

**OFFICE OF FISCAL AND PROGRAM REVIEW**

Date: January 17, 2012  
To: Members, Joint Standing Committee on Taxation  
From: Elizabeth Cooper, Legislative Analyst

**L.D. 1164, An Act To Support Maine Farms and Alleviate Hunger**

**Summary:** This bill provides an income tax credit up to \$5,000 to persons engaged in commercial agricultural production for donations of food to incorporated nonprofit organizations that provide free food to low income individuals for the purpose of alleviating hunger.

**Public Hearing: (4/25/11) –**

- Proponents -Maine Farm Bureau testified in favor of the bill at the public hearing.
- Opposed – There was no testimony in opposition.
- NFNA – A representative of the Maine Potato Board testified “neither for nor against” explaining that some potato farmers allow community members to pick the leftover potatoes.
- Amendment proposed –Written testimony was submitted via email on the day of the public hearing proposing an amendment to include allow the credit for commercial seafood products.

**Work Sessions:** This bill has been discussed in three work session. On May 3, 2011 the bill was voted ONTP/OTPA. It was reconsidered on May 6, 2011 and the Committee voted to carry the bill over. In the work session on November 9, 2011, there was discussion of looking at the credit in different amounts, deduction versus credit, and a suggestion of grant instead.

**Technical Issues:** MRS memo identifies a number of issues with the bill as written that should be addressed should the Committee choose to move forward with this bill.

**Additional Information:** There is a packet of email correspondence in support of the credit provided upon request.

**Fiscal Information**

- The preliminary fiscal impact statement from OFPR indicates net General Revenue cost of \$7,125,000 in FY 12 and FY 13with reductions to revenue sharing as well.