

Form 8839 - Credit Limit Worksheet for Qualified Adoption Expenses

Step 1: Determine Qualified Adoption Expenses

1. Enter the total qualified adoption expenses paid during the tax year.
(Include legal fees, court costs, agency fees, tra ↓ expenses, and other eligible costs.)
→ \$ _____
2. Enter any employer-provided adoption benefits received.
(This includes any financial assistance from your employer for adoption-related expenses.)
→ \$ _____
3. Subtract Line 2 from Line 1.
(This is your adjusted qualified adoption expenses.)
→ \$ _____



Step 2: Determine the Maximum Allowable Credit

4. Enter the maximum adoption credit allowed per child.
(Refer to the IRS limit for the tax year. Example: \$15,950 for 2023)
→ \$ _____
5. Enter the smaller of Line 3 or Line 4.
→ \$ _____

Step 3: Adjust for Income Limits



6. Enter your Modified Adjusted Gross Income (MAGI) from Form 1040.
→ \$ _____
7. Check the IRS phase-out range for the adoption credit based on your filing status.
 - If your MAGI is below the threshold, enter the full amount from Line 5.
 - If your MAGI is within the phase-out range, calculate the reduced credit.
 - If your MAGI exceeds the phase-out limit, your credit may be reduced to zero.
→ \$ _____



Step 4: Compare With Tax Liability

8. Enter the total tax liability from Form 1040.
→ \$ _____
9. Enter the smaller of Line 7 or Line 8.
(This is your final Adoption Credit for this year.)
→ \$ _____



Final Step: Claim Your Credit!

- If Line 9 is greater than zero, you can claim this amount on your tax return under Form 8839, Line 16.
- If your adoption credit is higher than your tax liability, you may carry forward the unused portion to future tax years.