



Samuel Lee
Director

Testimony in Support of HB 297 Creates the Qualifying Pregnancy Resource Center Tax Credit Ohio House Ways and Means Committee

Samuel Lee, Director of Campaign Life Missouri – Tuesday, November 5, 2019, 3:00 PM

Thank you Chairman Merrin and Members of the Ohio House Ways and Means Committee for giving me an opportunity to submit written testimony in support of HB 297, which creates the Qualifying Pregnancy Resource Center Tax Credit. And thank you Reps. Ginter and Powell – along with the co-sponsors of HB 297 – for introducing this important legislation to help pregnant women and their children (born and unborn) in need.

As a long-time pro-life lobbyist in Missouri, I worked to pass Missouri's Pregnancy Resource Center (PRC) Tax Credit, first enacted in 2006 but which has gone through various iterations. Missouri's PRC Tax Credit has been supported by various pro-life organizations, such as Missouri Right to Life (the National Right to Life state affiliate), the Missouri Catholic Conference, the Missouri Baptist Convention (Southern Baptists) – and a number of PRC's.

Missouri's PRC Tax Credit is codified at section 135.630, RSMo. The law provides a 50% state income tax credit, the same as is proposed in HB 297 (but Missouri's will rise to 70% in 2021).

There are now 74 PRC's in Missouri, up from 46 in 2007-2008, which was the first full year after the law went into effect. That represents a 38% increase in the number of PRC's operating in Missouri in the last 12 years since the tax credit began. But that does not even take into consideration the increased services that each of these agencies now provides today – compared to 12 years ago – because of increased donations as a direct result of the tax credit.

In Missouri, PRC's are non-residential facilities that provide free assistance to women with crisis or unplanned pregnancies to assist women in carrying their pregnancies to term. Depending on the size of the agency and the needs of the clients, PRC's provide: free pregnancy tests; ultrasound; prenatal vitamins; maternity clothing, baby clothes and furniture; diapers, cribs and car seats; housing and utilities assistance; and nutritional counseling.

PRC's collaborate with and make referrals to agencies that provide: childbirth and breastfeeding classes; support for overcoming drug and alcohol addiction; assistance to complete a GED – as well as referral to: job centers and skill training; domestic violence shelters; and food pantries.

The clients of PRC's can be poor, desperate, or seemingly without options – or all the above. Some are pressured by boyfriends, family, friends, school counselors or others to get an abortion.

PRC's treat each woman with respect and dignity. They help them work through and answer the questions and concerns that their clients have, like:

- Do I have the ability to financially support a child?
- Will life change too much if I keep the baby?

- How will this impact work and career, or school and education?
- What will our parents and families think?
- Is there a future with the father of the baby?

The services PRC's provide to pregnant women and children has relieved the burden on taxpayers – since they might have otherwise relied more on government assistance. And preventing even just a handful of premature infants from ending up in a neonatal intensive care unit (NICU) after being born to mothers with substance use disorders, could mean millions of dollars in savings to taxpayers.

Missouri's PRC Tax Credit is administered by the Missouri Department of Social Services (DSS). DSS maintains a webpage specifically on this tax credit, which can be found here: <https://dss.mo.gov/dfas/taxcredit/pregnancy.htm>. Attached is a copy of that webpage.

Annually, DSS also publishes a list of qualified PRC's, so donors can know to which agencies their donations will be eligible for a tax credit, which can be found here: <https://dss.mo.gov/dfas/taxcredit/pdf/qualified-pregnancy-resource-centers.pdf>. Attached is a copy of that list.

In addition, each year (usually in January) each of Missouri's tax credit programs undergo a review by the state agency which administers it. The review for all of Missouri's tax credit programs can be found here: https://oa.mo.gov/sites/default/files/2019-01_Tax_Credit_Analysis.pdf. Attached is the most recent review of the PRC Tax Credit (January 2019), excerpted from the complete review.

Among other things, the review found that for the current fiscal year, about 41,000 clients are expected to be served by Missouri's PRC's – with a benefit/cost ratio to the state of 2.38. In other words, for every \$1.00 in tax credits provided to Missouri taxpayer-donors, the state saved \$2.38 because it did not have to provide the services to pregnant women and their families that PRC's provided.

Chairman Merrin, I hope you and the Ways and Means Committee will give serious consideration to passing out of committee HB 297, because it will be of such great benefit to Ohio pregnant women and their children and families – as well as to Ohio taxpayers.

Pregnancy Resource Center Tax Credit

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What is the Pregnancy Resource Center Tax Credit?

By contributing to a qualified pregnancy resource center, Missouri taxpayers:

- Help fund services for women with unplanned or crisis pregnancies; and,
- Can earn a state tax credit.

What is a qualified pregnancy resource center?

Pregnancy Resource Centers

A pregnancy resource center is a tax-exempt, non-residential facility located in Missouri. These centers assist women with unplanned or crisis pregnancies and encourage women to carry their pregnancies to term by offering pregnancy testing and counseling with emotional and material support.

- Pregnancy resource centers provide cost-free, direct client services at the facility, as opposed to merely providing counseling or referral services by telephone.
- They do **not** perform childbirths or perform, induce or refer women for abortions.
- All medical services are provided in accordance with Missouri statute.

How does pregnancy resource center become a qualified agency?

To qualify, each year the pregnancy resource center submits:

- A completed Application for Agency Eligibility Verification form;
- A copy of their certificate of incorporation;
- A tax-exempt certificate from the Internal Revenue Service; and,
- A brief statement of their primary business functions including facility capacity and number of people served annually.

Where are qualified pregnancy resource centers located?

The link below lists where qualified resource centers for the current state fiscal year are located.

[View contact information](#) 

What role does Department of Social Services' (DSS) play for this tax credit?

Department of Social Services (DSS) administers the tax credit.

Who can claim this tax credit?

- A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed in chapter 143 RSMo;
- A corporation subject to the annual corporation franchise tax imposed in chapter 147 RSMo;
- An insurance company paying an annual tax on its gross premium receipts in this state;
- Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148 RSMo;
- An express company which pays an annual tax on its gross receipts in this state pursuant to Chapter 153 RSMo;
- An individual subject to the state income tax imposed in Chapter 143, RSMo.
- Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, RSMo.

The amount of the claimed tax credit may not exceed the amount of the taxpayer's state income tax liability for the year the credit is being claimed.

Any tax credit that cannot be claimed in the tax year associated with the contribution may be carried forward and used against a taxpayer's state tax liability the next succeeding tax year.

How does the credit work?

- **(Step 1)** Annually, pregnancy resource centers desiring to participate in this tax credit program must submit an Agency Eligibility Verification application and supporting documentation to DSS to determine qualification status for the next state fiscal year.
- **(Step 2)** DSS notifies pregnancy resource centers of their eligibility and equally apportions the total available tax credits among the eligible centers. These credits are effective beginning July 1 of each state fiscal year. The amount of credits available cannot exceed \$3.5 million in a state fiscal year (July 1 through June 30) effective July 1, 2019.
- **(Step 3)** If determined eligible by DSS, the pregnancy resource center may begin receiving contributions eligible for the tax credit beginning July 1. Note: Centers are permitted to decline a contribution from a taxpayer.

Annually, DSS publishes a [list of qualified pregnancy resource centers](#) which are eligible for the Pregnancy Resource Center Tax Credit. To request a copy you may call (573) 751-7533 or write to us at the following address:

Department of Social Services
Attention: Pregnancy Resource Center Tax Credit Program
PO Box 863
Jefferson City, MO 65102-0863

If a pregnancy resource center has a change in business functions that impacts their qualifying status, they must contact the Department of Social Services within 30 days. The Department of Social Services will review the eligibility to participate in the tax credit and notify the agency of the determination within 30 days of receiving the notification of change.

- **(Step 4)** A donor contributes to a qualified pregnancy resource center. Note: There is a \$100 minimum contribution, of which 50% is tax-credit-eligible. Donors can claim up to a \$50,000 credit per tax year.
- **(Step 5)** The pregnancy resource center and the taxpayer must complete their portion of the [Pregnancy Resource Center Tax Credit Application](#). Applications and supporting documentation must be submitted to DSS by the qualified center within twelve (12) months of the donation date. Applications received after one year of the donation date will be void and the right to the tax credit is forfeited. Required documentation varies depending on the type of donation:

Supporting Documentation Required:

- For a **cash contribution**, a legible receipt indicating the name and address of the pregnancy resource center; name, address and telephone number of the contributor; amount and date the contribution was received; and, signature of a representative of the pregnancy resource center receiving the contribution.
- For a **contribution made by check**, a photocopy of the canceled check, front and back (if not possible, then a copy of the original check and a receipt from the pregnancy resource center including the same information required of a cash donation).
- For a **contribution made by credit card**, a legible transaction receipt with the name and address of the pregnancy resource center; contributor's name, address and telephone number; amount and date the contribution was received; and, signature of a representative of the pregnancy resource center receiving the contribution. Note: Receipts should have the credit card account number blacked out.
- For a **contribution made by money order or cashiers check**, a legible copy of the original document with the name and address of the pregnancy resource center; contributor's name, address and telephone number; amount and date the contribution was received; and, signature of a representative of the pregnancy resource center receiving the contribution.
- For a **contribution made by stock, bonds and other marketable securities**, values of contributed stocks and bonds must be determined by a reputable source (e.g., *Wall Street Journal*, New York Stock Exchange [NYSE], National Association of Securities Dealers Automated Quotations [NASDAQ], etc.) Required information includes the source, value and date the stock was valued and how the bond amount was determined.
- For a **contribution of real estate**, the value of contributions of real estate shall be equal to the lower of at least two qualified independent appraisals for commercial, vacant or residential property with a value of more than \$50,000. Commercial, vacant or residential property having a value of \$50,000 or less requires one appraisal.
- For **contributions that include a benefit to the donor**, documentation will depend on how the type of contribution is made (i.e., cash, check, etc., please see above.) Additional information required includes the type of function or event from which the benefit was received, description of the benefit received (if an auction item, identify the item received), gross amount of the contribution, fair market value of the benefit and how the fair market value of the benefit was determined. Note: Donations of furniture, appliances, clothing, etc., are not considered qualifying contributions eligible for the Pregnancy Resource Center Tax Credit.
- **(Step 6)** Within 45 days of receipt of the tax credit application, DSS determines tax credit eligibility and will notify the following parties:
 1. Taxpayer (notification will include the approved tax credit amount);
 2. Missouri Director of Revenue.

Note: DSS issues tax credits in the order applications are received.

Once the tax credit application has been received by DSS and verification of the appropriate documentation has been determined, DSS will verify with the Department of Revenue any outstanding balances due from the donor's prior year's state tax liability. If a balance due is outstanding, the amount of tax credit issued will be reduced by that amount.

How are tax credits redistributed?

- At least quarterly, DSS will review the cumulative amount of approved tax credits. If a pregnancy resource center fails to use all or some percentage of its apportioned tax credits during a predetermined period, DSS may redistribute unused tax credits to pregnancy resource centers that have used all or most of their apportionment. Redistribution during a fiscal year will ensure, to the maximum extent possible, that taxpayers can claim all available tax credits.

- DSS will notify pregnancy resource centers affected by the reapportionment of tax credits. DSS will allow a 30-day comment period on redistribution and consider planned future uses of the tax credit allocation. DSS decisions regarding reapportionment are final.

Important Pregnancy Resource Center Tax Credit Links:

- **Pregnancy Resource Center Tax Credit Statute** (RSMo 135.630)
- **Pregnancy Resource Center Tax Credit Regulation**  (13 CSR 35-100.020)
- **Pregnancy Resource Center Tax Credit Application** 
- Addresses for **Qualified Pregnancy Resource Centers** 
- To Claim the Tax Credit use form MO-TC **Missouri Department of Revenue**
- To Learn More About Claiming the Tax Credit Contact Department of Revenue, E-mail: income@dor.mo.gov
- **Form and Instructions to Apply to Become an Agency Benefiting from this Credit.** 
- Pregnancy Resource Centers wanting to learn more should contact Department of Social Services at 573-751-7533 (M-F, 8:00-5:00)

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Jennifer Tidball

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Missouri Department of Social Services is an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities. TDD/TTY: 800-735-2966, Relay Missouri: 711

QUALIFIED PREGNANCY RESOURCE CENTERS

The following centers are qualified to receive donations for participation in the Pregnancy Resource Center Tax Credit Program for Fiscal Year 2020 (July 1, 2019 to June 30, 2020).

Center	Location	Phone
Alpha House	Bolivar	(417)777-5433
Aspire Women's Center - Pregnancy Resource Center of Sikeston	Sikeston	(573)475-9230
Bethany Christian Services	St. Louis	(314)781-6363
Birthright Counseling	St. Louis	(314)962-5300
Birthright of Cape Girardeau	Cape Girardeau	(573)335-0750
Birthright of Chillicothe	Chillicothe	(660)707-0268
Birthright of Greater Kansas City	Kansas City	(816)444-7090
Birthright of Hannibal	Hannibal	(573)221-0080
Birthright of Hermann	Hermann	(573)486-3550
Birthright of Hillsboro	Hillsboro	(636)789-3518
Birthright of Mid-Missouri	Jefferson City	(573)635-8822
Birthright of Montgomery City	Montgomery City	(573)564-8008
Birthright of Nevada	Nevada	(417)448-1771
Birthright of St. Charles, Inc.	St. Charles	(636)724-1200
Birthright of St. Joseph	St. Joseph	(816)279-8242
Birthright of Wentzville	Wentzville	(636)327-8170
Caring Hearts Pregnancy Resource Center	Potosi	(573)436-2000
Catholic Charities of KC - St. Joseph, Inc.	Kansas City	(816)221-4377
Choices Pregnancy Center	Marshfield	(417)468-5555
Christian Family Services	St. Louis	(314)968-2216
Christian Family Services of the Midwest, Inc.	Overland Park	(816)763-4320
Coalition for Life	St. Louis	(314)827-4039
Crisis Pregnancy Center, Inc./The Source	Maryville	(660)215-3024
Crossroads Family Ministries	Warsaw	(660)438-9140
Doula Foundation of Mid-America, Inc.	Springfield	(417)832-9222
Free Women's Center of Pulaski County	Waynesville	(573)774-4992
Golden Valley Door of Hope	Clinton	(660)890-7011
Good Shepherd	St. Louis	(314)854-5700
Guiding Star	Rolla	(573)201-0282
Hand n' Hand	Barnhart	(636)464-8400
House of Ruth Women's Resource Clinic	Republic	(417)732-5993
Jefferson County Pregnancy Care Center	House Springs	(636)495-6566
Laclede County Pregnancy Support Center	Lebanon	(417)532-8555
Liberty Women's Clinic	Liberty	(816)415-5111
Life Choices	Joplin	(417)623-0131
Life Network of Central Missouri	Columbia	(573)874-3561
Lifeline Pregnancy Care Center - Cuba	Cuba	(573)885-3040
Lifeline Pregnancy Help Clinic	Kirksville	(660)665-5688
Lutheran Families and Children's Services of Missouri	St. Louis	(314)787-5100
Mary Queen of Angels	O'Fallon	(636)379-5070
MBCH Children and Family Ministries	Bridgeton	(314)739-6811
Midtown Neighborhood Opportunities Corp	St. Louis	(314)534-1180
New Beginnings	Warrensburg	(660)747-3593
Oasis Resource Center	Troy	(636)706-6858
Options for Women	Cape Girardeau	(573)339-2032
Options for Women of Pike County	Bowling Green	(573)213-5115
Options Pregnancy Clinic - Ava	Ava	(417)683-2315
Options Pregnancy Clinic - Branson	Branson	(417)336-5483

Parkland Pregnancy Resource Center	Park Hills	(573)431-6001
Parkville Women's Clinic	Kansas City	(816)746-4855
Pettis County Birthright, Inc.	Sedalia	(660)826-9060
Pregnancy Assistance Center	Washington	(636)239-1840
Pregnancy Care Center	Springfield	(417)877-0800
Pregnancy Help Center of Central Missouri	Jefferson City	(573)644-6635
Pregnancy Help Center of Lake of the Ozarks	Camdenton	573-346-3337
Pregnancy Life Line	Branson West	(417)272-5210
Pregnancy Options of Warren County	Warrenton	(636)456-5131
Pregnancy Resource Center of Mountain Grove	Mountain Grove	(417)926-3310
Pregnancy Resource Center of Neosho, Inc.	Neosho	(417)455-0100
Pregnancy Resource Center of South Central Missouri	Houston	(417)967-1100
Pregnancy Resource Clinic of St. Joseph	St. Joseph	(816)387-8090
Rachel House Pregnancy Resource Center	Lee's Summit	(816)921-5050
Ray of Hope Pregnancy Care Ministries	Macon	(660)395-8099
Riverways Pregnancy Resource Center	Salem	(573)739-4673
Rolla Pregnancy Resource Center	Rolla	(573)368-5700
Shiloh Center/Life Choice Center for Women	Harrisonville	(816)925-4596
South County Pregnancy Help Center	St. Louis	(314)894-9800
St. Francis Community Services	St. Louis	(314)256-5994
Ste. Genevieve Area Center for Life	Ste. Genevieve	(573)883-1088
The Light House	Kansas City	(816)361-2233
Thrive St. Louis, Inc.	St. Louis	(314)783-3040
TriCounty Birthright	Eureka	(636)938-4221
Tri-County Pregnancy Resource Center	Aurora	(417)678-0090
Your Other Mother	Union	(636)744-8444

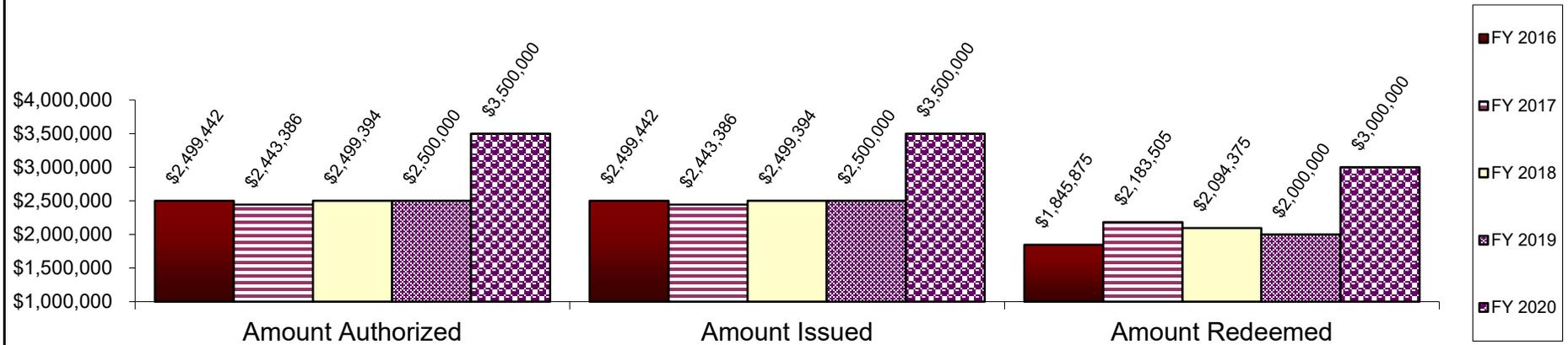
TAX CREDIT ANALYSIS

Program Name: Pregnancy Resource Center						
Department: Social Services			Contact Name & No.: Helen Jaco (573) 751-7533			Date: January, 2019
Program Category: Domestic and Social			Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____			
Statutory Authority: 135.630 RSMo			Applicable Taxes:			
Program Description and Eligibility Requirements:						
<p>A qualified pregnancy resource center may apply for tax credits on behalf of taxpayers who make contributions to the agency. The amount of tax credit issued may be equivalent to up to fifty percent of the contribution to the agency. Credits shall not be less than fifty dollars (\$50) and can not exceed fifty thousand dollars (\$50,000) to an individual taxpayer in a fiscal year.</p> <p>Pregnancy resource centers must submit an application to the Department to be certified to received donations eligible for the Pregnancy Resource Center Tax Credit. An agency must be a non-residential facility located in this state which is exempt from income taxation under the United States Internal Revenue Code and is established for the purpose of providing assistance to women with unplanned or crisis pregnancies, or similar services to encourage and assist women in carrying their pregnancies to term. These facilities do not perform childbirths nor do they perform, induce or refer for abortion. All services are provided in accordance with Missouri statute at no cost to clients.</p>						
Explanation of How Award is Computed:						
Entitlement <input checked="" type="checkbox"/> Discretionary _____						
<p>The Pregnancy Resource Center Tax Credit program became effective January 1, 2007. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent (50%) of the amount such taxpayer contributed to a pregnancy resource center. The taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution to the centers is at least one hundred dollars (\$100) in value. The amount of the tax credit claimed must not be in excess of the taxpayer's state tax liability for the taxable year that the credit is claimed and shall not exceed fifty thousand (\$50,000) dollars per taxable year.</p>						
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$2,500,000 None _____						
Explanation of cap: Annually, \$2.5 million is allocated to those qualifying pregnancy resource centers that have submitted an application and supporting documentation to the Department of Social Services. Allotments may be revised during the year at the Department's discretion in an effort to fully utilize the maximum tax credit possible. In FY 2020, the annual allocation will increase to \$3.5 million.						
Explanation of Expiration of Authority: Pursuant to section 23.253, RSMo, of the Missouri Sunset Act, the program shall expire on December 31, 2024. The program will terminate on September 1, 2025. No additional credits will be authorized or issued upon sunset.						
Specific Provisions: (if applicable)						
Carry forward <u>4</u> years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____						
Comments on Specific Provisions: The four year carryover ended August 28, 2018. After that date, the carryover is for one year.						
	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 (year to date)	FY 2019 (Full Year)	FY 2020 (Budget Year)
Certificates Issued (#)	4,363	4,628	4,416	1,224	4,400	5,400
Projects (#)	N/A	N/A	N/A	N/A	N/A	N/A
Amount Authorized	\$2,499,442	\$2,443,386	\$2,499,394	\$903,821	\$2,500,000	\$3,500,000
Amount Issued	\$2,499,442	\$2,443,386	\$2,499,394	\$903,821	\$2,500,000	\$3,500,000
Amount Redeemed	\$1,845,875	\$2,183,505	\$2,094,375	\$576,643	\$2,000,000	\$3,000,000
FY 2018 EST. Amount Outstanding		\$2,346,957	FY 2019 EST. Amount Authorized but Unissued		\$0	

TAX CREDIT ANALYSIS

Program Name: Pregnancy Resource Center

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2018 ACTIVITY	Other Fiscal Period (indicated time)	Derivation of Benefits: Indirect fiscal benefits are the total amount of donations received from qualifying agencies that contributed toward the cost of assisting women with unplanned or crisis pregnancies who may have, otherwise, accessed state assistance. (Credits issued reflect 50% of total donations received) Direct costs are the amount of credits that redeemed in FY 18 (\$2,094,375) plus the cost for salary and fringe to administer the tax credit (\$6,973).
BENEFITS			
Direct Fiscal Benefits	N/A		
Indirect Fiscal Benefits	\$4,998,787		
Total	\$4,998,787		
COSTS			
Direct Fiscal Costs	\$2,101,348		
Indirect Fiscal Costs	N/A		
Total	\$2,101,348		
BENEFIT: COST	2.38		

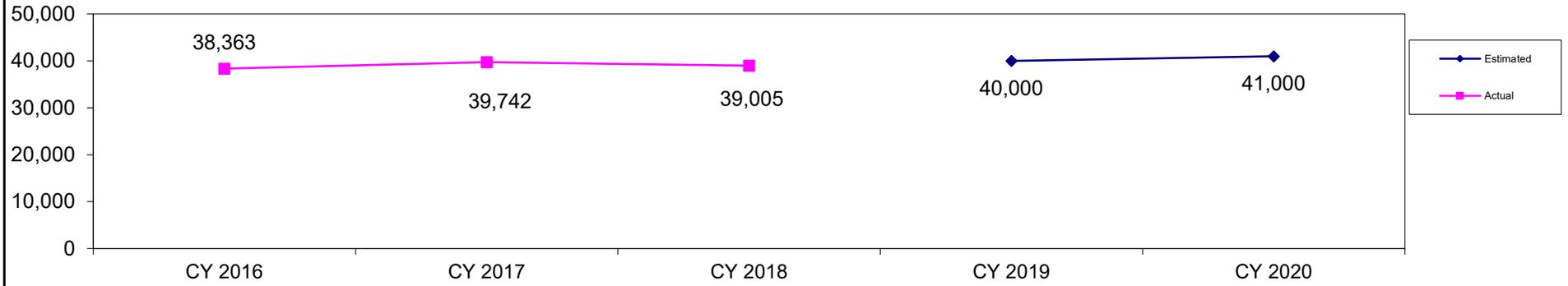
Other Benefits:

TAX CREDIT ANALYSIS

Program Name: Pregnancy Resource Center

PERFORMANCE MEASURE(S)

Number of People Served



Comments on Performance Measure: