _____
Next. Figure the total you would enter on line 7 of Form 1040 or 1040A **before** you exclude the amount from line 13 above. Then, subtract the amount from line 13 above from that total. Enter the result on line 7 of Form 1040 or 1040A. On the line next to line 7, enter "PYAB" and the amount from line 13 above.

Worksheet Instructions

Line 2. The maximum amount of employer-provided adoption benefits received after 1996 and before 2002 that can be excluded from income is \$5,000 per child. If you and another person (other than your spouse if filing jointly) each received employer-provided adoption benefits to adopt the same child, the \$5,000 limit must be divided between the two of you. You can divide it in any way you both agree. Enter your share of the \$5,000 limit on line 2 of the worksheet above.

Line 6. The maximum amount of employer-provided adoption benefits that can be excluded from income is \$10,630 per child (including up to \$5,000 of benefits received after 1996 and before 2002). If you and another person (other than your spouse if filing jointly) each received employer-provided adoption benefits to adopt the same child, the \$10,630 limit must be divided between the two of you. You can divide it in any way you both agree. Enter your share of the \$10,630 limit on line 6 of the worksheet above.

If the adoption did not become final by the end of 2005, you cannot take the adoption credit for that child in 2005. If the adoption becomes final in a later year, you may be able to take a credit for the expenses in that year.

If you received employer-provided adoption benefits in 2005 in connection with the adoption of a foreign child and the adoption did not become final by the end of 2005, you must include the benefits in the total entered on Form 1040 or 1040A, line 7. Also, enter "AB" (adoption benefits) next to line 7. If the adoption becomes final in a later year, you may be able to exclude the benefits from your income in that year. To find out when a foreign adoption is treated as final, see Rev. Proc. 2005-31.

Exclusion of prior year benefits. If you received employer-provided adoption benefits after 1996 in connection with the adoption of a foreign child and the adoption became final in 2005, you may be able to exclude part or all of those benefits from your 2005 income. To find out if you can, complete the worksheet on page 3. You also must use the worksheet to complete Form 8839, Part III, and to figure any taxable benefits to enter on Form 8839, line 31.

If the adoption of more than one foreign child became final in 2005, complete lines 1 through 7 of the worksheet on page 3 separately for each foreign child and use the combined totals to complete lines 8 through 13 of the worksheet.

Column (f)

Enter the child's identifying number. This can be a social security number (SSN), an adoption taxpayer identification number (ATIN), or an individual taxpayer identification number (ITIN).

To get an —

- SSN, use Form SS-5.
- ATIN, use Form W-7A.
- ITIN, use Form W-7.

Part II—Adoption Credit


Line 2

The maximum adoption credit is \$10,630 per child. If you and another person (other than your spouse if filing jointly) each paid qualified adoption expenses to adopt the same child, the \$10,630 limit must be divided between the two of you. You can divide it in any way you both agree. Cross out the preprinted entry on line 2 and enter above line 2 your share of the \$10,630 limit for that child.

Line 3

If you filed Form 8839 in any year from 1998 through 2004, enter the total of the amounts shown for the child on lines 3 and 6 of the last form you filed. Otherwise, enter the amount shown for the child on line 4 of your 1997 Form 8839.

Line 5

 **Special rules apply if you paid expenses in connection with the adoption of an eligible foreign child. See the instructions for line 1, column (e), on page 2 for details.**

Enter on line 5 the total qualified adoption expenses you paid in:

- 2004 if the adoption was not final by the end of 2005.

- 2004 and 2005 if the adoption became final in 2005.
 - 2005 if the adoption became final before 2005.
- But, if you adopted a child with special needs and the adoption became final in 2005, enter \$10,630 on line 5.

Line 8

Use the following chart to find your modified adjusted gross income to enter on line 8.

IF you file. . .	THEN enter on line 8 the amount from. . .
Form 1040	Form 1040, line 38, increased by the total of any: <ul style="list-style-type: none"> • Exclusion of income from Puerto Rico and • Amounts from— <ul style="list-style-type: none"> • Form 2555, lines 43 and 48. • Form 2555-EZ, line 18. • Form 4563, line 15.
Form 1040A	Form 1040A, line 22.

Line 18—Credit Carryforward to 2006

If Form 8839, line 17, is smaller than line 14, you may have an unused credit to carry forward to the next 5 years or until used, whichever comes first. Use the worksheet on page 5 to figure the amount of your credit carryforward. If you have any unused credit to carry forward to 2006, be sure you keep the worksheet. You will need it to figure your credit for 2006.

Part III—Employer-Provided Adoption Benefits


Line 19

The maximum amount that can be excluded from income for employer-provided adoption benefits is \$10,630 per child. If you and another person (other than your spouse if filing jointly) each received employer-provided adoption benefits in connection with the adoption of the same eligible child, the \$10,630 limit must be divided between the two of you. You can divide it in any way you both agree. Cross out the preprinted entry on line 19 and enter above line 19 your share of the \$10,630 limit for that child.

Line 20

Use the following chart to find the amount to enter on line 20.

IF the last year you filed Form 8839 for the child was...	THEN enter on line 20 the total of the amounts for the child from that Form 8839...
1999, 2002, 2003, or 2004	Lines 20 and 24
2000 or 2001	Lines 16 and 20
1998	Lines 18 and 22
1997	Line 15

 **Special rules apply if the prior year benefits were received in connection with the adoption of a foreign child and the adoption became final in 2005. See Exclusion of prior year benefits on this page.**



1. Enter the amount from Form 8839, line 12 1. _____
 Did you use the **Credit Carryforward Worksheet** in the **2004** Form 8839 instructions?
 No. Skip lines 2 through 6. Enter the amount from line 1 above on line 7.
 Yes. Have that worksheet handy and go to line 2.
2. Enter any 2000 credit carryforward (line 12 of your 2004 worksheet) 2. _____
3. Enter any 2001 credit carryforward (line 14 of your 2004 worksheet) 3. _____
4. Enter any 2002 credit carryforward (line 16 of your 2004 worksheet) 4. _____
5. Enter any 2003 credit carryforward (line 18 of your 2004 worksheet) 5. _____
6. Enter any 2004 credit carryforward (line 20 of your 2004 worksheet) 6. _____
7. Add lines 1 through 6 7. _____
8. Enter the amount from Form 8839, line 18 8. _____
9. Subtract line 8 from line 7 9. _____
 Did you enter an amount on line 2, 3, 4, 5, or 6 above?
 No. Enter the amount from line 9 on lines 20 and 23 below; skip all the other lines.
 Yes. *Continue* ↘
10. Subtract line 8 from line 2. If zero or less, enter -0- 10. _____
11. Subtract line 2 from line 8. If zero or less, enter -0- 11. _____
12. **2001 credit carryforward to 2006.** Subtract line 11 from line 3. If zero or less, enter -0- 12. _____
13. Subtract line 3 from line 11. If zero or less, enter -0- 13. _____
14. **2002 credit carryforward to 2006.** Subtract line 13 from line 4. If zero or less, enter -0- 14. _____
15. Subtract line 4 from line 13. If zero or less, enter -0- 15. _____
16. **2003 credit carryforward to 2006.** Subtract line 15 from line 5. If zero or less, enter -0- 16. _____
17. Subtract line 5 from line 15. If zero or less, enter -0- 17. _____
18. **2004 credit carryforward to 2006.** Subtract line 17 from line 6. If zero or less, enter -0- 18. _____
19. Add lines 10, 12, 14, 16, and 18 19. _____
20. **2005 credit carryforward to 2006.** Subtract line 19 from line 9. If zero or less, enter -0- 20. _____
21. Add lines 19 and 20 21. _____
22. Enter the amount from line 10 22. _____
23. **Total credit carryforward to 2006.** Subtract line 22 from line 21 23. _____

Line 26

Follow these steps before you fill in the line 26 worksheet below.

Step	Action						
1	Figure the amount you would enter on line 7 of Form 1040 or 1040A if you could exclude the total amount on Form 8839, line 23.						
2	If you received social security benefits, use Pub. 915, Social Security and Equivalent Railroad Retirement Benefits, to figure the taxable amount of your benefits.						
3	If you made contributions to a traditional IRA for 2005 and you were covered by a retirement plan at work or through self-employment, use Pub. 590, Individual Retirement Arrangements (IRAs), to figure your IRA deduction.						
4	If you file Form 1040, figure any write-in adjustments to be entered on the dotted line next to line 36.						
5	Complete the following lines on your return if they apply: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">IF you file...</th> <th style="width: 50%;">THEN complete...</th> </tr> </thead> <tbody> <tr> <td>Form 1040</td> <td>Lines 8a through 21, and 23 through 32</td> </tr> <tr> <td>Form 1040A</td> <td>Lines 8a through 14b, 16, and 17</td> </tr> </tbody> </table>	IF you file...	THEN complete...	Form 1040	Lines 8a through 21, and 23 through 32	Form 1040A	Lines 8a through 14b, 16, and 17
IF you file...	THEN complete...						
Form 1040	Lines 8a through 21, and 23 through 32						
Form 1040A	Lines 8a through 14b, 16, and 17						



For purposes of the adoption credit, your modified adjusted gross income may be different. If you are taking the credit, be sure to read the instructions for line 8 on page 4 before you enter an amount on that line.

Modified Adjusted Gross Income (AGI) Worksheet—Line 26

Keep for Your Records



Before you begin: Follow the steps above to see if you can use this worksheet instead of a publication to figure your modified AGI.

1. Enter the amount you would enter on line 7 of Form 1040 or 1040A if you could exclude the total amount on Form 8839, line 23 **1.** _____
2. Enter the amount from Form 8839, line 23 **2.** _____
3. **Form 1040 filers**, enter the total of lines 8a, 9a, 10 through 14, 15b, 16b, 17 through 19, 20b, and 21. **Form 1040A filers**, enter the total of lines 8a, 9a, 10, 11b, 12b, 13, and 14b **3.** _____
4. Add lines 1, 2, and 3 **4.** _____
5. **Form 1040 filers**, enter the total of lines 23 through 32, plus any write-in adjustments entered on the dotted line next to line 36. **Form 1040A filers**, enter the total of lines 16 and 17 **5.** _____
6. Subtract line 5 from line 4 **6.** _____

Form 1040 filers, increase the amount on line 6 above by the total of the following amounts. Enter the total on Form 8839, line 26.

- Any amount from **Form 2555**, lines 43 and 48, **Form 2555-EZ**, line 18, and **Form 4563**, line 15, and
- Any exclusion of income from Puerto Rico.

Form 1040A filers, enter on Form 8839, line 26, the amount from line 6 above.