



1899 L Street, NW, Suite 1200
Washington, DC 20036

T 202.822.8282
F 202.296.8834

HOBBSSTRAUS.COM

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GENERAL MEMORANDUM 26-010

Treasury, IRS issue FAQs about general refundability and recognizing Indian tribal governments for purposes of making a special needs determination for the Adoption Tax Credit

On Friday, February 27th, the Department of the Treasury and the Internal Revenue Service published [frequently asked questions \(FAQs\)](#) regarding special needs determinations made by Indian tribal governments for adoption tax credit purposes.

As covered previously in [GM #25-004](#) and [GM #25-008](#), Section 70403 of the One Big Beautiful Bill Act (OBBBA) recognized Tribal governments' ability to make special-needs adoption determinations for adoption purposes, which provides parity with state governments. In addition, OBBBA makes the adoption tax credit refundable for up to \$5,000 (indexed for inflation).

Topic B of the FAQs considers issues specific to Indian tribal governments. The FAQs include questions relating to adoptions under ICWA, substantiation, and refundability. Additional information on adoption expenses can be found [here](#).

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Inquiries may be directed to:

Telly J. Meier tmeier@hobbsstraus.com

Carolina M. Wasinger cwasinger@hobbsstraus.com