

HB5080



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5080

Introduced 2/8/2024, by Rep. Lance Yednock

SYNOPSIS AS INTRODUCED:

New Act
35 ILCS 5/241 new

Creates the Illinois Farmers Who Fight Food Insecurity Act. Establishes an income tax credit for taxpayers who own farm property in the State and make a qualified donation of an agricultural or horticultural commodity, or a cash donation, to a food bank or a historically underserved farmer or rancher.

LRB103 37735 HLH 67862 b

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Illinois Farmers Who Fight Food Insecurity Act.

6 Section 5. Definitions. As used in this Act:

7 "Department" means the Department of Human Services.

8 "Farm property" means real property that is used primarily
9 for raising or harvesting agricultural or horticultural
10 commodities for commercial sale.

11 "Food bank" means a food bank in Illinois that received
12 funding from The Emergency Food Assistance Program (TEFAP) in
13 the year in which it received the qualified donation.

14 "Historically underserved farmer or rancher" means an
15 individual who: (i) is a beginning farmer or rancher, a
16 socially disadvantaged farmer or rancher, a veteran farmer or
17 rancher, or a limited resource farmer or rancher, as those
18 terms are defined by the Natural Resources Conservation
19 Service of the United States Department of Agriculture; and
20 (ii) materially and substantially participates in the
21 operation of farm property located in the State at least 50% of
22 which is owned by a beginning farmer or rancher, a socially
23 disadvantaged farmer or rancher, a veteran farmer or rancher,

1 or some combination of those persons at the time the donation
2 is made.

3 "Material and substantial participation" means day-to-day
4 labor and management of farm property, consistent with the
5 practices of the county in which the farm property is located.

6 "Qualified donation" means a donation to a food bank or to
7 a historically underserved farmer or rancher of an
8 agricultural or horticultural commodity that is suitable for
9 human consumption and is produced on farm property owned by
10 the taxpayer, a cash equivalent donation to a food bank or a
11 historically underserved farmer or rancher, or some
12 combination of those types of donations.

13 Section 10. Tax Credit.

14 (a) For taxable years beginning on or after January 1,
15 2025, each taxpayer who owns farm property in the State and
16 makes a qualified donation during the taxable year is entitled
17 to a credit against the taxes imposed by subsections (a) and
18 (b) of Section 201 in an amount equal to the value of the
19 qualified donation, but not to exceed \$2,500 per taxpayer in
20 any taxable year. Eligible taxpayers shall apply to the
21 Department for a tax credit certificate for the credit under
22 this Section, and the Department shall certify the value of
23 the qualified donation. Upon satisfactory review of the
24 application, the Department shall issue to the taxpayer a tax
25 credit certificate stating the amount of the tax credit to

1 which the taxpayer is entitled. The tax credit certificate
2 shall be attached to the taxpayer's Illinois income tax
3 return.

4 (b) In no event shall a credit under this Section reduce
5 the taxpayer's liability to less than zero. If the amount of
6 the credit exceeds the tax liability for the year, the excess
7 may be carried forward and applied to the tax liability of the
8 5 taxable years following the excess credit year. The tax
9 credit shall be applied to the earliest year for which there is
10 a tax liability. If there are credits for more than one year
11 that are available to offset a liability, the earlier credit
12 shall be applied first.

13 (c) For partners of partnerships and shareholders of
14 Subchapter S corporations, there shall be allowed a credit
15 under this Section to be determined in accordance with the
16 determination of income and distributive share of income under
17 Sections 702 and 704 and Subchapter S of the Internal Revenue
18 Code.

19 (d) The Department, in addition to those powers granted
20 elsewhere, is granted and has all the powers necessary or
21 convenient to carry out and effectuate the purposes and
22 provisions of this Section, including, but not limited to, the
23 following:

24 (1) adopt rules deemed necessary and appropriate for
25 the administration of the tax credit program established
26 under this Section;

1 (2) establish forms for applications, notifications,
2 contracts, or other agreements related to the credit under
3 this Section;

4 (3) accept applications for the credit under this
5 Section at any time during the year;

6 (4) gather information and conduct inquiries for the
7 purpose of administering the tax credit under this
8 Section;

9 (5) provide for sufficient personnel to permit
10 administrative, staffing, operating, and related support
11 required to adequately discharge its duties and
12 responsibilities described in this Section from funds as
13 may be appropriated by the General Assembly for the
14 administration of this Section; and

15 (6) require that the applicant at all times keep
16 proper books and records of accounts relating to the tax
17 credit award, in accordance with generally accepted
18 accounting principles consistently applied, and make, upon
19 reasonable written request by the Department, those books
20 and records available for reasonable Department inspection
21 and audit during the applicant's normal business hours;
22 any documents or data made available to or received from
23 the applicant by any agent, employee, officer, or service
24 provider to the Department shall be deemed confidential
25 and shall not constitute public records to the extent that
26 the documents or data consist of commercial or financial

1 information regarding the operation by the applicant of
2 farm property.

3 Section 900. The Illinois Income Tax Act is amended by
4 adding Section 241 as follows:

5 (35 ILCS 5/241 new)

6 Sec. 241. Illinois Farmers Who Fight Food Insecurity Act.
7 Taxpayers who are awarded a credit under the Illinois Farmers
8 Who Fight Food Insecurity Act are entitled to a credit against
9 the taxes imposed by subsections (a) and (b) of Section 201 as
10 provided in that Act.