

HB5380



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5380

by Rep. Terri Bryant - Grant Wehrli - Avery Bourne - Amy Grant
- Patrick Windhorst

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates an income tax credit to taxpayers that own and operate a small farm and make a qualifying food commodity donation to a food bank or emergency feeding organization. Provides that the credit shall be equal to the lesser of \$5,000 or 15% of the value of the food commodity donated. Effective immediately.

LRB101 17623 HLH 67050 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Credit for food donations.

8 (a) For taxable years beginning on or after January 1,
9 2020, there shall be allowed a credit against the tax imposed
10 by subsections (a) and (b) of Section 201 of this Act to
11 qualifying taxpayers that own and operate a qualifying small
12 farm and make a qualifying food commodity donation to a food
13 bank or emergency feeding organization. The credit shall be in
14 an amount equal to the lesser of \$5,000 or 15% of the value of
15 the food commodity donated.

16 (b) For the purposes of this Section:

17 "Qualifying food commodity" means food that meets all
18 quality and labeling standards imposed by federal, State,
19 and local laws and regulations, even though the food may
20 not be readily marketable due to the appearance, age,
21 freshness, grade, size, surplus, or other conditions.
22 Qualifying food commodity does not mean food that is
23 damaged, out of condition, or unfit for human consumption.

1 "Qualifying small farm" means a small family farm,
2 rural-residence family farm, or intermediate family farms,
3 as defined by the United States Department of Agriculture's
4 Economic Research Service, that has gross sales of less
5 than \$250,000 per year and is located in the State.

6 "Qualifying taxpayer" means an Illinois resident who:
7 (i) owns and operates a qualifying small farm in the State;
8 (ii) produces the donated food commodity; and (iii)
9 transfers ownership of the donated food commodity to an
10 Illinois food bank or emergency feeding organization.

11 (c) In no event shall a credit under this Section reduce a
12 taxpayer's liability to less than zero. If the amount of the
13 credit exceeds the tax liability for the year, the excess may
14 be carried forward and applied to the tax liability for the 5
15 taxable years following the excess credit year. The tax credit
16 shall be applied to the earliest year for which there is a tax
17 liability. If there are credits for more than one year that are
18 available to offset liability, the earliest credit shall be
19 applied first.

20 (d) The Department shall adopt rules to implement the
21 provisions of this Section and may work with the United States
22 Department of Agriculture or any other relevant agency to
23 implement the provisions of this Section.

24 (e) This Section is exempt from the provisions of Section
25 250.

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.