

Farmers—Get Tax Credit When Donating Surplus Food to Charity

[The Farm Food Donation Pilot Program](#), signed into [law](#) by Governor Larry Hogan, allows eligible farmers to take a tax credit for donating unsold surplus farm products to charitable organizations. This three-year pilot program that began in 2017 is available to farms located in Anne Arundel County, Calvert County, Charles County, Montgomery county, Prince George’s County and St. Mary’s County. “This is a way for Maryland farmers to further help their communities and ensure their harvest does not go to waste,” said Governor Hogan.

While tax deductions reduce the amount of taxable income, tax credits reduce the total amount of tax owed. The tax credit helps farmers cover the cost of harvesting, packing, and transportation. They can take 50% of the value of conventionally grown produce donations and 75% of the value of certified organic produce donations, up to \$5,000 per year for 2017 and 2018. Farmers can take up to \$10,000 for 2019. Pricing is determined by the USDA AMS Market News Reports for the Baltimore terminal market on the day of the donation.

To claim the credit, farmers donate products to non-profit charitable organizations that are Certified Tax Credit Administrators. Farmers fill out a simple **MDA Food Donation Pilot Program Form** for each food donation and submit it to the non-profit. Non-profit food providers become Certified Tax Credit Administrators by completing and submitting the **Application for Tax Credit Administrator Form** to the Maryland Department of Agriculture (MDA). Both forms can be found on the [Maryland Department of Agriculture website](#) (scroll down right side of the page).

Charitable organizations certify that the type and amount of donation is accurate. Once approved, each the organization receives a Tax Credit Administration number that is added to a farmer’s donation form, then submitted to the MDA. Farmer’s will receive a credit certificate with donation value from the MDA to submit with their Maryland state tax return.

If a farmer donated food but did not claim the credit on their Maryland income tax return, they may file an amended return to claim the credit. The credit certificate must apply to the tax year in which the credit is being claimed. More information about filing amended returns can be found on the [Maryland Department of Agriculture website](#).

Currently there are five non-profits approved as Tax Credit Administrators: Anne Arundel County Food Bank; St. Mary’s Caring, Lexington Park, Md.; Capital Area Food Bank, Washington, D.C.; MANNA Food Center’s Community Food Rescue Program, Gaithersburg, Md.; and, Rainbow Community Development Center, Silver Spring, Md.

This is great opportunity to claim the tax credit during the pilot program. The program is due to expire December 31, 2019. State House Delegates Ebersole and Young recently introduced [HB 403](#) to extend the Farmer Tax Credit to all Maryland Counties through 2022. **Please share this tax credit opportunity with farmers and non-profit food providers. Contact Delegates Jay Walker jay.walker@house.state.md.us and Anne Kaiser anne.kaiser@house.state.md.us to support HB403. It is a win-win-win!**

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