



Maryland Department of Agriculture

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MARYLAND DEPARTMENT OF AGRICULTURE

LEGISLATIVE COMMENT

DATE: February 13, 2019

BILL NUMBER: HOUSE BILL 403

SHORT TITLE: INCOME TAX CREDIT - QUALIFIED FARMS - FOOD DONATION PILOT PROGRAM - EXPANSION AND EXTENSION

MDA POSITION: INFORMATION

EXPLANATION:

This legislation would expand the State's Food Donation Pilot Program and extend it for two years, to 2021. Currently, the program only applies to eligible food donations made by a qualified farm located in Anne Arundel, Calvert, Charles, Montgomery, Prince George's, or St. Mary's counties.

BACKGROUND INFORMATION:

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

The Maryland Department of Agriculture (MDA) met with the Maryland Food Bank, the Capital Area Food Bank and the Comptroller's Office in May-July 2017 to develop regulations for this program. Those regulations were finalized September 11, 2017.

In 2017, one farmer received tax credits amounting to \$10,000 for produce donations. In 2018, two Maryland farmers had qualified for tax credits for the total amount of \$5,289.91. It is important to note that many farmers sell produce to food banks vs. donate, which would be why we have seen an increase in program participation.

The department is currently working to increase promotion of the program to ensure

farmers are aware of the opportunity.

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