

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
94th General Assembly  
Regular Session, 2023

# A Bill

HOUSE BILL 1299

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

By: Senator J. Dotson

## For An Act To Be Entitled

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

### Subtitle

TO CREATE A TAX CREDIT FOR CONTRIBUTIONS  
TO A PREGNANCY RESOURCE CENTER.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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

#### Subchapter 29 – Contributions to Pregnancy Resource Centers

##### 26-51-2901. Definitions.

##### As used in this subchapter:

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

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

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

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

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



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

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

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

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

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

(A) This chapter;

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

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

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

26-51-2902. Tax credit.

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

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

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

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

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

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

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

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

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

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

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

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

26-51-2904. Pregnancy resource centers.

A pregnancy resource center:

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

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

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

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

(2) May decline a contribution from a taxpayer.

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

years beginning on or after January 1, 2023.