

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 139

Session of
1985

INTRODUCED BY PITTS, MILLER, CLYMER, PETRARCA, TIGUE, NOYE,
FISCHER, MICOZZIE, J. L. WRIGHT, MOWERY, SCHEETZ, HERMAN,
MORRIS, PERZEL, GODSHALL, KUKOVICH, SHOWERS, COLAFELLA,
CIVERA, ANGSTADT, GEIST, HALUSKA, SEVENTY, PHILLIPS, STEVENS,
JOHNSON, ITKIN, ARTY, TRELLO, BELARDI, PRATT AND CIMINI,
FEBRUARY 4, 1985

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 4, 1985

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act providing for a credit against the personal relating to
3 tax reform and State taxation by codifying and enumerating
4 certain subjects of taxation and imposing taxes thereon;
5 providing procedures for the payment, collection,
6 administration and enforcement thereof; providing for tax
7 credits in certain cases; conferring powers and imposing
8 duties upon the Department of Revenue, certain employers,
9 fiduciaries, individuals, persons, corporations and other
10 entities; prescribing crimes, offenses and penalties,"
11 providing for a credit against the personal income tax; and
12 further providing for the computation of taxable income for
13 purposes of the corporate net income tax.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
17 the Tax Reform Code of 1971, is amended by adding a section to
18 read:

19 Section 315. Credit for Certain Contributions to Charitable
20 Organizations.--(a) A taxpayer engaged in the trade or business
21 of farming who donates qualified crops to a charitable

organization shall be allowed a credit against the tax imposed by this article, not exceeding the amount of any tax due and owing, equal to ten per cent of the value of the qualified crops donated during the tax year.

(b) For purposes of this section:

(1) The term "charitable organization" means an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 and exempt from tax under section 501(a) of the Internal Revenue Code of 1954 (26 U.S.C. § 501(c)(3) and (a)).

(2) The term "qualified crops" means a food grown by the taxpayer which:

(i) Is fit for human or animal consumption.

(ii) Is used by the charitable organization for purposes related to the basis for its tax exempt status.

(iii) Is not transferred to the charitable organization in exchange for anything of value.

(iv) Cannot, in the ordinary course of the taxpayers' business or trade, be economically harvested.

(v) Without the contribution to the charitable organization would go to waste.

(3) The term "value of qualified crops" means the greater of the lowest wholesale market price for the crop in the nearest regional market during the month in which the donation is made, determined as if the crop were marketable and without consideration of the grade or quality of the crop or the most recent sale price for the crop donated.

(c) The charitable organization shall provide to the taxpayer a written statement representing that the crop is not being transferred for anything of value and that use of the crop by the charitable organization is related to the purpose or

1 function contributing the basis for its exemption under section
2 501 of the Internal Revenue Code.

3 Section 2. Section 401(3)1. of the act, is amended by adding
4 a clause to read:

5 Section 401. Definitions.--The following words, terms, and
6 phrases, when used in this article, shall have the meaning
7 ascribed to them in this section, except where the context
8 clearly indicates a different meaning:

9 * * *

10 (3) "Taxable income." 1. * * *

11 (p) A corporation engaged in the business of farming which
12 donates qualified crops to a charitable organization as defined
13 in and in accordance with section 315 shall be entitled to a
14 deduction computed in the same manner as the credit provided for
15 in section 315.

16 * * *

17 Section 3. This act shall take effect in 60 days.