1   L.D. 1164

2   Date: (Filing No. H-   )

3   **TAXATION**

4   Reproduced and distributed under the direction of the Clerk of the House.

5   **STATE OF MAINE**

6   **HOUSE OF REPRESENTATIVES**

7   **125TH LEGISLATURE**

8   **SECOND REGULAR SESSION**

9   COMMITTEE AMENDMENT " 　 " to H.P. 862, L.D. 1164, Bill, "An Act To
10   Support Maine Farms and Alleviate Hunger"

11   Amend the bill by striking out everything after the enacting clause and before the
12   summary and inserting the following:

13   '**Sec. 1. 36 MRSA §199-C, sub-§3** is enacted to read:

14   **3. Specific tax credit review.** By April 1, 2018, the committee shall review the
15   income tax credit under section 5219-HH to determine whether the income tax credit for
16   the donation of agricultural products to a food bank, food kitchen or other organization
17   that provides free food to low-income individuals should be continued, repealed or
18   modified.

19   **Sec. 2. 36 MRSA §5219-HH** is enacted to read:

20   **§5219-HH. Farm donation credit**

21   A person engaged in commercial agricultural production, as defined in section 2013,
22   subsection 1, paragraph A, may claim a credit against taxes imposed by this Part equal to
23   the fair market value up to $2,500, as determined under Section 170(e) of the Code, of
24   agricultural products donated to a food bank, food kitchen or other organization that is
25   exempt under Section 501(c) of the Code or incorporated under Title 13-B and that
26   provides food to low-income individuals without charging a fee for the food or requiring
27   any other type of compensation from the low-income individual. For purposes of this
28   section, "low-income individual" means a person who is a member of a lower income
29   household as defined in Title 30-A, section 5002, subsection 11. A taxpayer may not
30   claim a credit under this section if the taxpayer claims a deduction from federal income
31   tax for a charitable contribution under Section 170 of the Code for the same donation.
32   This credit may not reduce the tax otherwise due under this Part to less than zero.

33

COMMITTEE AMENDMENT

1   **Sec. 3. Application.** That section of this Act that enacts the Maine Revised
2 Statutes, Title 36, section 5219-HH applies to tax years beginning on or after January 1,
3 2013.'

4   **SUMMARY**

5   This amendment changes the bill by reducing the maximum amount of the income
6 tax credit for a donation of agricultural products to $2,500 and making the credit
7 nonrefundable. It clarifies that an organization receiving the donated food must be
8 exempt from federal income tax under Section 501(c) of the federal Internal Revenue
9 Code or a nonprofit corporation organized under the Maine Revised Statutes, Title 13-B
10 and may not charge a fee for the food or require any other type of compensation. It
11 provides a definition of "low-income individual," clarifies how fair market value of the
12 donation will be determined and prohibits a taxpayer that has claimed a federal deduction
13 for a charitable contribution for the same donation from claiming the credit. It provides
14 for a review of the tax credit by the joint standing committee of the Legislature having
15 jurisdiction over taxation matters no later than April 1, 2018 to determine whether the
16 credit should be continued, repealed or modifed. It provides that the changes apply to tax
17 years beginning on or after January 1, 2013.

COMMITTEE AMENDMENT