

# Senate Bill 430

Sponsored by Senator THOMSEN, Representative CLEM; Senators DINGFELDER, JOHNSON, OLSEN, STEINER HAYWARD, WHITSETT, Representatives BAILEY, BENTZ, BERGER, BOONE, DOHERTY, ESQUIVEL, FREDERICK, HUFFMAN, KENY-GUYER, MCLANE, PARRISH (Presession filed.)

## 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**.

Creates subtraction from taxable income for contribution of crop to charitable organization.  
Applies to tax years beginning on or after January 1, 2013, and before January 1, 2020.  
Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to subtractions for crop contributions; and prescribing an effective date.

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

4 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 316.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **“Charitable organization” means a food bank or other charitable organization as de-**  
7 **finied in ORS 315.154.**

8 (b) **“Crop” has the meaning given that term in ORS 315.154.**

9 (c) **“Most recent sale price” means an amount equal to the price that the taxpayer would**  
10 **have received for the contributed crop, determined as if the crop had been sold by that tax-**  
11 **payer on the date of the most recent sale of such a crop and at the same price per unit as**  
12 **the most recent sale or at the price determined by an agricultural market service on the**  
13 **date the crop is contributed.**

14 (d) **“Qualified crop contribution” means any contribution to a charitable organization of**  
15 **a crop grown in this state by a taxpayer engaged in the trade or business of farming or**  
16 **processing agriculture crops.**

17 (e) **“Wholesale market price” means the average wholesale market price for the con-**  
18 **tributed crop in the nearest regional market during the month in which the contribution is**  
19 **made, determined without consideration of the grade or quality of the crop and as if the**  
20 **quantity of the contributed crop were marketable.**

21 (2)(a) **A subtraction from federal taxable income shall be allowed under this chapter for**  
22 **qualified crop contributions made during the tax year to one or more charitable organiza-**  
23 **tions.**

24 (b) **The amount of the subtraction under this section may not exceed the wholesale**  
25 **market price or the most recent sale price of the contributed crop, whichever is greater.**

26 (c) **The subtraction under this section shall be reduced by any amount that is deducted**  
27 **as a charitable contribution under section 170 of the Internal Revenue Code with respect to**  
28 **the contributed crop and that exceeds the cost of producing the crop.**

29 (d) **It is not a double deduction for a taxpayer to claim both a subtraction under this**  
30 **section for a qualified crop contribution and a deduction for the costs of producing the crop.**

**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 (3) The subtraction under this section shall be allowed if:

2 (a) The use of the crop by the charitable organization is related to the purpose or func-  
3 tion forming the basis of the charitable organization's tax-exempt status.

4 (b) The crop is not transferred by the charitable organization in exchange for money,  
5 other property or services.

6 (4) At the time of the qualified crop contribution, the director, supervisor or other ap-  
7 propriate official of the charitable organization to which a qualified crop contribution is made  
8 shall supply to the taxpayer two copies of a form prescribed by the Department of Revenue.  
9 The form shall contain:

10 (a) The name and address of the grower;

11 (b) The description and quantity of the contributed crop;

12 (c) The signature of the director, supervisor or other appropriate official of the charitable  
13 organization receiving the qualified crop contribution verifying that the crop was or will be  
14 distributed to children or homeless, unemployed, elderly or low-income individuals;

15 (d) The wholesale market price or the most recent sale price of the contributed crop,  
16 whichever is greater; and

17 (e) Any other information required by the department by rule.

18 (5) If at any time the department determines that a taxpayer is not in compliance with  
19 any of the provisions of this section, the department shall disallow the subtraction under this  
20 section. Upon this disallowance, the department shall determine the amount of tax due ab-  
21 sent the subtraction under this section and immediately shall collect any taxes due by reason  
22 of the disallowance.

23 (6) The department shall by rule establish criteria and policies for administering the  
24 subtraction allowed under this section.

25 **SECTION 3.** Section 4 of this 2013 Act is added to and made a part of ORS chapter 317.

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

27 (a) "Charitable organization" means a food bank or other charitable organization as de-  
28 fined in ORS 315.154.

29 (b) "Crop" has the meaning given that term in ORS 315.154.

30 (c) "Most recent sale price" means an amount equal to the price that the taxpayer would  
31 have received for the contributed crop, determined as if the crop had been sold by that tax-  
32 payer on the date of the most recent sale of such a crop and at the same price per unit as  
33 the most recent sale or at the price determined by an agricultural market service on the  
34 date the crop is contributed.

35 (d) "Qualified crop contribution" means any contribution to a charitable organization of  
36 a crop grown in this state by a taxpayer engaged in the trade or business of farming or  
37 processing agriculture crops.

38 (e) "Wholesale market price" means the average wholesale market price for the con-  
39 tributed crop in the nearest regional market during the month in which the contribution is  
40 made, determined without consideration of the grade or quality of the crop and as if the  
41 quantity of the contributed crop were marketable.

42 (2)(a) A subtraction from federal taxable income shall be allowed under this chapter for  
43 qualified crop contributions made during the tax year to one or more charitable organiza-  
44 tions.

45 (b) The amount of the subtraction under this section may not exceed the wholesale

1 market price or the most recent sale price of the contributed crop, whichever is greater.

2 (c) The subtraction under this section shall be reduced by any amount that is deducted  
3 as a charitable contribution under section 170 of the Internal Revenue Code with respect to  
4 the contributed crop and that exceeds the cost of producing the crop.

5 (d) It is not a double deduction for a taxpayer to claim both a subtraction under this  
6 section for a qualified crop contribution and a deduction for the costs of producing the crop.

7 (3) The subtraction under this section shall be allowed if:

8 (a) The use of the crop by the charitable organization is related to the purpose or func-  
9 tion forming the basis of the charitable organization's tax-exempt status.

10 (b) The crop is not transferred by the charitable organization in exchange for money,  
11 other property or services.

12 (4) At the time of a qualified crop contribution, the director, supervisor or other appro-  
13 priate official of the charitable organization to which a qualified crop contribution is made  
14 shall supply to the taxpayer two copies of a form prescribed by the Department of Revenue.  
15 The form shall contain:

16 (a) The name and address of the grower;

17 (b) The description and quantity of the contributed crop;

18 (c) The signature of the director, supervisor or other appropriate official of the charitable  
19 organization receiving the qualified crop contribution verifying that the crop was or will be  
20 distributed to children or homeless, unemployed, elderly or low-income individuals;

21 (d) The wholesale market price or the most recent sale price of the contributed crop,  
22 whichever is greater; and

23 (e) Any other information required by the department by rule.

24 (5) If at any time the department determines that a taxpayer is not in compliance with  
25 any of the provisions of this section, the department shall disallow the subtraction under this  
26 section. Upon this disallowance, the department shall determine the amount of tax due ab-  
27 sent the subtraction under this section and immediately shall collect any taxes due by reason  
28 of the disallowance.

29 (6) The department shall by rule establish criteria and policies for administering the  
30 subtraction allowed under this section.

31 **SECTION 5.** Sections 2 and 4 of this 2013 Act apply to tax years beginning on or after  
32 January 1, 2013, and before January 1, 2020.

33 **SECTION 6.** This 2013 Act takes effect on the 91st day after the date on which the 2013  
34 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.

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