Expanding Federal Tax Incentives for Donated Food

We cannot afford to let nutritious food go to waste.

- Feeding America recovers food donations nationally from numerous sources.
- At the same time, 70 billion lbs of fit and wholesome food is sent to landfills each year.
- Since 2006, demand for food assistance has increased 46% across the Feeding America network and is expected to remain high as families continue to recover from the recession and underemployment for many continues.
- Food from federal commodities and food industry donations not keeping up with demand.

We need to change the business model from disposing of excess food to donating it.

- Feeding America supports simplifying and expanding the food donation tax deduction
- Goal = Maximize food donated while reducing barriers to donating
- Current tax incentives do not reflect changing food industry dynamics - Increases in business efficiencies mean less food to donate and more donors selling food to the secondary retail market instead of donating all excess food.

The Senate Needs to Include HR 4719/S 1395 in Tax Extenders Legislation This Fall

- The legislation was passed by the House in July 2014 by a bipartisan vote
- Without these improvements to the food donation tax deduction, millions of pounds of food from large and small businesses and farmers will be lost
- Enactment of the rest of the legislation would spur increased donations at a time of great need.

Please Support Passage of Food Donation Tax Legislation in the Senate (H.R. 4719, S. 1395)

The America Gives Act/Good Samaritan Hunger Relief Tax Incentive Act would help increase the amount of food donated to nonprofits by:

1. **Making the extension to non c corporations permanent & allowing** non c corporations to carry forward the deduction for 5 years (same as c corporations).
   - This will greatly increase the ability of small and mid-size businesses to donate food (including farmers, retailers, restaurants and food manufacturers).
2. **Allowing** farmers and other “cash method” accounting taxpayers to consider 25% of the fair market value of the donated food as the cost to produce the food;
3. **Increasing** the 10% cap of allowable charitable contributions to 15% for donated food;
4. **Codifying** an important Tax Court ruling, *Lucky Stores, Inc. v. Commissioner of Internal Revenue*.

For more information on the legislation, please contact Carrie Calvert at ccalvert@feedingamerica.org.