
Empowering Families to Thrive Act

Model Legislation & Policy Guide



*Advancing the Human Right to Life
in Culture, Law, and Policy*

EMPOWERING FAMILIES TO THRIVE ACT

HOUSE/SENATE BILL No. _____
By Representatives/Senators _____

Section 1. Title.

This Act may be cited as the “Empowering Families to Thrive Act.”

Section 2. Definitions.

As used in this Act only:

(a) “Department” means the Department of [enter appropriate department name], the secretary or duly appointed director of the [insert name of department], or any employee of the department exercising authority lawfully delegated to that employee by the secretary.

(b) “Eligible charitable organization” means an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and is:

(i) Licensed by or under contract with the [*State Department of Child Services*] and provides services for the express purpose of creating permanency for children through adoption; or

(ii) Certified by the department as an educational services charitable organization and provides services to:

1. Children in a foster care placement program established by the Department of Child Protection Services, children placed under the Safe Families for Children model, or children at significant risk of entering a foster care placement program established by the Department of Child Protection Services,

2. Children who have a chronic illness or physical, intellectual, developmental or emotional disability, or

3. Children eligible for free or reduced price meals programs under [*Insert appropriate statute*], or selected for participation in the Promise Neighborhoods Program sponsored by the U.S. Department of Education.

(c) “Taxpayer” means a person liable for payment of any tax levied under the authority of the State of [*State*], a person responsible for withholding and payment over or for collection and payment over of any such tax or a person to whom an assessment has been made, if the assessment remains unabated or the amount thereof has not been paid.

(d) “Business Enterprise” means any corporation subject to the taxes imposed by the [insert name of statute], and operating as a corporation, limited liability company, partnership or sole proprietorship.

Section 3. Foster Care and Adoption Donation Tax Credit

(a) An eligible Taxpayer, which is not a Business Enterprise, may apply for, and the Department shall allow, a tax credit in an amount equal to the lesser of

- (i) [fifty percent (50%)] of voluntary cash contributions made to an Eligible Charitable Organization; or
- (ii) [one thousand dollars (\$1,000).]

(b) An eligible Business Enterprise may apply for, and the Department shall allow, a tax credit in accordance with Section 7 of the Foster and Adoption Donation Tax Credit.

The amount of credit that may be utilized by a taxpayer in a taxable year shall be limited to:

- (i) an amount not to exceed [fifty (50%)] of the total tax liability of the taxpayer for the taxes imposed by such sections of law.

[Drafter’s Note: *For a taxpayer that is not operating as a corporation, a credit is also allowed against ad valorem taxes assessed and levied on real property for voluntary cash contributions made by the taxpayer during the taxable year to an eligible charitable organization.*]

[and (ii) an amount not to exceed [fifty percent (50%)] of the total tax liability of the taxpayer for ad valorem taxes assessed and levied on real property.]

(c) Any tax credit claimed under this section but not used in any taxable year may be carried forward for five (5) consecutive years from the close of the tax year in which the credits were earned.

(d) A contribution to an eligible charitable organization for which a credit is claimed under this section does not qualify for and shall not be included in any credit that may be claimed under [Pregnancy Resource Center Tax Credit].

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

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

Section 4. Reporting.

The Department shall publish on its website credit claim forms within thirty (30) days of the effective date hereof. A credit claim shall accompany any return to which the

Taxpayer wishes to apply an approved credit, and the claim shall specify the amount of credit intended to apply to each return.

Section 5. Written Certificate of Eligibility.

An Eligible Charitable Organization shall provide the Department with a written certification on a form provided by the Department that it meets all criteria to be considered an Eligible Charitable Organization. An eligible charitable organization must also provide the department with written documented proof of its license and/or written contract with the Department. The organization shall notify the Department of any changes that may affect eligibility under this section.

The Eligible Charitable Organization's written certification must be signed by an officer of the organization under penalty of perjury. The written certification shall include the following:

- (a) Verification of the organization's status under Section 501(c)(3) of the Internal Revenue Code;
- (b) A statement that the organization does not provide, pay for or provide coverage of abortions and does not financially support any other entity that provides, pays for or provides coverage of abortions;
- (c) Any other information that the Department shall reasonably require to administer this section.

The Department shall review each written certification and determine whether the organization meets all the criteria to be considered an Eligible Charitable Organization and notify the organization of its determination within sixty (60) days of the application's submission. The Department may also periodically request recertification from the organization on no less than an annual basis. The Department shall compile and publish on its website a list of Eligible Charitable Organizations.

Section 6. Allocation of Tax Credit.

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

Section 7. Application for Tax Credit

(a) A Business Enterprise shall apply for approval for a credit within one year following the end of the calendar year in which the voluntary cash contributions are made to Eligible Charitable Organizations in *[Insert State name]*.

(b) A Business Enterprise having applied for and been granted approval for a credit by the Department pursuant to the Pregnancy Resource Center Tax Credit Act may claim an amount of available credit against the Business Enterprise's tax liabilities; provided that the credit shall be claimed against the Business Enterprise's tax liabilities pursuant

to *[Insert appropriate statute]*; provided further that no Business Enterprise may claim an amount of available credit for any reporting period that exceeds *[fifty (50)]* percent of the sum of the Business Enterprise's tax liabilities for that reporting period. Any amount of available credit not claimed against the Business Enterprise's tax liabilities for a reporting period may be claimed in subsequent reporting periods.

(d) As used in this section, "tax liabilities" means any tax liability a Taxpayer incurs pursuant to the *[Insert appropriate statute]*.

[For the purposes of using a tax credit against ad valorem taxes assessed and levied on real property, a taxpayer shall present to the appropriate tax collector the tax credit documentation provided to the taxpayer by the Department, and the tax collector shall apply the tax credit against such ad valorem taxes. The tax collector shall forward the tax credit documentation to the Department along with the amount of the tax credit applied against ad valorem taxes, and the Department shall disburse funds to the tax collector for the amount of the tax credit applied against ad valorem taxes. Such payments by the Department shall be made from current tax collections.]

Section 8. Allowable Amount of Tax Credits.

The aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed *[Insert desired dollar amount]*. For credits allocated during a calendar year for contributions to eligible charitable organizations, no more than fifty percent (50%) of such credits may be allocated for contributions to a single eligible charitable organization.

SECTION 3.

Nothing in this act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due or accrued under the income tax laws, insurance premium tax laws or ad valorem tax laws before the date on which this act becomes effective, whether such claims, assessments, appeals, suits or actions have been begun before the date on which this act becomes effective or are begun thereafter; and the provisions of the income tax laws, insurance premium tax laws and ad valorem tax laws are expressly continued in full force, effect and operation for the purpose of the assessment, collection and enrollment of liens for any taxes due or accrued and the execution of any warrant under such laws before the date on which this act becomes effective, and for the imposition of any penalties, forfeitures or claims for failure to comply with such laws.

For further information regarding this or other AUL policy guides, please contact:

AMERICANS UNITED FOR LIFE
1150 Connecticut Avenue NW, Suite 500
Washington, D.C. 20036
202.741.4917 | Legislation@aul.org

www.AUL.org

©2023 Americans United for Life

This policy guide may be copied and distributed freely as long as the content remains unchanged and Americans United for Life is referenced as the creator and owner of this content.