

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

# A Bill

HOUSE BILL 1299

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

## For An Act To Be Entitled

10 AN ACT TO CREATE A TAX CREDIT FOR CONTRIBUTIONS TO A  
11 PREGNANCY RESOURCE CENTER; AND FOR OTHER PURPOSES.  
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### Subtitle

15 TO CREATE A TAX CREDIT FOR CONTRIBUTIONS  
16 TO A PREGNANCY RESOURCE CENTER.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code Title 26, Chapter 51, is amended to add an  
22 additional subchapter to read as follows:

23 Subchapter 29 – Contributions to Pregnancy Resource Centers  
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25 26-51-2901. Definitions.

26 As used in this subchapter:

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

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

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

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

36 (C) Does not perform, induce, or provide referrals for



1 abortions and does not hold itself out as performing, inducing, or providing  
 2 referrals for abortions;

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

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

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

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

11 (A) This chapter;

12 (B) The insurance premium tax under §§ 26-57-603 – 26-57-  
 13 605; or

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

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

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 21 26-51-2902. Tax credit.

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

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

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

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

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

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

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 5       26-51-2903. Duties of Secretary of the Department of Human Services.  
 6 The Secretary of the Department of Human Services shall:

7           (1)(A) Determine which facilities in this state are pregnancy  
 8 resource centers.

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

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

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

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

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 24       26-51-2904. Pregnancy resource centers.

25       A pregnancy resource center:

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

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

31           (ii) Amount of each contribution made to the  
 32 pregnancy resource center.

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

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

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26-51-2905. Limitations on tax credit.

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

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

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

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

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

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

26-51-2906. Rules.

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

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

The Secretary of the Department of Human Services shall begin classifying facilities as pregnancy resource centers under this act by September 1, 2023.

SECTION 3. EFFECTIVE DATE. Section 1 of this act is effective for tax

1 years beginning on or after January 1, 2023.

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