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Director

## Testimony in Support of HB 2135 – Creates the Kansas Pregnancy Resource Act Kansas House Committee on Taxation

Samuel Lee, Director of Campaign Life Missouri – Thursday, February 2, 2023, 3:30 PM

### **HB 2135 is similar to legislation in Missouri which provides tax credits for those who donate to Missouri maternity homes and pregnancy resource centers.**

HB 2135 – the Pregnancy Resource Act – is similar to two separate tax credits that were established a number of years ago in Missouri: the [Maternity Home Tax Credit](#) and the [Pregnancy Resource Center Tax Credit](#). The Maternity Home Tax Credit was enacted in 1997 and codified at [section 135.600](#). The Pregnancy Resource Center Tax Credit was enacted in 2006 and is codified at [section 135.630](#). Both tax credits have been amended since first being passed into law.

### **Maternity homes and pregnancy resource centers provide valuable services to pregnant women and children, and relieve taxpayers of some of the burden of supporting families in crisis.**

**Maternity homes** provide shelter for homeless, pregnant women and their children. Many come from abusive homes or relationships. [Our Lady's Inn](#) in St. Louis and St. Charles, for example, provides around-the-clock shelter and the immediate and basic needs of food, clothing and shelter. In addition, Our Lady's Inn supports families with case management – working with the family to achieve specific educational, employment and housing goals. Registered nurses offer on-site pre- and post-natal care and education to ensure healthy pregnancies and babies.

One maternity home in Kansas City, Mo., – [Alexandra's House](#) – is a unique program specializing in assisting families whose unborn children suffer from rare or fatal conditions, and who are expected to die near or soon after birth. [Queen of Peace Center in St. Louis](#) specializes in housing and treatment for pregnant women (and their children) with drug and alcohol abuse.

The number of maternity homes in Missouri has grown, from 13 in 2010 to [17 today in Missouri](#).

**Pregnancy resource centers** (PRCs) 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 and of the agency and the needs of the clients, PRCs 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.

PRCs may also collaborate with and make referrals to agencies for childbirth and breastfeeding classes; domestic violence assistance; food banks and pantries; drug and alcohol addiction support; GED completion; and job centers and skill training.

The clients of PRCs 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.

PRCs treat each woman with respect and dignity. They help answer and work through the concerns clients have, like:

- Ability to financially support a child
- Will life change too much?
- How this will impact work and career, or school and education?
- What parents and family will think
- Her relationship status – is there a future with the father of the baby?

There are now [78 PRCs in Missouri](#) – up from 48 in 2007.

The services that maternity homes and PRCs provide to the pregnant women, children and families in crisis they serve has relieved the burden on taxpayers – since those individuals might have otherwise used government assistance.

For example, by preventing just a handful of children from ending up in a neonatal intensive care unit (NICU) after being born to mothers with substance abuse, that can mean millions of dollars in savings to taxpayers.

The Missouri Department of Social Services (DSS) – which administers both tax credits – has calculated a savings to taxpayers using a “benefit: cost” analysis of the tax credits on state revenue impact, which DSS defines as:

**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.

Direct costs are the amount of credits that were redeemed in FY 21 plus the cost for salary and fringe to administer the tax credit.

[For FY 21 for the Pregnancy Resource Center Tax Credit, DSS calculated a benefit: cost ratio of 4.73](#) (\$6,717,998 in indirect fiscal benefits to the state vs. \$ 1,421,298 in direct costs to the state).

[For FY 21 for the Maternity Home Tax Credit, the benefit: cost ratio was 4.39](#) (\$5,251,662 in indirect fiscal benefits to the state vs. \$1,194,942 in direct costs to the state).

Also, for pregnancy resource centers in Missouri, DSS estimates that in calendar year 2022 (CY 2022), 43,000 clients were served.

DSS has estimated that in CY 2022, 1,595 clients were served at Missouri maternity homes.

**The Maternity Home and Pregnancy Resource Center Tax Credits operate in a similar manner.**

Individual or corporate donors to a maternity home or a PRC receive a tax credit of 70% of their contribution of \$100 or more. Neither of the tax credits are refundable (i.e., cannot exceed the taxpayer’s tax liability) or transferable, but if a tax credit cannot be claimed by a donor in one year, it can be carried over to the next.