

# HOUSE BILL No. 5896

September 20, 2016, Introduced by Rep. Irwin and referred to the Committee on Tax Policy.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.713) by adding sections 275 and 675.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           SEC. 275. (1) FOR TAX YEARS BEGINNING ON AND AFTER JANUARY 1,  
2   2017, A QUALIFIED TAXPAYER THAT DONATES EDIBLE AGRICULTURAL  
3   PRODUCTS TO A HUNGER-RELIEF CHARITABLE ORGANIZATION LOCATED IN THIS  
4   STATE MAY CLAIM A CREDIT AGAINST THE TAX IMPOSED BY THIS PART IN AN  
5   AMOUNT EQUAL TO 15% OF THE AGGREGATE VALUE OF THE EDIBLE  
6   AGRICULTURAL PRODUCTS, AS DETERMINED UNDER SUBSECTION (2), THAT THE  
7   QUALIFIED TAXPAYER DONATED TO A HUNGER-RELIEF CHARITABLE  
8   ORGANIZATION LOCATED IN THIS STATE DURING THE TAX YEAR OR  
9   \$3,000.00, WHICHEVER IS LESS.  
10           (2) AT THE TIME OF THE DONATION, THE QUALIFIED TAXPAYER SHALL

1 PROVIDE TO THE HUNGER-RELIEF CHARITABLE ORGANIZATION THE ESTIMATED  
2 VALUE OF THE DONATED EDIBLE AGRICULTURAL PRODUCTS. THE QUALIFIED  
3 TAXPAYER SHALL DETERMINE THE VALUE OF THE DONATED EDIBLE  
4 AGRICULTURAL PRODUCTS AS FOLLOWS:

5 (A) IF THERE WAS A PREVIOUS SALE OF THE EDIBLE AGRICULTURAL  
6 PRODUCTS TO A BUYER, THE QUALIFIED TAXPAYER SHOULD RETAIN A COPY OF  
7 AN INVOICE OR OTHER STATEMENT IDENTIFYING THE PRICE RECEIVED BY THE  
8 QUALIFIED TAXPAYER FOR THE EDIBLE AGRICULTURAL PRODUCTS OF  
9 COMPARABLE GRADE OR QUALITY.

10 (B) IF THERE IS NO PREVIOUS SALE TO A BUYER, THE QUALIFIED  
11 TAXPAYER SHALL, ON THE DATE OF THE DONATION, DETERMINE THE VALUE OF  
12 THE DONATED EDIBLE AGRICULTURAL PRODUCTS BASED ON THE FAIR MARKET  
13 VALUE AS DETERMINED BY AVERAGE WEEKLY REGIONAL PRODUCE AUCTION  
14 PRICES OR UNITED STATES DEPARTMENT OF AGRICULTURE PRICES FOR MEAT,  
15 FISH, AND DAIRY PRODUCTS.

16 (3) THE HUNGER-RELIEF CHARITABLE ORGANIZATION SHALL PROVIDE TO  
17 THE DONOR, ON A FORM PRESCRIBED BY THE DEPARTMENT, A SIGNED AND  
18 DATED STATEMENT CONTAINING, AT A MINIMUM, ALL OF THE FOLLOWING:

19 (A) THE TYPE AND QUANTITY OF PRODUCT DONATED.

20 (B) THE NAME, ADDRESS, AND TAXPAYER IDENTIFICATION NUMBER OF  
21 THE DONOR.

22 (C) THE NAME AND ADDRESS OF THE DONEE HUNGER-RELIEF CHARITABLE  
23 ORGANIZATION.

24 (D) THE ESTIMATED VALUE OF THE DONATED EDIBLE AGRICULTURAL  
25 PRODUCTS, AS PROVIDED BY THE DONOR.

26 (4) A QUALIFIED TAXPAYER SHALL ATTACH THE FORM PRESCRIBED  
27 UNDER SUBSECTION (3) TO THE ANNUAL RETURN FILED UNDER THIS PART ON

1 WHICH A CREDIT UNDER THIS SECTION IS CLAIMED. IF THE AMOUNT OF THE  
2 CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TAX LIABILITY OF THE  
3 QUALIFIED TAXPAYER FOR THE TAX YEAR, THAT PORTION OF THE CREDIT  
4 THAT EXCEEDS THE TAX LIABILITY OF THE TAXPAYER FOR THE TAX YEAR  
5 SHALL NOT BE REFUNDED.

6 (5) AS USED IN THIS SECTION:

7 (A) "DONOR" MEANS A QUALIFIED TAXPAYER THAT DONATES EDIBLE  
8 AGRICULTURAL PRODUCTS TO A HUNGER-RELIEF CHARITABLE ORGANIZATION.

9 (B) "EDIBLE AGRICULTURAL PRODUCTS" MEANS FRUITS, VEGETABLES,  
10 BEEF, POULTRY, PORK, FISH, OR ANY OTHER EDIBLE PRODUCT RAISED OR  
11 GROWN IN THIS STATE THAT IS INTENDED FOR AND FIT FOR HUMAN  
12 CONSUMPTION.

13 (C) "HUNGER-RELIEF CHARITABLE ORGANIZATION" MEANS A SURPLUS  
14 FOOD COLLECTION AND DISTRIBUTION PROGRAM THAT IS OPERATED AND  
15 ESTABLISHED TO COLLECT DONATED FOOD FOR REDISTRIBUTION TO PERSONS  
16 IN NEED AND THAT IS RECOGNIZED AS EXEMPT FROM FEDERAL TAXATION  
17 UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE.

18 (D) "QUALIFIED TAXPAYER" MEANS A TAXPAYER THAT FILES A  
19 SCHEDULE F WITH THE TAXPAYER'S FEDERAL INCOME TAX FORM 1040 FOR THE  
20 SAME TAX YEAR FOR WHICH A CREDIT IS CLAIMED UNDER THIS SECTION.

21 SEC. 675. (1) FOR TAX YEARS BEGINNING ON AND AFTER JANUARY 1,  
22 2017, A QUALIFIED TAXPAYER THAT DONATES EDIBLE AGRICULTURAL  
23 PRODUCTS TO A HUNGER-RELIEF CHARITABLE ORGANIZATION LOCATED IN THIS  
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1 ORGANIZATION LOCATED IN THIS STATE DURING THE TAX YEAR OR  
2 \$3,000.00, WHICHEVER IS LESS.

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11 QUALIFIED TAXPAYER FOR THE EDIBLE AGRICULTURAL PRODUCTS OF  
12 COMPARABLE GRADE OR QUALITY.

13 (B) IF THERE IS NO PREVIOUS SALE TO A BUYER, THE QUALIFIED  
14 TAXPAYER SHALL, ON THE DATE OF THE DONATION, DETERMINE THE VALUE OF  
15 THE DONATED EDIBLE AGRICULTURAL PRODUCTS BASED ON THE FAIR MARKET  
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