

SB0279



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB0279

Introduced 2/19/2021, by Sen. Terri Bryant

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.

LRB102 04423 HLH 14441 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
5 adding 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 2021, 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
4 Agriculture's Economic Research Service, that has gross
5 sales of less than \$250,000 per year and is located in the
6 State.

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

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

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

25 (e) This Section is exempt from the provisions of Section
26 250.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.