

# APLC

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**To:** Interested Persons

**Date:** April 2023

**From:** A. Eric Johnston

**RE: HB 208 – Pregnancy Resource Act by Representative Jamie Kiel  
2023 Regular Session**

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**Purpose:** This bill provides for tax credits on Alabama Income for individual or business contributions to pregnancy centers and residential maternity facilities who provide resources for women, and do not support abortion in any way. Tax credits may be up to 50% of the individual’s state income tax. The total tax credit is \$10 million dollars. The law will sunset after 2028, unless extended. Operative provisions are as follows:

§ 1(b) - Defines an “eligible charitable organization” as one that is IRS tax exempt, an Alabama nonprofit entity, being a pregnancy center or residential maternity facility that has a dedicated phone number, principal physical office in Alabama open a minimum of twenty hours per week, offers services at no cost for the express purpose of providing this assistance to women in order to carry their pregnancy to term, encourages parenting or adoption, prevents abortion, provides healthy child birth, and utilizes qualified medical professionals for medical procedures.

§ 1(c) - Individuals and businesses may request tax credits against state income tax not to exceed 50% of total state income tax liability, which may be carried forward for five years. A taxpayer may not claim an additional tax deduction for the contribution and may not transfer it to another taxpayer.

§ 1(d)(e) – On Department of Revenue forms, an eligible charitable organization shall provide written certification of its tax exempt status, including that it “does not provide, pay for, refer for, promote or provide coverage of drug induced or surgical abortions and does not financially or otherwise support... affiliate with any other entity that [does]...,” that its principal office is in Alabama and 50% of its clients are Alabama residents.

§ 1(i) – The amount of tax credits for a calendar year shall not exceed \$10 million and not more than 50% of total credits may be allocated to a single eligible charitable organization.

§ 1(k) – Tax credits are effective January 1, 2024 through 2028, unless extended.

**Why This Law is Needed:** With the passage of the Alabama Human Life Protection Act in 2019, which went into effect in June 2022 as a result of the *Dobbs* SCOTUS decision permitting states to prohibit abortion, many Alabama women who might otherwise obtain abortions need assistance for themselves, their children and their families as a result of their pregnancy. Pregnancy resource centers and maternity homes provide these necessities. There are approximately 54 such facilities in Alabama who are providing these services based solely on charitable contributions, without any federal or state funds. As a result of the AHLPA, these facilities have seen a significant increase in needs for which additional funds are necessary. The public policy of Alabama is to protect women and children. Tax credits for these purposes fulfill that public policy which results in the saving of the lives of many unborn children and meeting the concomitant needs of their mothers and families.

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This memo will be provided to legislators and other interested persons. It is helpful during the legislative process to provide succinct information on a bill.

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