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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1092

Session of  
1985

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INTRODUCED BY DOMBROWSKI, CAPPABIANCA, MORRIS, BOYES, ANGSTADT,  
MERRY, MICHLOVIC AND BOWSER, MAY 1, 1985

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REFERRED TO COMMITTEE ON FINANCE, MAY 1, 1985

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AN ACT

1 Concerning a credit against the Pennsylvania income tax for crop  
2 contributions or livestock contributions, or both, to  
3 charitable organizations.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Credit for  
8 Contributions of Crop or Livestock Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall  
11 have the meanings given to them in this section unless the  
12 context clearly indicates otherwise:

13 "Charitable organization." A charitable organization exempt  
14 from Federal income taxation under the provisions of the  
15 Internal Revenue Code of 1954 (Public Law 591, 26 U.S.C. § 1 et  
16 seq.).

17 "Crop." An agricultural crop, including, but not limited to,  
18 grains, fruits and vegetables, which is usable as food for human

1 beings.

2 "Crop contribution." A contribution of a crop or portion of  
3 a crop to a charitable organization by a taxpayer engaged in the  
4 trade or business of farming or processing of a crop.

5 "Livestock." Cattle, swine, poultry or other animals raised  
6 for profit and usable as food for human beings.

7 "Livestock contribution." A contribution of livestock to a  
8 charitable organization by a taxpayer engaged in the trade or  
9 business of raising or processing of livestock.

10 "Most recent sale price." An amount equal to the price which  
11 the taxpayer would have received for the crop or livestock  
12 contributed, determined as if the crop or livestock had been  
13 sold on the date of the most recent sale of the crop or  
14 livestock and at the same price per unit as the crop or  
15 livestock which was sold on that date.

16 "Taxpayer." A resident individual or a domestic or foreign  
17 corporation subject to taxation under Article III or IV of the  
18 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code  
19 of 1971.

20 "Wholesale market price." The average wholesale market price  
21 for the crop or livestock contributed in the nearest regional  
22 market during the month in which the contribution is made,  
23 determined without consideration of grade or quality of the crop  
24 or livestock and as if the quantity of the crop or livestock  
25 contributed were marketable.

## 26 Section 3. Tax credit.

27 There shall be allowed to taxpayers, as a credit with respect  
28 to the taxes imposed by Article III or IV of the act of March 4,  
29 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, an  
30 amount equal to 25% of the wholesale market price or 25% of the

1 most recent sale price of crop contributions or livestock  
2 contributions, whichever is greater, made to a tax-exempt  
3 charitable organization. Credit allowed under this section may  
4 not exceed \$1,000 per year.

5 Section 4. Carry forward provision.

6 Unused portions of a credit may be carried forward to  
7 subsequent tax years as credit against income taxes due for  
8 those years. However, the credit shall not be carried more than  
9 four years beyond the end of the tax year in which the  
10 contribution was made. The credit under this section is  
11 available only if the following conditions are met:

12 (1) The crop is harvested or the livestock is  
13 slaughtered by or on behalf of the donee charitable  
14 organization.

15 (2) The use of the crop or livestock by the donee  
16 charitable organization is related to the purpose or function  
17 constituting the basis for the organization's tax-exempt  
18 status.

19 (3) The crop or livestock is not transferred by the  
20 donee charitable organization in exchange for money, other  
21 property or services. This condition shall not apply in those  
22 cases where the donee charitable organization functions as a  
23 clearinghouse for distribution, without expectation of  
24 remuneration, of such crops or livestock, or both, to other  
25 charitable organizations. These secondary donees must meet  
26 the requirements of this act in the same measure as if the  
27 contribution were received by that secondary donee directly  
28 from the original donor.

29 (4) The taxpayer and any subsequent donors receive from  
30 the donee charitable organization a written statement

1 declaring that its use and disposition of the crop or  
2 livestock will be in accordance with this section.

3 Section 5. No liability for donation.

4 No taxpayer who donates items of food to a tax-exempt  
5 charitable organization for use or distribution in providing  
6 assistance shall be liable for damages in any civil action or  
7 subject to prosecution in any criminal proceeding resulting from  
8 the nature, age, condition or packaging of the crop  
9 contributions or livestock contributions, or both. However, the  
10 exemption shall not apply to the willful, wanton or reckless  
11 acts of donors which result in injury to the recipients of the  
12 contributed foods.

13 Section 6. Limitations on tax credit.

14 In the event that any taxpayer subject to Article IV of the  
15 act of March 4, 1971 (P.L.6, No. 2), known as the Tax Reform  
16 Code of 1971, has taken a deduction on its Federal income tax  
17 return for a crop or livestock contribution, the amount of the  
18 contribution for which credit may be allowed pursuant to section  
19 3 of this act shall not include any amount of the contribution  
20 for which a deduction was taken in arriving at Federal taxable  
21 income.

22 Section 7. Applicability.

23 The credit allowed by this act applies to tax years beginning  
24 on or after January 1, 1985, and applies to crop contributions  
25 or livestock contributions made on or after the effective date  
26 of this act.

27 Section 8. Effective date.

28 This act shall take effect in 60 days.