



BILL: HB0752 – Income Tax Credit - Food Donation Pilot Program - Extension

COMMITTEE: Ways and Means

POSITION: Letter of Support

BILL ANALYSIS: HB0752 extends, through December 31, 2023, the taxable years for which a qualified farm may claim a certain credit against the Maryland income tax for the donation of fresh farm products for human consumption; extending through December 31, 2023, the period of time during which the State Department of Agriculture may issue certain tax credit certificates; extending through December 31, 2024, the period of time for which the Secretary of Agriculture, in consultation with the Comptroller, shall submit a certain report; etc.

Dear Chair Kaiser, Vice Chair Washington, and Members of the House Ways and Means Committee:

The Montgomery County Food Council urges you to **SUPPORT** this bill as it will expand, and support the farms participating in, the existing Food Donation Pilot Program, which has allowed farmers throughout the state to support food security efforts by donating excess fresh produce to non-profit organizations who assist in feeding hungry Marylanders. This Food Donation Pilot Program, signed into law by Governor Larry Hogan in 2017, allows eligible farmers to take a tax credit for donating unsold surplus farm products to charitable food assistance organizations. The expansion of this program over the past several years has afforded a tremendous economic opportunity to table crop farmers throughout the state, while simultaneously reducing food waste and benefitting residents experiencing food insecurity.

The tax credit helps farmers cover the cost of harvesting, packing, and transporting food that would otherwise be wasted. Food producing farmers can receive 50% of the value of conventionally grown produce donations and 75% of the value of certified organic produce donations through this program, earning up to \$5,000 in a given taxable year. This is valuable supplemental income that can help the farm continue to thrive, and extending the program through the end of 2023 will help to bolster food production in Maryland for years to come, helping to foster a more resilient, self-sufficient local food system.

This program has also reduced the amount of wasted food generated in the state by encouraging farmers to glean and donate excess product, and preventing them from taking a total loss on food that, otherwise, could not be sold. The donated produce is redirected to families experiencing food insecurity, who may have limited access to affordable healthy options at their local grocery stores or other food retailers. As a result, the participating farms help to enhance food security by ensuring that food assistance providers have abundant fresh produce to offer to their clients. Dozens of Montgomery County farms, and tens of thousands of residents, have directly benefited as a result of this program. For these reasons, the Montgomery County Food Council supports HB0752 and urges you to vote FOR this bill.

The Montgomery County Food Council is an independent council formed and led by individual community members and representatives of local businesses, government, non-profit organizations, and educational institutions. Our mission is to bring together a diverse representation of stakeholders to improve the environmental, economic, social and nutritional health of Montgomery County, Maryland through the creation of a robust, local, sustainable food system. Our vision is to



cultivate a vibrant food system in Montgomery County that consciously produces, distributes, and recycles food, making it accessible to all residents while promoting the health of the local food economy, its consumers, and the environment.

For more information, please contact: Heather Bruskin, MCFC Executive Director at the email and phone number below.

