



## **HB 3041 Increasing the tax credit for donations of crops**

Testimony for House Agriculture and Natural Resources – Jody Wisner – 4.4.2017

This tax credit was brought back to life in 2014, providing a 15% tax credit that applied to harvested and delivered foods, as well as food left in the field for gleaning. Prior to the change and without credits, some 90 farmers were allowing gleaning in their fields, and others were delivering food to food banks and food-distribution charitable organizations.

According to the Tax Expenditure Report, 130 farmers used the credit in 2014. Perhaps by now the 2015 data is available, but this is an extremely short period of time in which to make sure all of the rules are well-known and the results evaluated. There simply hasn't been sufficient time to learn if 15% is an adequate amount or to justify an increase to 25%.

Clearly, a well-designed subsidy would differentiate between donated crops left to be gleaned in the field and crops picked, packaged for wholesale distribution or for family use, and delivered, especially if the product is provided upon the request of a food bank. This bill, however, doesn't make that distinction. Nor have we seen any evidence about whether or not we are subsidizing the avoidance of dumping fees, an altogether different situation.

Further, we wonder why is it that farmers are being treated differently from other food donors? Bakeries, grocery stores and restaurants currently donate food, without an Oregon tax credit. They assume – and deduct on their income taxes – all the costs of acquisition and production, just as do farmers, but without a state tax credit.

If you want to increase this subsidy for farmers, what benefit for them will you remove to pay for the increase?