

2019 -- S 0121

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO TAXATION

Introduced By: Senators Felag, Conley, Sosnowski, DiPalma, and Seveney

Date Introduced: January 24, 2019

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 70

4 CHARITABLE FOOD DONATION TAX CREDIT

5 **44-70-1. Purpose.**

6 The purpose of this chapter is to encourage donations of food and grocery products to  
7 non-profit organizations for distribution to needy individuals.

8 **44-70-2. Definitions.**

9 As used in this chapter:

10 (1) "Apparently wholesome food" means food that meets all quality and labeling  
11 standards imposed by federal, state, and local laws and regulations even though the food may not  
12 be readily marketable due to appearance, age, freshness, grade, size, surplus, or other conditions  
13 as defined in the Bill Emerson Good Samaritan Food Donation Act 42 U.S.C. 1791.

14 (2) "Taxpayer" means any individual subject to tax pursuant to chapter 30 of title 44 or  
15 any corporation or entity subject to tax pursuant to chapter 11 of title 44.

16 **44-70-3. Tax credit.**

17 In any taxable year in which a taxpayer makes a charitable contribution of apparently  
18 wholesome food from any trade or business of the taxpayer, the taxpayer shall be allowed a credit  
19 against the liability imposed by chapters 11 or 30 of title 44 equal to fifteen percent (15%) of the

1 fair market value of said contribution. In the case of a taxpayer whose business is not conducted  
2 entirely within the state, the amount of the credit must be apportioned, as provided by law, and  
3 the credit calculated based on the apportioned amount. If the amount of the credit allowed  
4 hereunder exceeds the taxpayer's liability, the division of taxation shall treat such excess as an  
5 overpayment and shall pay the taxpayer the amount of such excess without interest.

6 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
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1           This act would establish a charitable food donation tax credit to encourage donations of  
2 food to nonprofit organizations. The tax credit established would be equal to fifteen percent  
3 (15%) of the fair market value of the contribution.

4           This act would take effect upon passage.

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