



# Maryland Department of Agriculture

*Office of the Secretary*

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### Legislative Comment

**Date:** February 3, 2021

**BILL NUMBER:** Senate Bill 539  
**SHORT TITLE:** Income Tax Credit – Food Donation Pilot Program – Extension  
**MDA POSITION:** Support

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Senate Bill 539 reauthorizes the Maryland Food Donation Pilot Program, which is set to sunset this year.

During the 2017 legislative session, the Maryland General Assembly passed Senate Bill 416 – Income Tax Credit – Qualified Farms – Food Donation Program. The bill was signed into law by Governor Larry Hogan. The purpose of the bill is to establish a mechanism to allow certain qualified farms to establish a credit against the state income tax for qualified food donations.

Originally, this program was only available to producers in southern Maryland and Montgomery County. However, House Bill 403 of 2019, signed into law by Governor Hogan, expanded the program statewide.

Maryland farmers who donate food to a charity that participates in the Maryland Food Donation Pilot Program are eligible for up to \$5,000 per year of tax credit. The Maryland Department of Agriculture manages the program in cooperation with the Comptroller and has authority to issue up to \$100,000 in tax credits annually. Eligible donations are defined as “fresh farm products for human consumption.” Food donations are eligible for a tax credit of up to 50% of the value of the donation, not to exceed \$5,000 per calendar year. Certified organic produce donations are eligible for a tax credit of 75% of its value.

To date, the total value of food donations from farmers has totaled over \$54,000.

If you have additional questions, please contact Cassie Shirk, Director of Legislation and Governmental Affairs, at [cassie.shirk@maryland.gov](mailto:cassie.shirk@maryland.gov) or 410-841-5886.