

Office of the Secretary

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Maryland Department of Agriculture

Legislative Comment

Date: February 23, 2023

BILL NUMBER: HOUSE BILL 584

SHORT TITLE: INCOME TAX CREDIT- FOOD DONATIONS BY QUALIFIED FARMS- EXTENSION (FARMERS FEEDING FAMILIES ACT)

MDA POSITION: SUPPORT

Maryland Department of Agriculture (MDA) currently runs the Income Tax Credit program for farmers donating food. MDA does this by determining the value of products donated through researching USDA databases. If passed, HB 584 will extend this credit until December 31, 2025, continuing this valuable tool helping those farmers who donate food to the state's food banks and food pantries.

The extension of this tax credit will increase the amount of tax credit farmers receive (75 % of non-organic food, up from 50 % of its wholesale value. Organic food will now be valued at 100% of its wholesale value vs. 75%) In 2021, farmers from the Eastern Shore, southern Maryland and central Maryland received tax credits worth \$35,843.58. The actual total value of food donations from farmers that year totaled \$71,687.17. Nearly \$25,000 in tax credits have been issued for 2022 as of February 2023.

MDA supports HB 584 and respectfully requests a favorable report.

If you have additional questions, please contact Deputy Secretary Steve Connelly at <u>steve.connelly@maryland.gov</u> or (410) 841-5880.