

**SB290 INTRODUCED**



1 SB290  
2 JWV2YYN-1  
3 By Senator Allen  
4 RFD: Finance and Taxation Education  
5 First Read: 03-Apr-25



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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; Relating to income tax; to provide a state income tax credit to individuals and businesses that make contributions to eligible charitable organizations that operate as a pregnancy center 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.



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

31           a. Exempt from federal income taxation under Section  
32 501(c)(3) of the Internal Revenue Code;

33           b. An Alabama nonprofit formed under Title 10A, Chapter  
34 3, Code of Alabama 1975; and

35           c. A pregnancy center or residential maternity facility  
36 that:

37           1. Regularly answers a dedicated phone number for  
38 clients; and

39           2. Maintains in this state its primary physical office,  
40 clinic, or residential home, which is open for clients for a  
41 minimum of 20 hours a week, excluding state holidays; and

42           3. Offers services, at no cost to the client, for the  
43 express purpose of providing assistance to women in order to  
44 carry their pregnancy to term, encourage parenting or  
45 adoption, prevent abortion, and promote healthy childbirth;  
46 and

47           4. Utilizes trained and licensed medical professionals  
48 to perform any available medical procedures.

49           (c)(1) The tax credit authorized in this section shall  
50 be available to:

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

56           b. A taxpayer who is a business enterprise engaged in



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57 commercial, industrial, or professional activities and  
58 operating as a corporation, limited liability company,  
59 partnership, or sole proprietorship.

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

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

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

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

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



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85 eligibility under this section.

86 (2) The eligible charitable organization's written  
87 certification must be signed by an officer of the organization  
88 under penalty of perjury. The written certification shall  
89 include all of the following:

90 a. Verification of the organization's status under  
91 Section 501(c)(3) of the Internal Revenue Code;

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

99 c. A statement that the organization maintains its  
100 principal office or presence in this state and that at least  
101 50 percent of its clients claim to be residents of this state.

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

110 (g) Tax credits authorized by this section that are  
111 earned by a partnership, limited liability company, S  
112 corporation, or other similar pass-through entity, shall be



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113 allocated among all partners, members, or shareholders,  
114 respectively, either in proportion to their ownership interest  
115 in such entity or as the partners, members, or shareholders  
116 mutually agree as provided in an executed document.

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



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141           (i) The aggregate amount of tax credits that may be  
142 allocated by the department under this section during a  
143 calendar year shall not exceed ten million dollars  
144 (\$10,000,000). No more than 50 percent of the total amount of  
145 credits provided for by this section may be allocated for  
146 contributions to a single eligible charitable organization  
147 during a calendar year.

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

150           (k) The tax credits allowed under this section shall be  
151 effective January 1, 2026, for the 2026 taxable year and shall  
152 continue through the 2030 tax year, unless extended by act of  
153 the Legislature.

154           Section 2. This act shall become effective on October  
155 1, 2024.