



ARIZONA STATE SENATE
Fiftieth Legislature, Second Regular Session

FACT SHEET FOR H.B. 2627

tax credit; charitable organizations

Purpose

Modifies certification criteria required by DOR to qualify as a charitable organization by removing the requirement that organizations declare if they promote or provide referrals for abortions.

Background

Current statute permits Arizona taxpayers to make a voluntary cash contribution to a qualifying charitable organization and receive a credit for the contribution against their income tax. Taxpayers may receive credit for voluntary cash contributions in the amount of up to \$200 for a single individual or head of household or \$400 for a married couple filing a joint return (A.R.S. § 43-1088).

A qualifying charitable organization is a charitable organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code or is a designated community action agency that receives federal monies under the community services block grant program. The organization must spend at least 50 percent of its budget on services to state residents who receive benefits pursuant to Temporary Assistance for Needy Families, have a low income or have children who are chronically ill or physically disabled. A qualifying charitable organization must certify to the Department of Revenue (DOR) that it meets these requirements and notify DOR of any changes that may affect its qualification. The certification must be in writing and signed under penalty of perjury by an officer of the organization (A.R.S. § 43-1088).

Current law prohibits public funds and tax monies of the state and political subdivisions from being expended for payment to any person or entity for the performance of any abortion unless the abortion is necessary to save the life of the woman having the abortion. That limitation also applies to federal funds passing through the state treasury or the treasury of a political subdivision (A.R.S. § 35-196.02).

Laws 2011, Chapter 55, prohibited qualifying charitable organizations from providing, paying for, promoting, providing coverage of or referrals for abortions. However, Arizona Coalition Against Domestic Violence v. Greene, was filed in Federal District Court in August of 2011, which argues that because the Coalition promotes and provides referrals for abortions, including presentations to women in domestic violence shelters, the new law violates freedom of speech. The judge issued a preliminary injunction in that case.

The fiscal impact of this legislation is unknown.

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Provisions

1. Modifies certification criteria required by DOR to qualify as a charitable organization by removing the requirement that organizations declare if they promote or provide referrals for abortions.
2. Contains a severability clause.
3. Becomes effective on the general effective date.

House Action

WM	1/30/12	DPA	8-0-0-1
3 rd Read	2/28/12		40-16-3-0-1

Prepared by Senate Research

March 6, 2012

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