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Amendment
Review

LD 262

L.D. 262
(Filing No. H-)

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TAXATION

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Reproduced and distributed under the direction of the Clerk of the House.

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STATE OF MAINE

6

HOUSE OF REPRESENTATIVES

7

130TH LEGISLATURE

8

FIRST SPECIAL SESSION

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COMMITTEE AMENDMENT " " to H.P. 183, L.D. 262, "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"

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Amend the bill by striking out the title and substituting the following:

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'An Act To Combat Hunger by Creating an Income Tax Credit of up to \$5,000 Annually for Businesses Engaged in Food Production for Donations to Tax-exempt Organizations'

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Amend the bill in section 1 in §5216-E in subsection 1 by inserting after paragraph C the following:

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'D. "Credit base" means the amount claimed as a deduction by the taxpayer under Section 170 of the Code for the tax year for charitable contributions of agricultural, aquacultural or fishing products intended for human consumption to a qualified donee.'

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Amend the bill in section 1 in §5216-E in subsection 1 by striking out all of paragraph E (page 1, lines 15 to 22 in L.D.) and inserting the following:

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'E. "Qualified donee" means an organization described in the Code, Section 170(c)(2) or (3) that is located in this State and that provides food to low-income individuals in this State without charging a fee for the food or requiring any other type of compensation from low-income individuals.'

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Amend the bill in section 1 in §5216-E in subsection 1 by relettering the paragraphs to read alphabetically.

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Amend the bill in section 1 in §5216-E by striking out all of subsection 2 (page 1, lines 23 to 34 in L.D.) and inserting the following:

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'2. Credit. For tax years beginning on or after January 1, 2022, a person engaged in commercial agricultural production, commercial aquacultural production or commercial fishing may claim a credit against the taxes imposed by this Part equal to 10% of the credit base. The credit under this section may not exceed \$5,000 for a taxable year. A person

ROFS

1 applying for a credit under this section must submit with the application a written statement
2 from the qualified donee that the products donated will be used by the qualified donee for
3 charitable purposes and for the care of individuals who are ill, needy or malnourished.

4 Amend the bill by striking out all of section 2 and inserting the following:

5 **'Sec. 2. Appropriations and allocations.** The following appropriations and
6 allocations are made.

7 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**
8 **Revenue Services, Bureau of 0002**

9 Initiative: Provides one-time funding for computer programming to add lines to the
10 individual, fiduciary and corporate income tax returns.

11	GENERAL FUND	2021-22	2022-23
12	All Other	\$0	\$33,000
13			
14	GENERAL FUND TOTAL	\$0	\$33,000

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16 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
17 number to read consecutively.

18 **SUMMARY**

19 This amendment provides definitions necessary for administration of the food donation
20 credit and provides that the calculation of the credit is based on the credit base that is used
21 for calculation of deductions under the federal Internal Revenue Code of 1986. The
22 amendment adds an appropriations and allocations section.

23 **FISCAL NOTE REQUIRED**

24 (See attached)



130th MAINE LEGISLATURE

LD 262

LR 658(02)

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

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	\$0	\$81,125	\$47,500	-\$47,500
Appropriations/Allocations				
General Fund	\$0	\$33,000	\$0	\$0
Revenue				
General Fund	\$0	(\$48,125)	(\$47,500)	(\$47,500)
Other Special Revenue Funds	\$0	(\$1,875)	(\$2,500)	-\$2,500

Fiscal Detail and Notes

This bill provides an income tax credit for businesses engaged in food production for donations and will result in a reduction in General Fund revenue of \$48,125 in fiscal year 2022-23 and a reduction in Local Government Fund revenue of \$1,875 in fiscal year 2022-23. The bill includes a one-time General Fund appropriation of \$33,000 in fiscal year 2022-23 to the Department of Administrative and Financial Services for computer programming to add lines to the individual, fiduciary and corporate income tax returns.