

February 23, 2023

2023 SESSION SUPPORT TESTIMONY

HB0584: Income Tax Credit - Food Donations by Qualified Farms - Extension
(Farmers Feeding Families Act)

COMMITTEE: Ways and Means
POSITION: Testimony in Support with Amendments of House Bill 0584
BILL ANALYSIS: Extending a tax credit against the State income tax for fresh farm and organic fresh farm food donations; altering the amounts of the tax credit from 75% to 100% of the value of the donated certified organic produce a qualified farm is eligible to receive under certain circumstances.
SIGNED: Maryland Food System Resiliency Council (FSRC)

Honorable Chair, Vice Chair, and Members of the Committee, thank you for the opportunity to submit this statement for the record **in SUPPORT, with Amendments, of H.B. 0584**. This letter is submitted on behalf of the Maryland Food System Resiliency Council (FSRC) and does not necessarily represent the views of the State of Maryland. The FSRC was established by the Maryland General Assembly in the 2021 legislative session to bring together 33 appointed council members from across the state, all with different points of entry and expertise, to work towards a common goal of a more resilient food system and address the food insecurity crisis due to COVID-19. One of the key mandates of this council was to develop equity and sustainability policy recommendations to increase the long-term resiliency of the Maryland food system.

This legislation takes important steps to continue to encourage food donations from local farmers. By extending the tax credit, the Food Donation program will continue to be a method to support those in need of food assistance in Maryland. With the impacts of COVID-19 still ongoing, increased prices at grocery stores, and the ending of emergency allotments for SNAP recipients, it is an important time to address issues of food insecurity. This legislation will encourage local farmers to donate excess food through the improved tax credit to the benefit of families across the State. By further incentivizing farmers to donate food, this legislation can reduce potential food waste and increase the number of families that have access to locally grown produce. Increasing local procurement supports local Maryland food producers as well as families who want access to locally-grown products.

As currently written, the legislation does not address several issues identified by farmers and food assistance providers who currently use this program. Based on their input, we make the following recommendations to strengthen the program:

- Remove the designation between fresh and organic farm food donations.
- Increase the value of products donated to 100%, independent of Certified Organic Status.
- Require the State to issue the tax credit letters to the farmers in a timely fashion.
- Remove the sunset provision so that farmers know they can depend on this tax credit as an incentive on an on-going basis.

We support this bill to extend and increase the tax credit for food donations from agricultural lands, and urge that the bill be made stronger with these proposed amendments. This bill will increase local procurement by increasing access to food for families, encourage farmers to donate excess produce and, through the recommended changes, will ensure that all farmers will be able to benefit. Food donations are

a vital resource for many Maryland families and through increased incentive this legislation will encourage more farmers to donate their products. For these reasons, the Maryland Food System Resiliency Council supports, with the stated amendments, HB0584 and urges a FAVORABLE REPORT WITH AMENDMENTS for this bill.

Thank you for your consideration.

Sincerely,

Michael J. Wilson
Chair, Communications and Coordination Committee
Maryland Food System Resiliency Council