

## HB284 INTRODUCED



1 HB284

2 EBKZ29C-1

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7 RFD: Ways and Means Education

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SYNOPSIS:

This bill would provide a state income tax credit to individuals and businesses that make voluntary cash contributions to an eligible pregnancy center or residential maternity facility.

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 organizations that provide pregnancy assistance; and to specify the obligations of the Department of Revenue in implementing the act.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

Section 2. (a) It is the intent of the Legislature to support entities that provide assistance to women in order to carry their pregnancy to term, encourage parenting or adoption, prevent abortion, and promote healthy childbirth by incentivizing voluntary contributions to non-profit entities



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29 providing these services.

30 (b) For the purposes of this act, the following words  
31 and phrases have the meanings ascribed to them unless the  
32 context clearly indicates otherwise:

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

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

36 a. Exempt from federal income taxation under 26 U.S.C.  
37 § 501(c)(3).

38 b. An Alabama nonprofit formed under Title 10A, Chapter  
39 3, Code of Alabama 1975.

40 c. A pregnancy center, state-licensed mobile medical  
41 clinic serving women, or residential maternity facility that  
42 does all of the following:

43 1. Regularly answers a dedicated phone number for  
44 clients.

45 2. Maintains in this state its primary physical office,  
46 clinic, mobile facility, or residential home, which is open  
47 for clients for a minimum of 20 hours per week, excluding  
48 state holidays.

49 3. Offers services, at no cost to the client, for the  
50 express purpose of providing assistance to women in order to  
51 carry their pregnancy to term, encouraging parenting or  
52 adoption, preventing abortion, and promoting healthy  
53 childbirth.

54 4. Utilizes trained and licensed medical professionals  
55 to perform any available medical procedures.

56 (c)(1) The tax credit authorized in this section shall



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57 be available to both of the following:

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

63 b. A taxpayer who is a business enterprise engaged in  
64 commercial, industrial, or professional activities and  
65 operating as a corporation, limited liability company,  
66 partnership, or sole proprietorship.

67 (2) Except as otherwise provided in this section, a  
68 credit is allowed against the state income tax imposed by  
69 Section 40-18-2, Code of Alabama 1975, for voluntary cash  
70 contributions made by a taxpayer during the taxable year to an  
71 eligible charitable organization. The amount of credit that  
72 may be claimed by a taxpayer in a taxable year shall not  
73 exceed 50 percent of the total state income tax liability of  
74 the taxpayer. Any tax credit claimed under this section, but  
75 not used in any taxable year, may be carried forward for five  
76 consecutive years from the close of the tax year in which the  
77 credits were earned.

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

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

83 (d) Taxpayers taking a credit authorized by this  
84 section shall provide the name of the eligible charitable



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85 organization and the amount of the contribution to the  
86 department on forms provided by the department.

87 (e) (1) An eligible charitable organization shall  
88 provide the department with a written certification that it  
89 meets all criteria to be considered an eligible charitable  
90 organization. The organization shall also notify the  
91 department within 60 days of any changes that may affect  
92 eligibility under this section.

93 (2) The eligible charitable organization's written  
94 certification must be signed by an officer of the organization  
95 under penalty of perjury. The written certification shall  
96 include all of the following:

97 a. Verification of the organization's status under 26  
98 U.S.C. § 501(c) (3).

99 b. A statement that the organization does not provide,  
100 pay for, refer for, promote, or provide coverage of drug  
101 induced or surgical abortions and does not financially or  
102 otherwise support, partner with, or affiliate with any other  
103 entity that provides, pays for, refers for, promotes, or  
104 provides coverage of abortions, including nonsurgical  
105 abortions and abortifacients.

106 c. A statement that the organization maintains its  
107 principal office or presence in this state and that at least  
108 50 percent of its clients claim to be residents of this state.

109 (f) The department shall review each written  
110 certification and determine whether the organization meets all  
111 the criteria to be considered an eligible charitable  
112 organization and notify the organization of its determination.



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113 The department may also periodically request recertification  
114 from the organization. The department shall compile and make  
115 available to the public a list of eligible charitable  
116 organizations.

117 (g) Tax credits authorized by this section that are  
118 earned by a partnership, limited liability company, S  
119 corporation, or other similar pass-through entity, shall be  
120 allocated among all partners, members, or shareholders,  
121 respectively, either in proportion to their ownership interest  
122 in such entity or as the partners, members, or shareholders  
123 mutually agree as provided in an executed document.

124 (h) A taxpayer shall apply for credits with the  
125 department on forms prescribed by the department. In the  
126 application, the taxpayer shall certify to the department the  
127 dollar amount of the contributions made or to be made during  
128 the calendar year. Within 30 days after the receipt of an  
129 application, the department shall allocate credits based on  
130 the dollar amount of contributions as certified in the  
131 application. However, if the department cannot allocate the  
132 full amount of credits certified in the application due to the  
133 limit on the aggregate amount of credits that may be awarded  
134 under this section in a calendar year, the department shall so  
135 notify the applicant within 30 days with the amount of  
136 credits, if any, that may be allocated to the applicant in the  
137 calendar year. Once the department has allocated credits to a  
138 taxpayer, if the contribution for which a credit is allocated  
139 has not been made as of the date of the allocation, then the  
140 contribution must be made not later than 90 days from the date



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141 of the allocation. If the contribution is not made within such  
142 time period, the allocation shall be canceled and returned to  
143 the department for reallocation. Upon final documentation of  
144 the contributions, if the actual dollar amount of the  
145 contributions is lower than the amount estimated, the  
146 department shall adjust the tax credit allowed under this  
147 section.

148 (i) The aggregate amount of tax credits that may be  
149 allocated by the department under this section during a  
150 calendar year shall not exceed ten million dollars  
151 (\$10,000,000). No more than 50 percent of the total amount of  
152 credits provided for by this section may be allocated for  
153 contributions to a single eligible charitable organization  
154 during a calendar year.

155 (j) The department shall file an annual report in  
156 accordance with Section 40-1-50, Code of Alabama 1975, and  
157 rules adopted under that section, regarding the economic  
158 impact of the credit established by this section.

159 (k) The department may enact rules as necessary to  
160 implement and administer the provisions of this section.

161 (l) The tax credits allowed under this section shall be  
162 effective January 1, 2026, for the 2026 tax year and shall  
163 continue through the 2030 tax year.

164 Section 3. This act shall become effective on January  
165 1, 2026.