

# House Bill 2454

Sponsored by Representative PARRISH (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides credit against personal income taxes for costs associated with growing produce. Provides subtraction from taxable income for costs associated with donating produce to community food providers.

Applies to tax years beginning on or after January 1, 2017.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1 Relating to tax incentives for cultivating produce; and prescribing an effective date.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS chapter 315.**

4 **SECTION 2. (1) As used in this section, "improvement" means a structure or equipment,**  
5 **including but not limited to a greenhouse, raised garden beds, an irrigation system or**  
6 **equipment for capturing rain water.**

7  
8 **(2) A credit against the taxes otherwise due under ORS chapter 316 is allowed to a tax-**  
9 **payer who is a homeowner if, during the tax year, the taxpayer:**

10 **(a) Landscapes the property on which the taxpayer's home is located for the purpose of**  
11 **growing produce; or**

12 **(b) Installs or builds an improvement on the property on which the taxpayer's home is**  
13 **located that is related to growing produce.**

14 **(3) The amount of the credit allowed under this section is equal to the lesser of:**

15 **(a) 25 percent of the cost of landscaping or of installing or building improvement, as de-**  
16 **scribed in subsection (2) of this section; or**

17 **(b) \$1,000.**

18 **(4) A taxpayer is allowed the credit under this section only once for each home the tax-**  
19 **payer owns.**

20 **(5) A nonresident is allowed the credit under this section in the proportion provided un-**  
21 **der ORS 316.117.**

22 **(6) If a change in the tax year of a taxpayer occurs as described in ORS 314.085, or if the**  
23 **Department of Revenue terminates the taxpayer's tax year under ORS 314.440, the credit**  
24 **allowed under this section must be prorated or computed in a manner that is consistent with**  
25 **ORS 314.085.**

26 **(7) If a change in the status of a taxpayer from resident to nonresident or from nonres-**  
27 **ident to resident occurs, the credit allowed under this section must be determined in a**  
28 **manner consistent with ORS 316.117.**

29 **SECTION 3. Section 4 of this 2017 Act is added to and made a part of ORS chapter 316.**

30 **SECTION 4. (1) As used in this section:**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (a) "Community food provider" means any organization described in section 501(c)(3) of  
2 the Internal Revenue Code that provides food to indigent individuals or prepares meals for  
3 indigent individuals; and

4 (b) "Consumable garden item" means an item used or consumed in the course of gar-  
5 dening, such as seeds, produce starts, fertilizer, compost, gardening containers and handheld  
6 gardening tools.

7 (2) There shall be subtracted from federal taxable income:

8 (a) The amount of the cost of unprocessed fruit or vegetables, as calculated under sub-  
9 section (3)(a)(A) of this section, that a taxpayer donates to a community food provider; and

10 (b) The amount of the cost of consumable garden items that are used to cultivate un-  
11 processed fruit or vegetables that a taxpayer donates to a community food provider.

12 (3) The amount of a deduction claimed under subsection (2) of this section may not ex-  
13 ceed the lesser of:

14 (a) The total of:

15 (A) The total weight of each type of donated fruit or vegetable multiplied by the annual  
16 average price of the fruit or vegetable as estimated by the United States Department of  
17 Agriculture in the department's most recently published estimates for the annual average  
18 price of fruit and vegetables or, if the United States Department of Agriculture's most re-  
19 cently published estimates for the annual average price of fruit and vegetables does not  
20 provide an estimate for the type of fruit or vegetable that the taxpayer donated, the annual  
21 average price of the fruit or vegetable as the State Department of Agriculture determines  
22 by rule; and

23 (B) The total cost of consumable garden items; or

24 (b) \$500.

25 **SECTION 5.** Sections 2 and 4 of this 2017 Act apply to tax years that begin on or after  
26 January 1, 2017.

27 **SECTION 6.** This 2017 Act takes effect on the 91st day after the date on which the 2017  
28 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

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