

**SB 241 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Action Date:** 05/21/19

**Action:** Without recommendation as to passage and be referred to Tax Expenditures by prior reference.

**Vote:** 3-0-2-0

**Yeas:** 3 - Boquist, Hass, Riley

**Exc:** 2 - Bentz, Taylor

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 5/21

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**WHAT THE MEASURE DOES:**

Extends sunset on tax credit for crop donation from January 1, 2020 to January 1, 2026. Increases the percentage of wholesale price allowed as a credit from 15 to 30 percent. Applies to tax years beginning on or after January 1, 2019. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Measure being moved to Joint Committee on Tax Expenditures.

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The crop donations credit provides a credit against personal or corporate income taxes available to crop growers that make a qualified donation of the crop to a food bank or other charitable organization including but not limited to gleaning cooperatives. To be a qualified donation, donated crop must go to food banks, gleaning cooperatives and other charitable organizations engaged in the distribution of food without charge.

For purposes of the credit, "crop" is defined as an agricultural crop producing food for human consumption and includes livestock that can be processed into food for human consumption. "Qualified donation" means the harvest or post-harvest contribution in Oregon of a crop or a portion of a crop grown primarily to be sold for cash. Donated food must be fit for human consumption and meet all quality and labeling standards imposed by federal, state or local laws. Donated food is not required to be readily marketable due to appearance, age, freshness, grade, size, surplus or other condition.

Senate Bill 241 extends the sunset on the tax credit for crop donation from January 1, 2020 to January 1, 2026 and increases the percentage of wholesale price allowed as a credit from 15 to 30 percent.