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State Senator John Loudon Disputes State Auditor's Report

Loudon Says Auditor's Criticisms and 'Solutions' are Bad for Families and Children

JEFFERSON CITY – Senator John Loudon, R-Ballwin, today challenged a report published by State Auditor Claire McCaskill that claims a Missouri tax credit program designed to spur adoptions is being improperly utilized.

“Special Needs Adoption Tax Credits” of up to \$10,000 are available to Missouri residents for non-recurring adoption expenses, such as travel to secure a child. The program was instated four years ago and is similar in intent to those now in place in more than a dozen states.

“With the state budget challenges we’re experiencing, it is proper to evaluate every tax credit program Missouri offers,” Loudon said. “We may find that many require revision and that some require termination, but the adoption tax credit program is serving as it was designed to do: giving children – regardless of geography – the priceless gift of a mother and father and building Missouri families.”

McCaskill’s audit report of the Missouri Special Needs Adoption Tax Credit program – posted on her website and making the media rounds – has raised suspicion by stating some 90 percent of the adopted children had lived outside U.S. borders.

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“Nothing in the program states where an adoptable child must be living for the adoptive parents to be eligible for the tax credits,” Loudon said. “And for good reason; the vast majority of elected office holders in Jefferson City realize that children – no matter where they live – need parents. By focusing on geography, the auditor is proposing to leave desperate children and would-be parents in limbo.”

As Loudon mentioned, nothing in the current law restricts the credit’s use to Missouri children. McCaskill acknowledges, near the end of her report summary, that, “...whether restricting the credit to Missouri children would actually increase adoptions of children in state custody is difficult to determine.”

“Insert ‘moot’ for ‘difficult to determine’ in that statement and we’re once again grounded in the reality where millions of adoptable children go another day, another year, without parents because someone can’t see the big picture,” Loudon said.

Loudon says McCaskill’s report also confuses the capping provisions in the Special Needs Adoption Tax Credit program. Current law caps the credits at \$2 million. Last year, the Legislature removed the cap entirely, though the governor’s subsequent veto re-instated the cap. McCaskill’s report claims that removing the cap would add millions of dollars to the overall taxpayer obligation for offering the Special Needs Adoption Tax Credits. Loudon cites a fiscal analysis decisively disputing the auditor’s assertions.

“Lawmakers approved removing the cap under the consensus that the state’s added cost would only come to about \$100,000 after the elimination of a one-time \$800,000 backlog,” Loudon said. “The auditor’s questionable calculations aside, wouldn’t it be fantastic if we as a state invested a little more in the program to place more orphans with more families? How many things could we that are more important than that?”

➤ Senator Loudon represents Missouri’s 7th Senate District.
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