

INTERIM STUDY PROPOSAL 2023-025

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023

**A Bill**

HOUSE BILL 1299

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5  
6 By: Representatives C. Cooper, Bentley, S. Berry, John Carr, Crawford, Duffield, Evans, Haak,  
7 Lundstrum, J. Mayberry, McCollum, Pilkington, Ray, Rose, Rye, Wooten  
8 By: Senator J. Dotson

9 Filed with: House Committee on Revenue and Taxation  
10 pursuant to A.C.A. §10-3-217.

**For An Act To Be Entitled**

11 AN ACT TO CREATE A TAX CREDIT FOR CONTRIBUTIONS TO A  
12 PREGNANCY RESOURCE CENTER; AND FOR OTHER PURPOSES.  
13

**Subtitle**

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16 TO CREATE A TAX CREDIT FOR CONTRIBUTIONS  
17 TO A PREGNANCY RESOURCE CENTER.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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23 SECTION 1. Arkansas Code Title 26, Chapter 51, is amended to add an  
24 additional subchapter to read as follows:

25 Subchapter 29 – Contributions to Pregnancy Resource Centers

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27 26-51-2901. Definitions.

28 As used in this subchapter:

29 (1) "Contribution" means a donation of cash, stock, bonds, or  
30 other marketable securities or real property;

31 (2) "Pregnancy resource center" means a nonresidential facility  
32 located in this state that:

33 (A) Is established and operated primarily to provide  
34 assistance to women with crisis pregnancies or unplanned pregnancies by  
35 offering pregnancy testing and emotional and material support to encourage  
36 and assist such women in carrying their pregnancies to term;

1                   (B) Is not a facility where childbirths are performed;

2                   (C) Does not perform, induce, or provide referrals for  
3 abortions and does not hold itself out as performing, inducing, or providing  
4 referrals for abortions;

5                   (D) Provides direct client services at the facility, as  
6 opposed to providing counseling or referral services by telephone or video  
7 conference;

8                   (E) Provides services at no cost to its clients; and

9                   (F) Is exempt from income taxation under the Internal  
10 Revenue Code of 1986, as it existed on January 1, 2023;

11                   (3) "State tax liability" means tax liability under one (1) or  
12 more of the following:

13                   (A) This chapter;

14                   (B) The insurance premium tax under §§ 26-57-603 – 26-57-  
15 605; or

16                   (C) The annual franchise tax under the Arkansas Corporate  
17 Franchise Tax Act of 1979, § 26-54-101 et seq.; and

18                   (4) "Taxpayer" means an individual, fiduciary, partnership,  
19 limited liability company, firm, partner in a firm, insurance company,  
20 corporation, or a shareholder in a Subchapter S corporation subject to state  
21 tax liability.

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23                   26-51-2902. Tax credit.

24                   (a) There is allowed a tax credit against a taxpayer's state tax  
25 liability in the amount determined under subsection (b) of this section for  
26 contributions made by a taxpayer to a pregnancy resource center.

27                   (b)(1) Except as otherwise provided in this subchapter, the amount of  
28 the tax credit allowed under this section is equal to fifty percent (50%) of  
29 the total amount of contributions the taxpayer made to a pregnancy resource  
30 center during the tax year.

31                   (2) A taxpayer is not eligible to claim a tax credit under this  
32 section if the taxpayer's total amount of contributions to a pregnancy  
33 resource center is less than fifty dollars (\$50.00) for the tax year.

34                   (3) The maximum tax credit a taxpayer may claim under this  
35 section in a tax year is fifty thousand dollars (\$50,000).

1           (c) The amount of the tax credit under this section that may be  
2 claimed by the taxpayer in a tax year shall not exceed the amount of state  
3 tax liability of the taxpayer for the tax year.

4           (d) Any unused tax credit under this section may be carried forward  
5 for four (4) consecutive tax years following the tax year in which the tax  
6 credit was earned.

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8           26-51-2903. Duties of Secretary of the Department of Human Services.  
9           The Secretary of the Department of Human Services shall:

10           (1)(A) Determine which facilities in this state are pregnancy  
11 resource centers.

12                   (B) The secretary may require a facility seeking to be  
13 classified as a pregnancy resource center for purposes of this subchapter to  
14 annually certify information reasonably necessary for the secretary to make  
15 the determination required under this subsection;

16           (2) Classify a facility as a pregnancy resource center if the  
17 facility meets the definition stated in § 26-51-2901;

18           (3) Revoke a facility's classification as a pregnancy resource  
19 center if the facility submits a false certification under this subchapter,  
20 fails to timely submit a certification under this subchapter, or otherwise  
21 ceases to meet the definition of "pregnancy resource center" under § 26-51-  
22 2901; and

23           (4) Establish a procedure by which a taxpayer is able to  
24 determine if a facility has been classified as a pregnancy resource center  
25 for purposes of this subchapter.

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27           26-51-2904. Pregnancy resource centers.

28           A pregnancy resource center:

29           (1)(A) Shall certify information to the Secretary of the  
30 Department of Finance and Administration concerning the:

31                   (i) Identity of each taxpayer who made a  
32 contribution to the pregnancy resource center and who intends to claim a tax  
33 credit under this section; and

34                   (ii) Amount of each contribution made to the  
35 pregnancy resource center.

1                   (B) A person who certifies information under this section  
2 that is false or fraudulent is subject to the penalty stated in § 26-18-203;  
3 and

4                   (2) May decline a contribution from a taxpayer.

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6                   26-51-2905. Limitations on tax credit.

7                   (a)(1) The total amount of tax credits claimed under this subchapter  
8 shall not exceed two million five hundred thousand dollars (\$2,500,000) in a  
9 fiscal year.

10                   (2) Tax credits under this subchapter shall be issued in the  
11 order in which contributions are received.

12                   (b)(1)(A) The Secretary of the Department of Finance and  
13 Administration shall establish a procedure by which, for each quarter of the  
14 fiscal year, the cumulative amount of tax credits available under this  
15 section is equally apportioned among all facilities that have been classified  
16 as pregnancy resource centers under § 26-51-2903.

17                   (B) To the extent possible, the procedure established  
18 under this subsection shall ensure that taxpayers are able to claim the full  
19 cumulative amount of tax credits available for the fiscal year under this  
20 section.

21                   (2) If a pregnancy resource center fails to use all of its  
22 apportioned tax credits under this section during the first quarter of the  
23 fiscal year, the secretary shall reapportion the unused tax credits to the  
24 pregnancy resource centers that have used all or a percentage, as determined  
25 by the secretary, of their apportioned tax credits under this section for  
26 that quarter of the fiscal year.

27                   (3) The secretary shall reapportion tax credits under this  
28 section for each quarter of the fiscal year.

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30                   26-51-2906. Rules.

31                   The Secretary of the Department of Human Services shall promulgate  
32 rules to implement this subchapter.

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34                   SECTION 2. DO NOT CODIFY. TEMPORARY LANGUAGE. Classification of  
35 pregnancy resource centers.

1           The Secretary of the Department of Human Services shall begin  
2 classifying facilities as pregnancy resource centers under this act by  
3 September 1, 2023.  
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5           SECTION 3. EFFECTIVE DATE. Section 1 of this act is effective for tax  
6 years beginning on or after January 1, 2023.  
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9 Referred requested by the Arkansas House of Representatives

10 Prepared by: JLL/SJA  
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