

FOOD DONATION PILOT PROGRAM

CALANDER YEAR 2023

Tax General Article, Section 10-745(g)

Maryland Department of Agriculture

December 28, 2023

**REPORT TO GOVERNOR WES MOORE AND
THE MARYLAND GENERAL ASSEMBLY**

December 28, 2023

Income Tax Credit - Food Donation Pilot Program Report

Tax General Article § 10-745(g)

This report pertains to the Farmers Feeding Families tax credit program for Calendar Year 2023.

Background

The Farmers Feeding Families Act of 2022 signed into law by Governor Moore on May 8, 2023, increased the tax credit for farmers donating food to food banks to 100 percent for all food. The original law allowed farmers to claim credit on only 50 percent of the wholesale value of their donated food products (75 percent for organic). Wholesale values will be determined by MDA utilizing data from the U.S. Department of Agriculture and the Maryland Wholesale Produce Market, which provides daily reports on wholesale pricing for produce in Maryland.

The tax credit is capped at \$5,000 per year per farm. Exceptions may be made by the Maryland Secretary of Agriculture, allowing the tax credit to be increased from \$5,000 per farm to \$10,000 per farm. A maximum of \$100,000 in tax credits are allowed. As of this report, no exceptions have been requested or granted.

Participation

In 2023, Maryland Department of Agriculture issued \$25,031.17 in tax credits to farmers. This reflects credits for tax year 2022 and 2023.

Promotion

MDA is conducting a promotional campaign to make all farmers in the state aware of the tax credit program and changes made in the Farmers Feeding Families Act of 2022. A press release was issued on October 4, 2023. Presentations on the program have been given at the University of Maryland Eastern Shore's Small Farmer Conference, the Maryland Farm Bureau annual meeting in December and other smaller meetings around the state. In 2024, a presentation on the program is included on the agenda of the Future Harvest conference in College Park.