

Qualified Adoption Expenses

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040 or 1040A.

▶ See separate instructions.

Name(s) shown on return

Your social security number

Before you begin, you need to understand the following terms. See **Definitions** on page 1 of the instructions.

- **Eligible Child**
- **Employer-Provided Adoption Benefits**
- **Qualified Adoption Expenses**

Part I Information About Your Eligible Child or Children—You must complete this part. See 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 1981 and was disabled	(d) a child with special needs	(e) a foreign child	
Child 1			19	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child 2			19	<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		
2 Enter \$5,000 (\$6,000 for a child with special needs)	2				
3 Did you file a 1997 or 1998 Form 8839? <input type="checkbox"/> No. Enter -0-. <input type="checkbox"/> Yes. See the instructions for the amount to enter.	3				
4 Subtract line 3 from line 2	4				
5 Enter the total qualified adoption expenses you paid in: ● 1998 if the adoption was not final by the end of 1999. ● 1998 and 1999 if the adoption was final in 1999. ● 1999 if the adoption was final before 1999.	5				
6 Enter the smaller of line 4 or line 5	6				
7 Add the amounts on line 6. If zero, skip lines 8-11 and enter -0- on line 12	7				
8 Enter your modified adjusted gross income (see instructions)	8				
9 If line 8 is \$75,000 or less, skip lines 9 and 10 and enter -0- on line 11. If line 8 is over \$75,000, subtract \$75,000 from the amount on line 8	9				
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"	10			X	
11 Multiply line 7 by line 10	11				
12 Subtract line 11 from line 7	12				
13 Enter any credit carryforward from 1997 (line 15 of your 1998 Form 8839)	13				
14 Enter any credit carryforward from 1998 (line 16 of your 1998 Form 8839)	14				
15 Add lines 12, 13, and 14. Then, see the instructions for the amount of credit to enter on Form 1040, line 45, or Form 1040A, line 30	15				
16 1997 credit carryforward to 2000 (see instructions)	16				
17 1998 credit carryforward to 2000 (see instructions)	17				
18 1999 credit carryforward to 2000 (see instructions)	18				

Part III Employer-Provided Adoption Benefits

		Child 1		Child 2			
19	Enter \$5,000 (\$6,000 for a child with special needs)	19					
20	Did you receive employer-provided adoption benefits for 1997 or 1998? <input type="checkbox"/> No. Enter -0-. <input type="checkbox"/> Yes. See the instructions for the amount to enter.	20					
21	Subtract line 20 from line 19. If zero or less, enter -0-	21					
22	Enter the total amount of your employer-provided adoption benefits received in 1999. This amount should be shown in box 13 of your 1999 W-2 form(s) with code T	22					
23	Add the amounts on line 22					23	
24	Enter the smaller of line 21 or line 22	24					
25	Add the amounts on line 24. If zero, skip lines 26-29, enter -0- on line 30, and go to line 31			25			
26	Enter your modified adjusted gross income (from the worksheet in the instructions)	26					
27	If line 26 is \$75,000 or less, skip lines 27 and 28 and enter -0- on line 29. If line 26 is over \$75,000, subtract \$75,000 from the amount on 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. Subtract line 30 from line 23. Also, include this amount on Form 1040, line 7, or Form 1040A, line 7. On the line next to line 7, enter "AB"					31	

If the total adoption expenses you paid in 1999 were not fully reimbursed by your employer **AND** the adoption was final in or before 1999, you may be able to claim the adoption credit in Part II on the front of this form.

