
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1092 Session of
1985

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

REFERRED TO COMMITTEE ON FINANCE, MAY 1, 1985

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.