

AN ACT

**D.C. ACT 22-513**

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

**NOVEMBER 13, 2018**

To amend Chapter 18 of Title 47 of the District of Columbia Official Code to create a tax credit for individual taxpayers, corporations, and unincorporated businesses that donate food to nonprofit organizations; and to amend the Good Faith Donor and Donee Act of 1981 to expand liability protections for food donations to cover food donors that donate food directly to individuals, to enhance liability protection to cover bona fide charitable and nonprofit organizations that distribute food and those that charge a fee that covers the cost of handling or preparing the food, to require the Department of Health to not require date labels on certain food products and to not limit the sale or donation of food products that do not pose an increased safety risk to consumers after their date labels have passed, to require the Department of Health and the Office of Waste Diversion within the Department of Public Works to create a guide on food donation, and to require the Department of Health to train certain health inspectors on the information in the guide; and to amend the Department of Health Functions Clarification Act of 2001 to make a conforming amendment.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Save Good Food Amendment Act of 2018".

TITLE I. FOOD DONATION TAX CREDIT.

Sec. 101. Chapter 18 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents is amended as follows:

(1) A new section designation is added to read as follows:

"47-1806.15. Tax on residents and nonresidents - Credits - Tax credit for food donations."

(2) A new section designation is added to read as follows:

"47-1807.14. Tax on corporations and financial institutions - Credits -Tax credit for food donations."

(3) A new section designation is added to read as follows:

"47-1808.14. Tax on unincorporated businesses - Credits - Tax credit for food donations."

(b) A new section 47-1806.15 is added to read as follows:

"§ 47-1806.15. Tax on residents and nonresidents - Credits - Tax credit for food donations.

"(a) Beginning on January 1 of the tax year following the applicability of this section, a taxpayer may claim a nonrefundable credit against taxes imposed by this subchapter for food donations made during the tax year to a nonprofit organization recognized as a tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(3)) and § 47-1802.01.

"(b)(1) The credit claimed under subsection (a) of this section shall equal 50% of the fair market value of the food donation and shall not exceed \$2,500 per tax year for a single individual, head of household, or a married individual or registered domestic partner filing a separate return or \$5,000 per tax year for married individuals or registered domestic partners filing a joint return.

"(2) If a taxpayer elects to claim the credit for a food donation, no deduction under § 47-1803.03(b) shall be allowed on account of the food donation.

"(c) For a taxpayer to claim the credit for a food donation provided by this section, the food donation must be food intended for human consumption and meet all quality and labeling standards under District or federal law or regulations even though the food may not be readily marketable due to appearance, age, freshness, grade, or size.

"(d) Notwithstanding subsection (a) of this section, if the amount of a tax credit under this section exceeds a taxpayer's tax liability under this chapter for a tax year, the amount of the tax credit that exceeds the taxpayer's income liability may be carried forward for a period not to exceed the following 5 tax years.

"(e) A taxpayer claiming the tax credit provided by this section shall provide documentation supporting the tax credit claim in a form and manner prescribed by the Chief Financial Officer.

"(f) For the purposes of this section, the term "food donation" means:

"(1) Vegetables, fruits, and other food products grown in the District at an urban farm, as defined in § 48-401(4), or in a community garden;

"(2) Prepared food made in a kitchen and stored in conditions that meet District and federal health regulations; or

"(3) Vegetables, fruits, fresh and frozen meat, eggs, or dairy products donated by a retailer licensed under §§ 47-2851.02 and 47-2851.03(a)(10)(J)."

(c) A new section 47-1807.14 is added to read as follows:

"§ 47-1807.14. Tax on corporations and financial institutions - Credits -Tax credit for food donations.