

**Qualified Adoption Expenses**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 1040 or 1040A.

**2001**  
Attachment  
Sequence No. **38**

▶ 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		(b) Child's year of birth	Check if child was—			(f) Child's identifying number
				(c) born before 1983 and was disabled	(d) a child with special needs	(e) a foreign child	
	First	Last					
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), 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 Form 8839 for a prior year? <input type="checkbox"/> <b>No.</b> Enter -0-. <input type="checkbox"/> <b>Yes.</b> See the instructions for the amount to enter.	3			
4 Subtract line 3 from line 2 . . . . .	4			
5 Enter the total <b>qualified adoption expenses</b> you paid in: ● 2000 if the adoption was not final by the end of 2001. ● 2000 and 2001 if the adoption was final in 2001. ● 2001 if the adoption was final before 2001.	5			
6 Enter the <b>smaller</b> 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 Is line 8 more than \$75,000? <input type="checkbox"/> <b>No.</b> Skip lines 9 and 10, and enter -0- on line 11. <input type="checkbox"/> <b>Yes.</b> Subtract \$75,000 from 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 Carryforward of adoption credit from prior years (see instructions) . . . . .	13			
14 Add lines 12 and 13. Then, see the instructions for the amount of credit to enter on Form 1040, line 49, or Form 1040A, line 32 . . . . .	14			

For Paperwork Reduction Act Notice, see page 4 of instructions.

**Part III** Employer-Provided Adoption Benefits

	Child 1	Child 2	
<b>15</b> Enter \$5,000 (\$6,000 for a child with special needs) . . . . .	<b>15</b>		
<b>16</b> Did you receive <b>employer-provided adoption benefits</b> for a prior year?  <input type="checkbox"/> <b>No.</b> Enter -0-. <input type="checkbox"/> <b>Yes.</b> See the instructions for the amount to enter.	<b>16</b>		
<b>17</b> Subtract line 16 from line 15. If zero or less, enter -0- . . . . .	<b>17</b>		
<b>18</b> Enter the total amount of employer-provided adoption benefits you received in 2001. This amount should be shown in box 12 of your 2001 W-2 form(s) with code T . . . . .	<b>18</b>		
<b>19</b> Add the amounts on line 18 . . . . .			<b>19</b>
<b>20</b> Enter the <b>smaller</b> of line 17 or line 18	<b>20</b>		
<b>21</b> Add the amounts on line 20. If zero, skip lines 22-25, enter -0- on line 26, and go to line 27 . . . . .		<b>21</b>	
<b>22</b> Enter your modified adjusted gross income (from the worksheet in the instructions) . . . . .	<b>22</b>		
<b>23</b> Is line 22 more than \$75,000? <input type="checkbox"/> <b>No.</b> Skip lines 23 and 24, and enter -0- on line 25. <input type="checkbox"/> <b>Yes.</b> Subtract \$75,000 from line 22.	<b>23</b>		
<b>24</b> Divide line 23 by \$40,000. Enter the result as a decimal (rounded to at least three places). Do not enter more than "1.000" . . . . .		<b>24</b>	×
<b>25</b> Multiply line 21 by line 24 . . . . .		<b>25</b>	
<b>26</b> <b>Excluded benefits.</b> Subtract line 25 from line 21 . . . . .			<b>26</b>
<b>27</b> <b>Taxable benefits.</b> Subtract line 26 from line 19. Also, include this amount on Form 1040, line 7, or Form 1040A, line 7. On the line next to line 7, enter "AB" . . . . .			<b>27</b>

**Note:** If the total adoption expenses you paid in 2001 were not fully reimbursed by your employer **and** the adoption was final in or before 2001, you may be able to claim the adoption credit in Part II on the front of this form.

