
FISCAL TOPICS

Fiscal Services Division

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Tax Credit: Farm to Food Donation Tax Credit

The Farm to Food Donation (FFD) Tax Credit is available to taxpayers who produce a food commodity and donate it to a registered Iowa food bank, food pantry, or emergency feeding organization. The FFD Tax Credit applies to corporate and individual income taxes and is equal to 15.0% of the value of the food commodities donated, or \$5,000, whichever is less. The value of the commodities for which the tax credit is claimed is determined in the same manner as a charitable contribution of food for federal tax purposes under section [170\(e\)\(3\)\(C\)](#) of the Internal Revenue Code. If a tax credit is claimed for the contribution, it cannot be included as a charitable contribution on an Iowa tax return but may be included as a charitable contribution on a federal tax return. The donated food may not be damaged, out of condition, or unfit for human consumption.

Tax Credit Background

- Enacting Legislation: 2013 Iowa Acts, chapter [140](#) (State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes Act)
- Iowa Code Citations:
 - Chapter [190B](#) — Program Description
 - Section [422.11R](#) — Individual Income Tax
 - Section [422.33\(30\)](#) — Corporate Income Tax
- Administrative State Agency: Iowa Department of Revenue
- Sunset Date: None
- Transferable: No
- Refundable: No
- Carryforward: Any credit in excess of the tax liability may be carried forward for up to five years
- Tax Review Committee Review Year: None scheduled

Legislative History

The FFD Tax Credit became effective for tax years beginning on or after January 1, 2014.

Tax Credit Review, Usage, and Future Liability

The following is based on a Department of Revenue (IDR) Tax Credit Brief released May 2022 based on tax year 2021:

- 14 of 62 registered food organizations reported Farm to Food donations.
- 48.1% of eligible donors applied for the tax credit.

More Information

Department of Revenue: tax.iowa.gov/farm-food-donation-tax-credit

Department of Revenue Contingent Liabilities Report: tax.iowa.gov/reports?term_node_tid_depth=79

Department of Revenue Tax Credit Fact Sheet: tax.iowa.gov/sites/default/files/2022-07/FarmToFoodFactsheet.pdf

Department of Revenue Tax Credit Users' Manual: tax.iowa.gov/sites/default/files/2022-12/TaxCreditsUsersManual2022.pdf

Legislative Services Agency Individual Income Tax Guide:

www.legis.iowa.gov/docs/publications/LG/711304.pdf

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The IDR reports on the annual credit usage for the FFD Tax Credit in its [Contingent Liabilities Report](#). Based on Table 9 of the report, the following figures provide credit redemption history and projections for the FFD Tax Credit on a fiscal year basis. The blue bars of **Figure 2** indicate the actual credit redemptions, while the red bars are the IDR projections of future redemptions.

Figure 1 — Farm to Food Tax Credit History

*Projected

Fiscal Year	Tax Credit Redemptions	Fiscal Year	Tax Credit Redemptions
FY 2009	\$ 0	FY 2019	\$ 17,284
FY 2010	0	FY 2020	26,439
FY 2011	0	FY 2021	15,058
FY 2012	0	FY 2022	26,878
FY 2013	0	FY 2023	23,242
FY 2014	0	FY 2024*	16,986
FY 2015	10,009	FY 2025*	17,648
FY 2016	9,732	FY 2026*	20,183
FY 2017	9,079	FY 2027*	22,976
FY 2018	12,388	FY 2028*	26,265

