

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 785

Short Title: Disaster Farm Products Donation Tax Credit. (Public)

Sponsors: Senators deViere, Searcy, and Woodard (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 18, 2020

A BILL TO BE ENTITLED

AN ACT TO ALLOW AGRICULTURAL PRODUCERS AN INCOME TAX CREDIT FOR
FOOD DONATIONS DURING A TIME OF A DECLARED STATE OF EMERGENCY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 4 of Subchapter I of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-153.11. Credit for gleaned crop disaster donations.

(a) A taxpayer who grows a crop and permits the gleaning of the crop shall be allowed as a credit against the tax imposed by this Part an amount equal to fifty percent (50%) of the market price of the quantity of the gleaned crop. This credit may not exceed the lesser of fifteen thousand dollars (\$15,000) or the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, except tax payments made by or on behalf of the taxpayer. In order to claim the credit allowed under this section, the taxpayer must add the market price of the gleaned crop to the taxpayers adjusted gross income. Any unused portion of the credit may be carried forward for the next succeeding five years.

(b) The following definitions apply to this section:

(1) Gleaning. – The harvesting of a crop that has been donated by the grower to a nonprofit organization which will distribute the crop during a qualifying portion of the taxable year to an area of this State covered by a state of disaster to individuals, public schools, or other nonprofit organizations it considers appropriate recipients of the food.

(2) Market price. – The season average price of the crop as determined by the North Carolina Crop and Livestock Reporting Service in the Department of Agriculture and Consumer Services, or the average price of the crop in the nearest local market for the month in which the crop is gleaned if the Crop and Livestock Reporting Service does not determine the season average price for that crop; and

(3) Nonprofit organization. – An organization to which charitable contributions are deductible from gross income under the Code.

(4) Qualifying portion of the taxable year. – The portion of a year to which a state of disaster applies and the succeeding 180 days.

(5) State of disaster. – When one or more of the following has occurred:

(a) The Governor or legislature has declared a state of emergency under G.S. 166A-19.20.

(b) The Governor has issued a disaster declaration under G.S. 116A-19.21.



1 (c) The President of the United States has issued a major disaster
2 declaration under the Robert T. Stafford Disaster Relief and
3 Emergency Assistance Act, 42 U.S.C. § 5121, et seq., as amended, for
4 this State, for an area within this State, or for an area in which a
5 member or an employing unit is located.

6 (d) The governor, legislature, or other governing body has declared a state
7 of emergency or disaster, or the equivalent, for an area in which a
8 member or employing unit is located."

9 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,
10 2020.