



**House Ways and Means Education Reported Substitute  
for HB356**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

A BILL  
TO BE ENTITLED  
AN ACT

Relating to income tax; to enact the Pregnancy Resource Act; to provide a state income tax credit to individuals and businesses that make contributions to eligible charitable organizations that operate as a pregnancy center, state-licensed mobile medical clinic serving women, or residential maternity facility; and to specify the obligations of the Department of Revenue in implementing the act.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) This section shall be known and may be cited as the "Pregnancy Resource Act."

(b) For the purposes of this section, the following words and phrases have the meanings ascribed in this section unless the context clearly indicates otherwise:

(1) "Department" means the Department of Revenue.

(2) "Eligible charitable organization" means an organization that is all of the following:

a. Exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

b. An Alabama nonprofit formed under Title 10A, Chapter



**House Ways and Means Education Reported Substitute  
for HB356**

29 3, Code of Alabama 1975.

30 c. A pregnancy center, **state-licensed mobile medical**  
31 **clinic serving women,** or residential maternity facility that  
32 does all of the following:

33 1. Regularly answers a dedicated phone number for  
34 clients.

35 2. Maintains in this state its primary physical office,  
36 clinic, **mobile facility,** or residential home, which is open  
37 for clients for a minimum of 20 hours a week, excluding state  
38 holidays.

39 3. Offers services, at no cost to the client, for the  
40 express purpose of providing assistance to women in order to  
41 carry their pregnancy to term, encouraging parenting or  
42 adoption, preventing abortion, and promoting healthy  
43 childbirth.

44 4. Utilizes trained and licensed medical professionals  
45 to perform any available medical procedures.

46 (c) (1) The tax credit authorized in this section shall  
47 be available to both of the following:

48 a. A taxpayer who is an individual taxpayer, except  
49 that a husband and wife who file separate returns for a  
50 taxable year in which they could have filed a joint return may  
51 each claim only one-half of the tax credit that would have  
52 been allowed for a joint return.

53 b. A taxpayer who is a business enterprise engaged in  
54 commercial, industrial, or professional activities and  
55 operating as a corporation, limited liability company,  
56 partnership, or sole proprietorship.



**House Ways and Means Education Reported Substitute  
for HB356**

57           (2) Except as otherwise provided in this section, a  
58 credit is allowed against the state income tax imposed by  
59 Section 40-18-2, Code of Alabama 1975, for voluntary cash  
60 contributions made by a taxpayer during the taxable year to an  
61 eligible charitable organization. The amount of credit that  
62 may be claimed by a taxpayer in a taxable year shall not  
63 exceed 50 percent of the total state income tax liability of  
64 the taxpayer. Any tax credit claimed under this section but  
65 not used in any taxable year may be carried forward for five  
66 consecutive years from the close of the tax year in which the  
67 credits were earned.

68           (3) A contribution for which a credit is claimed under  
69 this section may not be used as a deduction by the taxpayer  
70 for state income tax purposes.

71           (4) No tax credit provided by this section may be  
72 transferred to another taxpayer.

73           (d) Taxpayers taking a credit authorized by this  
74 section shall provide the name of the eligible charitable  
75 organization and the amount of the contribution to the  
76 department on forms provided by the department.

77           (e) (1) An eligible charitable organization shall  
78 provide the department with a written certification that it  
79 meets all criteria to be considered an eligible charitable  
80 organization. The organization shall also notify the  
81 department within 60 days of any changes that may affect  
82 eligibility under this section.

83           (2) The eligible charitable organization's written  
84 certification must be signed by an officer of the organization



**House Ways and Means Education Reported Substitute  
for HB356**

85 under penalty of perjury. The written certification shall  
86 include all of the following:

87 a. Verification of the organization's status under  
88 Section 501(c) (3) of the Internal Revenue Code.

89 b. A statement that the organization does not provide,  
90 pay for, refer for, promote or provide coverage of drug  
91 induced or surgical abortions and does not financially or  
92 otherwise support, partner with, or affiliate with any other  
93 entity that provides, pays for, refers for, promotes or  
94 provides coverage of abortions, including nonsurgical  
95 abortions and abortifacients.

96 c. A statement that the organization maintains its  
97 principal office or presence in this state and that at least  
98 50 percent of its clients claim to be residents of this state.

99 (f) The department shall review each written  
100 certification and determine whether the organization meets all  
101 the criteria to be considered an eligible charitable  
102 organization and notify the organization of its determination.  
103 The department may also periodically request recertification  
104 from the organization. The department shall compile and make  
105 available to the public a list of eligible charitable  
106 organizations.

107 (g) Tax credits authorized by this section that are  
108 earned by a partnership, limited liability company, S  
109 corporation, or other similar pass-through entity, shall be  
110 allocated among all partners, members, or shareholders,  
111 respectively, either in proportion to their ownership interest  
112 in such entity or as the partners, members, or shareholders



**House Ways and Means Education Reported Substitute  
for HB356**

113 mutually agree as provided in an executed document.

114 (h) A taxpayer shall apply for credits with the  
115 department on forms prescribed by the department. In the  
116 application, the taxpayer shall certify to the department the  
117 dollar amount of the contributions made or to be made during  
118 the calendar year. Within 30 days after the receipt of an  
119 application, the department shall allocate credits based on  
120 the dollar amount of contributions as certified in the  
121 application. However, if the department cannot allocate the  
122 full amount of credits certified in the application due to the  
123 limit on the aggregate amount of credits that may be awarded  
124 under this section in a calendar year, the department shall so  
125 notify the applicant within 30 days with the amount of  
126 credits, if any, that may be allocated to the applicant in the  
127 calendar year. Once the department has allocated credits to a  
128 taxpayer, if the contribution for which a credit is allocated  
129 has not been made as of the date of the allocation, then the  
130 contribution must be made not later than 90 days from the date  
131 of the allocation. If the contribution is not made within such  
132 time period, the allocation shall be cancelled and returned to  
133 the department for reallocation. Upon final documentation of  
134 the contributions, if the actual dollar amount of the  
135 contributions is lower than the amount estimated, the  
136 department shall adjust the tax credit allowed under this  
137 section.

138 (i) The aggregate amount of tax credits that may be  
139 allocated by the department under this section during a  
140 calendar year shall not exceed ten million dollars



**House Ways and Means Education Reported Substitute  
for HB356**

141 (\$10,000,000). No more than 50 percent of the total amount of  
142 credits provided for by this section may be allocated for  
143 contributions to a single eligible charitable organization  
144 during a calendar year.

145 (j) The department may enact rules as necessary to  
146 implement and administer the provisions of this section.

147 (k) The tax credits allowed under this section shall be  
148 effective January 1, 2025, for the 2025 tax year and shall  
149 continue through the 2029 tax year, unless extended by act of  
150 the Legislature.

151 Section 2. This act shall become effective on January  
152 1, 2025.