

Qualified Adoption Expenses

Department of the Treasury
Internal Revenue Service (99)

- ▶ Attach to Form 1040 or 1040NR.
- ▶ Attach all required documents.
- ▶ See separate instructions.

Attachment
Sequence No. **38**

Name(s) shown on return

Your social security number

Part I Information About Your Eligible Child or Children—You must complete this part. See 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 | (g) Check if adoption became final in 2011 or earlier |
|---------|---------------------------------------|--|---------------------------------|--|---|------------------------------|--------------------------------------|---|
| | | | | (c) born before 1994 and disabled | (d) a child with special needs | (e) a foreign child | | |
| Child 1 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> |
| Child 2 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | <input type="checkbox"/> |
| Child 3 | | | | <input type="checkbox"/> | <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) 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 | Child 3 | |
|--|---------|---------|---------|--------------|
| 2 Maximum adoption credit per child | | | | 2 |
| 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 instructions for the amount to enter. | | | | 3 |
| 4 Subtract line 3 from line 2 | | | | 4 |
| 5 Qualified adoption expenses (see instructions) | | | | 5 |
| Caution. Your qualified adoption expenses may not be equal to the adoption expenses you paid in 2011. | | | | |
| 6 Enter the smaller of line 4 or line 5 | | | | 6 |
| 7 Enter modified adjusted gross income (see instructions) | | | | 7 |
| 8 Is line 7 more than \$185,210? <input type="checkbox"/> No. Skip lines 8 and 9, and enter -0- on line 10. <input type="checkbox"/> Yes. Subtract \$185,210 from line 7 | | | | 8 |
| 9 Divide line 8 by \$40,000. Enter the result as a decimal (rounded to at least three places). Do not enter more than 1.000 | | | | 9 × . |
| 10 Multiply each amount on line 6 by line 9 | | | | 10 |
| 11 Subtract line 10 from line 6 | | | | 11 |
| 12 Add the amounts on line 11. This is your Adoption Credit. Include this amount on Form 1040, line 71, or Form 1040NR, line 67. Check box b on that line and attach all required documentation | | | | 12 |

For Paperwork Reduction Act Notice, see your tax return instructions.

Part III Employer-Provided Adoption Benefits

Caution: Before completing Part III, ensure that your employer has a written qualified adoption assistance program.

| | Child 1 | Child 2 | Child 3 | |
|--|-----------|---------|---------|---------------|
| 13 Maximum exclusion per child | 13 | | | |
| 14 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 instructions for the amount to enter. | 14 | | | |
| 15 Subtract line 14 from line 13 | 15 | | | |
| 16 Employer-provided adoption benefits you received in 2011. This amount should be shown in box 12 of your 2011 Form(s) W-2 with code T | 16 | | | |
| 17 Add the amounts on line 16 | | | | 17 |
| 18 Enter the smaller of line 15 or line 16. But if the child was a child with special needs and the adoption became final in 2011, enter the amount from line 15 | 18 | | | |
| 19 Enter modified adjusted gross income (from the worksheet in the instructions) | 19 | | | |
| 20 Is line 19 more than \$185,210? <input type="checkbox"/> No. Skip lines 20 and 21, and enter -0- on line 22. <input type="checkbox"/> Yes. Subtract \$185,210 from line 19 | 20 | | | |
| 21 Divide line 20 by \$40,000. Enter the result as a decimal (rounded to at least three places). Do not enter more than 1.000 | | | | 21 × . |
| 22 Multiply each amount on line 18 by line 21 | 22 | | | |
| 23 Excluded benefits. Subtract line 22 from line 18 | 23 | | | |
| 24 Add the amounts on line 23 | | | | 24 |
| 25 Taxable benefits. Is line 24 more than line 17? <input type="checkbox"/> No. Subtract line 24 from line 17. Also, include this amount, if more than zero, on line 7 of Form 1040 or line 8 of Form 1040NR. On the dotted line next to line 7 of Form 1040 or line 8 of Form 1040NR, enter "AB." <input type="checkbox"/> Yes. Subtract line 17 from line 24. 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 25. Enter the result on line 7 of Form 1040 or line 8 of Form 1040NR. Enter "SNE" on the dotted line next to the entry line. | | | | 25 |

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



- You paid adoption expenses in 2010, those expenses were not fully reimbursed by your employer or otherwise, and the adoption was not final by the end of 2010.
- The total adoption expenses you paid in 2011 were not fully reimbursed by your employer or otherwise, and the adoption became final in 2011 or earlier.
- You adopted a child with special needs and the adoption became final in 2011.