



Maryland Department of Agriculture

Office of the Secretary

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Joseph Bartenfelder, Secretary
Julianne A. Oberg, Deputy Secretary

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Agriculture | Maryland's Leading Industry

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December 31, 2020

The Honorable Lawrence J. Hogan, Jr.
Governor
100 State Circle
Annapolis, MD 21401

The Honorable Adrienne A. Jones
Speaker
Maryland House of Delegates
State House, H-101
100 State Circle
Annapolis, MD 21401

The Honorable Bill Ferguson
President
Maryland Senate
State House, H-107
100 State Circle
Annapolis, MD 21401

RE: Report Required by TG § 10-745(g) - MSAR #11962

Dear Governor Hogan, Speaker Jones and President Ferguson:

TG § 10-745(g) states, “On or before January 1, 2018, and January 1 each year thereafter until January 1, 2023, the Secretary [of Agriculture], in consultation with the Comptroller, shall submit a report to the Governor and, subject to § 2-1257 of the State Government Article, the General Assembly on the use and impact of the tax credit established under this section. [Food Donation Pilot Program].”

I have included 2020 report. I hope you find the information contained in this report useful. Should you have any questions, please do not hesitate to reach out to Cassie Shirk, Director of Legislation and Government Affairs, at cassie.shirk@maryland.gov or 410-841-5889.

Sincerely,

Joseph Bartenfelder
Secretary, Department of Agriculture



**Maryland Department of Agriculture
Food Donation Tax Credit Pilot Program**

2020 Annual Report

Larry Hogan, Jr.
Governor

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Lieutenant Governor

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Secretary of Agriculture

Julie Oberg
Deputy Secretary

Background

During the 2017 legislative session, the Maryland General Assembly passed Senate Bill 416 – *Income Tax Credit – Qualified Farms – Food Donation Program*. The bill was signed into law by Governor Larry Hogan. The purpose of the bill is to establish a mechanism to allow certain qualified farms to establish a credit against the state income tax for qualified food donations. The Maryland Department of Agriculture (MDA) met with the Maryland Food Bank, the Capital Area Food Bank and the Comptroller’s Office between May and July 2017 to develop regulations for this program. Those regulations were finalized Sept.11, 2017.

Originally, this program was only available to producers in southern Maryland and Montgomery County. However, House Bill 403 of 2019, signed into law by Governor Hogan, expanded the program statewide. The statewide program will sunset in 2021.

Farmers are eligible for up to \$5,000 per year of tax credit. MDA manages the program in cooperation with the Comptroller’s Office and has authority to issue up to \$100,000 in tax credits annually. Eligible donations are defined as ‘fresh farm products for human consumption.’ Food donations are eligible for a tax credit of 50% of the value of the donation, not to exceed \$5,000 per calendar year. Certified organic food donations are eligible for a tax credit of 75% of their value.

Participation

In 2020, eight farmers from the Eastern Shore, southern Maryland and central Maryland received tax credits worth \$13,929.27.

The actual total value of food donations from farmers totaled \$27,828.76. There was an organic donation of kale and squash, the rest was conventional. The Maryland Food Bank received most of the donations, with one farm donating more than \$18,000 worth of watermelons and cantaloupes.

Promotion

MDA continues to promote the program through its website. However, the impact of COVID-19 prevented significant outreach at farmer meetings in 2020.