

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE BILL 281

By: Deever

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6 AS INTRODUCED

7 An Act relating to income tax; creating the Making
8 Adoption Affordable Again Act; providing short title;
9 stating intent; defining terms; providing credit for
10 donations and in-kind contributions to adoption
11 funding organizations; stipulating credit amount;
12 making credit refundable; providing annual credit
13 limit; prescribing procedure to enforce limit;
14 requiring the Oklahoma Tax Commission to prescribe
15 application form for certification; providing
16 compliance requirements; requiring the Commission to
17 send notice of noncompliance; authorizing the
18 Commission to revoke certification; amending Section
19 1, Chapter 341, O.S.L. 2022 (68 O.S. Supp. 2024,
20 Section 2357.601), which relates to credit for
21 nonrecurring adoption expenses; modifying credit
22 amount and taxpayer limitation for certain tax years;
23 clarifying statutory language; providing for
24 noncodification; providing for codification;
25 providing an effective date; and declaring an
26 emergency.

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29 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

30 SECTION 1. NEW LAW A new section of law not to be
31 codified in the Oklahoma Statutes reads as follows:

32 This act shall be known and may be cited as the "Make Adoption
33 Affordable Again Act".
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1 SECTION 2. NEW LAW A new section of law not to be

2 codified in the Oklahoma Statutes reads as follows:

3 A. The Legislature hereby finds that:

4 1. Stable and loving families are foundational to the well-
5 being of children and the moral fabric of this state;

6 2. Adoption provides a critical pathway for children without
7 families to achieve stability and to flourish;

8 3. The financial burden of adoption remains a significant
9 obstacle for Oklahoma families;

10 4. Churches and private organizations are uniquely positioned
11 to play a vital role in facilitating and funding adoptions,
12 consistent with historical and community practices; and

13 5. This state has a compelling interest in minimizing
14 government intervention in private and religious adoption
15 initiatives while promoting community-driven solutions.

16 B. Therefore, it is the intent of the Legislature to:

17 1. Increase adoptions in Oklahoma by reducing financial
18 barriers for adoptive families;

19 2. Promote and prioritize private and faith-based organizations
20 as partners in facilitating adoption funding;

21 3. Ensure financial support for adoption while respecting
22 principles of religious freedom and minimizing state involvement;
23 and

1 4. Provide clear, enforceable legal standards to protect the
2 program from constitutional challenges and administrative overreach.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 2357.415 of Title 68, unless
5 there is created a duplication in numbering, reads as follows:

6 A. As used in this section:

7 1. "Adoption funding organization" means a church or an
8 organization exempt from federal income tax pursuant to Section
9 501(c)(3) of the Internal Revenue Code of 1986, as amended, and
10 certified by the Oklahoma Tax Commission to manage and distribute
11 adoption funds pursuant to subsection F of this section;

12 2. "Qualified adoption expenses" means adoption fees, legal
13 fees, counseling costs required to adopt, costs for pre-adoption
14 home studies, travel costs required to adopt, and required post-
15 placement service fees; and

16 3. "In-kind contribution" means the value of nonmonetary
17 donations of goods and services directly to the supporting adoption
18 services of an adoption funding organization, as determined by the
19 Oklahoma Tax Commission.

20 B. For tax year 2026 and subsequent tax years, there shall be
21 allowed a credit against the tax imposed pursuant to Section 2355 of
22 Title 68 of the Oklahoma Statutes equal to the amount donated to an
23 adoption funding organization to support adoption services and the
24 amount of in-kind contributions.

1 C. Credit claimed pursuant to subsection B of this section
2 shall not exceed Ten Thousand Dollars (\$10,000.00) for individual
3 taxpayers and Fifty Thousand Dollars (\$50,000.00) for any taxpayer
4 that is a business entity formed under the laws of any state,
5 including limited and general partnerships, corporations, and
6 limited liability companies.

7 D. If the credit allowed pursuant to subsection B this section
8 exceeds the tax imposed by Section 2355 of Title 68 of the Oklahoma
9 Statutes, the excess amount shall be refunded to the taxpayer.

10 E. For tax year 2028 and subsequent tax years, the total amount
11 of credits authorized pursuant to subsection B of this section shall
12 be adjusted annually to limit the annual amount of credits to Ten
13 Million Dollars (\$10,000,000.00). The Oklahoma Tax Commission shall
14 annually calculate and publish a percentage by which the credits
15 authorized by this section shall be reduced so the total amount of
16 credits used to offset tax does not exceed the annual limit. The
17 formula to be used for the percentage adjustment shall be Ten
18 Million Dollars (\$10,000,000.00) divided by the amount of credit
19 claimed in the second preceding tax year. In the event the total
20 tax credits authorized by this section exceed the annual limit in
21 any tax year, the Tax Commission shall permit any excess but shall
22 factor such excess into the percentage adjustment formula for
23 subsequent tax years.

1 F. The Oklahoma Tax Commission shall prescribe an application
2 for organizations to be certified as an adoption funding
3 organization based on the following criteria:

4 1. Status as an organization exempt from federal income tax
5 pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986,
6 as amended;

7 2. Sufficient evidence, as determined by the Commission, that
8 the organization provides essential services that lead to decreed
9 adoptions; and

10 3. Written commitment from the organization to adhere to all
11 compliance and reporting requirements prescribed by this section and
12 the Commission.

13 G. To maintain compliance as a certified adoption funding
14 organization in a subsequent tax year, the organization shall:

15 1. Have expended at least fifty percent (50%) of funds donated
16 in the preceding tax year for adoption services to those services;

17 2. Except as provided for in paragraph 3 of this subsection,
18 have expended all funds donated for adoption services in the second
19 preceding tax year for adoption services to those services;

20 3. If the requirements of paragraph 2 of this subsection are
21 not met, have allocated all remaining funds donated for adoption
22 services from the second preceding tax year to another adoption
23 funding organization or shall have been expended on adoption
24

1 education campaigns in this state by the end of the preceding tax
2 year;

3 4. Have expended no more than twenty percent (20%) of funds
4 donated for adoption services on compensation for employees of the
5 organization; and

6 5. Electronically submit an annual report for each preceding
7 tax year, which shall contain:

- 8 a. funds donated for adoption services,
- 9 b. amount expended on adoption services,
- 10 c. compensation expenditures for employees who engage in
11 adoption services,
- 12 d. any fund transfers to other adoption funding
13 organizations, and
- 14 e. expenditures on adoption education campaigns.

15 H. The Commission shall electronically send a notice of
16 noncompliance to any adoption funding organization that is
17 noncompliant with the provisions of this section or the rules
18 prescribed by the Commission pursuant to this section. If the
19 adoption funding organization fails to come into compliance within
20 ninety (90) days of the delivery of the notice of noncompliance, the
21 Commission may revoke certification.

22 SECTION 4. AMENDATORY Section 1, Chapter 341, O.S.L.
23 2022 (68 O.S. Supp. 2024, Section 2357.601), is amended to read as
24 follows:

1 Section 2357.601. A. As used in this section, "nonrecurring
2 adoption expenses" means adoption fees, court costs, medical
3 expenses, attorney fees, and expenses which are directly related to
4 the legal process of adoption of a child including, but not limited
5 to, costs relating to the adoption study, health and psychological
6 examinations, transportation, and reasonable costs of lodging and
7 food for the child or adoptive parents which are incurred to
8 complete the adoption process and are not reimbursed by other
9 sources. The term nonrecurring adoption expenses shall not include
10 attorney fees incurred for the purpose of litigating a contested
11 adoption, from and after the point of the initiation of the contest,
12 costs associated with physical remodeling, renovation, and
13 alteration of the adoptive parents' home or property, except for a
14 special needs child as authorized by the court.

15 B. For taxable years beginning on or after January 1, 2023,
16 there shall be allowed a credit against the tax imposed pursuant to
17 Section 2355 of ~~Title 68 of the Oklahoma Statutes~~ this title for
18 nonrecurring adoption expenses paid by a resident individual
19 taxpayer in connection with:

- 20 1. The adoption of a minor; or
- 21 2. A proposed adoption of a minor which did not result in a
22 decreed adoption.

23 C. ~~The~~ For tax years 2023 through 2025, the amount of the tax
24 credit authorized by this section shall be equal to ten percent

1 (10%) of the qualified expenses but the credit amount shall not
2 exceed Two Thousand Dollars (\$2,000.00) per ~~calendar~~ tax year with
3 respect to single filing status or married filing separate income
4 tax returns and shall not exceed Four Thousand Dollars (\$4,000.00)
5 per ~~calendar~~ tax year with respect to married filing joint return
6 filing status. For tax years 2023 through 2025, the amount of the
7 tax credit authorized by this section shall be equal to one hundred
8 percent (100%) of the qualified expenses but the credit amount shall
9 not exceed Ten Thousand Dollars (\$10,000.00) per tax year.

10 D. The Oklahoma Tax Commission shall promulgate rules to
11 implement the provisions of this section which shall contain a
12 specific list of nonrecurring adoption expenses which may be
13 presumed to qualify for the tax credit. The Tax Commission shall
14 prescribe necessary requirements for verification.

15 SECTION 5. This act shall become effective July 1, 2025.

16 SECTION 6. It being immediately necessary for the preservation
17 of the public peace, health or safety, an emergency is hereby
18 declared to exist, by reason whereof this act shall take effect and
19 be in full force from and after its passage and approval.

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