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Legislative Document

No. 262

H.P. 183

House of Representatives, January 29, 2021

**An Act To Combat Hunger by Creating a Tax Credit of 10 Percent
of Wholesale Market Prices up to \$5,000 Annually for Businesses
Engaged in Food Production for Donations of Food to Tax-exempt
Organizations**

Received by the Clerk of the House on January 27, 2021. Referred to the Committee on
Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative ROBERTS of South Berwick.
Cosponsored by Senator DAUGHTRY of Cumberland and
Representatives: COLLINGS of Portland, HALL of Wilton, MATLACK of St. George,
McDONALD of Stonington, MEYER of Eliot, PLUECKER of Warren, TERRY of Gorham,
Senator: MAXMIN of Lincoln.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §5216-E** is enacted to read:

3 **§5216-E. Food donation credit**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Commercial agricultural production" has the same meaning as under section 2013,
7 subsection 1, paragraph A.

8 B. "Commercial aquacultural production" has the same meaning as under section
9 2013, subsection 1, paragraph A-1.

10 C. "Commercial fishing" has the same meaning as under section 2013, subsection 1,
11 paragraph B.

12 D. "Low-income individual" means an individual who is a member of a lower income
13 household as defined in Title 30-A, section 5002, subsection 11 or who is homeless as
14 defined in Title 30-A, section 5002, subsection 6.

15 E. "Wholesale market price" means the market price for a product determined either
16 by:

17 (1) The amount paid to the producer of the product by the last previous cash buyer
18 of the product; or

19 (2) If there is no previous cash buyer of the product, an amount based on the market
20 price for the product of the nearest regional wholesale buyer or the regional so-
21 called "u-pick" market price for the product offered to customers who harvest
22 products of their choice.

23 **2. Credit.** A person engaged in commercial agricultural production, commercial
24 aquacultural production or commercial fishing may claim a credit against the taxes imposed
25 by this Part equal to 10% of the wholesale market price of agricultural products,
26 aquacultural products or fishing products, respectively, donated to a food bank, food
27 kitchen or other organization that is exempt from taxation under Section 501(c) of the Code
28 or incorporated under Title 13-B, that is located in this State and that provides food to
29 low-income individuals without charging a fee for the food or requiring any other type of
30 compensation from the low-income individuals. The credit under this section may not
31 exceed \$5,000. A person applying for a credit under this section must submit with the
32 application a written statement from the donee that the products donated will be used by
33 the donee for charitable purposes and for the care of individuals who are ill, needy or
34 malnourished.

35 **Sec. 2. Application.** This Act applies to tax years beginning on or after January 1,
36 2022.

37 **SUMMARY**

38 This bill provides an income tax credit for persons engaged in commercial agricultural
39 production, commercial aquacultural production or commercial fishing for donations to a
40 food bank, food kitchen or other tax-exempt organization that provides food to low-income
41 individuals without charging a fee for the food or requiring any other type of compensation

1 from the low-income individuals. The credit is equal to 10% of the wholesale market price
2 of the donated products up to a maximum of \$5,000.