

House Bill 3545

Sponsored by Representative PARRISH; Representatives CANNON, JOHNSON, MCLANE, SCHAUFLEER, Senators BATES, OLSEN, THOMSEN

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides credit against personal income taxes for costs associated with growing produce. Provides subtraction from taxable income for costs associated with donating produce to community food providers.

Applies to tax years beginning on or after January 1, 2011.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1 Relating to tax incentives for the cultivation of produce; and prescribing an effective date.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 315.**

4 **SECTION 2. (1) As used in this section, "makes an improvement" includes building a**
5 **greenhouse, building raised garden beds and installing an irrigation system or equipment for**
6 **capturing rain water.**

7
8 **(2) A credit against the taxes otherwise due under ORS chapter 316 shall be allowed to**
9 **a taxpayer who is a homeowner if, during the tax year, the taxpayer:**

10 **(a) Landscapes the property on which the taxpayer's home is located for the purpose of**
11 **growing produce; or**

12 **(b) Makes an improvement to the property on which the taxpayer's home is located that**
13 **is related to growing produce.**

14 **(3) The amount of the credit allowed under this section shall be equal to the lesser of:**

15 **(a) 25 percent of the cost of landscaping or making an improvement, as described in**
16 **subsection (2) of this section; or**

17 **(b) \$1,000.**

18 **(4) A taxpayer shall be allowed the credit under this section only once for each home**
19 **owned by the taxpayer.**

20 **(5) A nonresident shall be allowed the credit under this section in the proportion provided**
21 **under ORS 316.117.**

22 **(6) If a change in the tax year of a taxpayer occurs as described in ORS 314.085, or if the**
23 **Department of Revenue terminates the taxpayer's tax year under ORS 314.440, the credit**
24 **allowed under this section shall be prorated or computed in a manner consistent with ORS**
25 **314.085.**

26 **(7) If a change in the status of a taxpayer from resident to nonresident or from nonres-**
27 **ident to resident occurs, the credit allowed under this section shall be determined in a**
28 **manner consistent with ORS 316.117.**

29 **SECTION 3. Section 4 of this 2011 Act is added to and made a part of ORS chapter 316.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **SECTION 4.** (1) As used in this section:

2 (a) “Community food provider” means any organization described in section 501(c)(3) of
3 the Internal Revenue Code that provides food to indigent individuals or prepares meals for
4 indigent individuals; and

5 (b) “Consumable garden item” includes seeds, produce starts, fertilizer, compost, gar-
6 dening containers and handheld garden tools.

7 (2) There shall be subtracted from federal taxable income:

8 (a) The amount of the cost of unprocessed fruits or vegetables, as calculated under sub-
9 section (3)(a)(A) of this section, donated by the taxpayer to a community food provider; and

10 (b) The amount of the cost of consumable garden items that are used to cultivate un-
11 processed fruits or vegetables donated by the taxpayer to a community food provider.

12 (3) The amount of a deduction claimed under subsection (2) of this section may not ex-
13 ceed the lesser of:

14 (a) The total of:

15 (A) The total weight of each type of donated fruit or vegetable multiplied by the annual
16 average price of that fruit or vegetable as estimated by the United States Department of
17 Agriculture in the department’s most recently published estimates for the annual average
18 price of fruits and vegetables or, if the United States Department of Agriculture’s most re-
19 cently published estimates for the annual average price of fruits and vegetables does not
20 provide an estimate for the type of fruit or vegetable that was donated, then the annual av-
21 erage price of that fruit of vegetable as determined by the State Department of Agriculture
22 by rule; and

23 (B) The total cost of consumable garden items; or

24 (b) \$500.

25 **SECTION 5.** Sections 2 and 4 of this 2011 Act apply to tax years beginning on or after
26 January 1, 2011.

27 **SECTION 6.** This 2011 Act takes effect on the 91st day after the date on which the 2011
28 regular session of the Seventy-sixth Legislative Assembly adjourns sine die.

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