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# Community Support for Pregnancy Centers Act

*Model Legislation & Policy Guide*



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

# INTRODUCTION

Pregnancy centers (PCs) across the nation offer real care and genuine hope to millions of women and men who have experienced the life-affirming solutions offered by these compassionate and trusted centers.

In their own words:

*“[The pregnancy center] offered me hope and assurance....”*<sup>1</sup>

*“The support and love the center showed me gave me the validation I was searching for all along.... It was about empowerment, guidance and support.... For the first time, I felt like I had choices and that I could make a genuine, confident decision.”*<sup>2</sup>

*“They sat down with me and helped me go over all my options, and they really listened to my needs. I didn’t feel judged; I just felt cared for.”*<sup>3</sup>

*“I was able to honestly express my fears and concerns. My peer counselor walked me through all of my options.... [The pregnancy care center] became my source of strength as well as information.”*<sup>4</sup>

*“At the center, they sat down with me, they listened to me, and they helped me think through all of my available options. I was so thankful for how much information they had to offer....”*<sup>5</sup>

*“I saw a sign that read, ‘Considering Abortion? Pregnancy Care Centers: Caring, Confidential, Trusted.’ It gave me a sense of comfort I hadn’t felt in weeks.”*<sup>6</sup>

The positive impact of PCs on the women and the communities they serve is considerable. Thousands of PCs operate across the country, serving women with

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<sup>1</sup> Family Research Council, “A Passion to Serve, A Vision for Life (2009),” available at <http://downloads.frc.org/EF/EF09I51.pdf> (last visited August 9, 2017) (*Tia, Ma-chi and Ma-chiya’s Story*).

<sup>2</sup> *Id.* at 9 (*Megan and Ava’s Story*).

<sup>3</sup> *Id.* at 11 (*Tina and Isabella’s Story*).

<sup>4</sup> Care Net, “Success Stories: Summer Camp Counselors,” available at <http://www.care-net.org/get-involved-blog/success-stories-summer-camp-counselors> (last visited August 9, 2017).

<sup>5</sup> Care Net, “Success Stories: Center Helps Sarah After a Rape,” available at <http://www.care-net.org/get-involved-blog/success-stories-center-helps-sarah-after-a-rape> (last visited August 9, 2017).

<sup>6</sup> “A Passion to Serve: A Vision for Life,” *supra*, at 9 (*Megan and Ava’s Story*).

compassion and integrity. In 2019, PCs served nearly 2 million people at a value of nearly \$270 million, according to conservative estimates.<sup>7</sup> Further, more than 53,000 PC volunteers work at 2,700 PCs across the country.<sup>8</sup>

PCs are supporting women emotionally and financially, protecting them from the adverse health consequences of abortion and helping to reduce the number of abortions. Each year, the reach and influence of PCs grows as more centers open, as public opinion on abortion increasingly shifts to a pro-life ethic, and as PCs receive more favorable attention for their important work.

Further, pro-life legislators around the country continue to support the important work of PCs. For example, in recent years and in the face of continuing economic concerns and state budget shortfalls, a number of states continue to consider measures to provide funding to organizations providing abortion alternatives, principally PCs. This is accomplished through legislation creating “Choose Life” specialty license plate programs (which funnel the proceeds to organizations that promote life-saving alternatives to abortion) or by providing direct taxpayer subsidies to PCs.

However, the primary source of funding for PCs comes from voluntary donations by individuals and businesses. Several states have recognized the value in supporting these donations through tax credits. Arizona, Missouri, and Mississippi all provide tax credits to either businesses or individuals who support PCs financially.

The returns on this investment are significant. States get to support the great work of PCs through a mechanism that is not tied to the political whims of appropriations, and it grants individuals and businesses to promote pro-life care.

AUL’s model bill provides the structure for creating such a tax credit to grow the impact of PCs. For more information or drafting assistance, please contact AUL at [Legislation@aul.org](mailto:Legislation@aul.org).

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<sup>7</sup> Charlotte Lozier Institute, “Pro-life Pregnancy Centers Served 2 Millions People with Essential Medical, education and Support Services in 2019,” [Pro-life Pregnancy Centers Served 2 Million People with Essential Medical, Education and Support Services in 2019 - Charlotte Lozier Institute](#) (last visited November 1, 2022).

<sup>8</sup> *Id.*

# COMMUNITY SUPPORT FOR PREGNANCY CENTERS ACT

HOUSE/SENATE BILL No. \_\_\_\_\_  
By Representatives/Senators \_\_\_\_\_

## Section 1. Title.

This Act may be cited as the "Community Support for Pregnancy Centers Tax Credit Act."

## Section 2. Definitions.

*[Drafter's Note: These are recommended definitions, but some may not be compatible with a state's existing laws. Care should be taken to select only those definitions that are compatible with existing state law or with the intent of the proposed legislation (i.e., to modify or deviate from definitions in existing state law).]*

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) "Pregnancy Resource Center" means an organization or facility in this state:
- (i) Which is established and operating primarily to provide pregnancy counseling or information as its primary purpose;
  - (ii) Which does not perform, induce, or refer for abortions and which does not hold itself out as performing, inducing, or referring for abortions;
  - (iii) Which provides its services at no cost to its clients;
  - (iv) Which provides direct client services at the facility;
  - [(v) Which provides medical services, when and if it does so, in accordance with [insert name of State] statute and regulations promulgated thereunder].
- (c) "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 a Pregnancy Resource Center.
- (d) "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.

(e) “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. Pregnancy Center 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).]

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.

(b) An eligible Business Enterprise may apply for, and Department shall allow, a tax credit in accordance with Section 7 of the Pregnancy Center 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 for which a credit is claimed under this section may not be used as a deduction by the taxpayer for state income tax purposes.

### **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. 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 Community Support for Pregnancy Centers 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.

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

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