

Tax Credit: Farm to Food Donation

The From Farm to Food Donation Tax Credit is a tax credit that is available to taxpayers who produce a food commodity and donate it to a registered Iowa food bank, food pantry, or an Iowa emergency feeding organization. The credit is available for tax years beginning on or after January 1, 2014, and applies to corporation income taxes and individual income taxes. The tax credit is equal to 15.0% of the value of the food commodities donated, or \$5,000, whichever is less. The credit is nonrefundable; however, any credit in excess of the tax liability may be carried forward for up to five years. The value of the donation for which the tax credit is claimed is self-assessed, but cannot be included as a charitable contribution on an Iowa tax return. However, the value of the donation may be included as a charitable contribution on a federal tax return.

To qualify, the following criteria must be met:

- Food must meet all quality and labeling standards imposed by federal, State, and local laws and regulations.
- Donated food may not be damaged, out of condition, or unfit for human consumption.
- Taxpayers must receive an authorized food donation receipt when making donations to the registered Iowa food bank, food pantry, or Iowa emergency feeding organization.

Legislative History

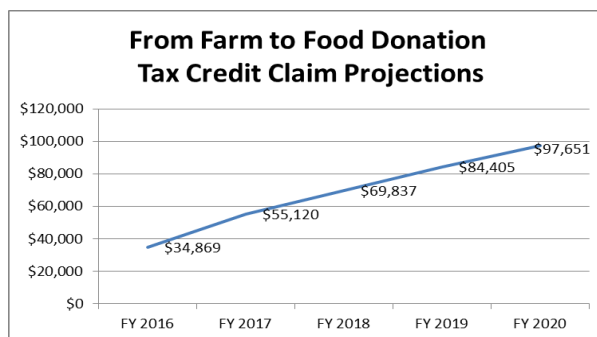
Iowa Code sections [190B.106](#) through [190B.306](#)

Administration of Tax Credit

The Department of Revenue (IDR) issues tax credit certificates based on authorized food donation receipts issued by registered emergency food organizations (as listed on the IDR's website) and submitted to IDR by taxpayers. Only one tax credit certificate will be issued annually for each taxpayer. The credit may be claimed in full by nonresidents and part-year residents. The IDR issues the producer a tax credit certificate, which must be included with the producer's tax return.

Claim Projections

The From Farm to Food Donation Tax Credit claims totaled \$10,725 in FY 2015. Claims are expected to increase in future tax years due to increased awareness of the tax credit among claimants. Below are projections for future tax year claims:



Source: Iowa Department of Revenue

More Information

Iowa Department of Revenue Tax Credits Users' Manual: [Tax Credits Users' Manual](#)

Tax Credits Contingent Liabilities Report: [Tax Credits Contingent Liabilities Report](#)

LSA Staff Contact: Angel Banks-Adams (515)281-6301 angel.banks-adams@legis.iowa.gov