

HOUSE RESEARCH

Bill Summary

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Overview

This bill provides a nonrefundable 20 percent tax credit for charitable donations of prepared food, by businesses that regularly sell prepared food.

Section

- 1** **Additions to FTI; individuals.** Requires charitable contributions of prepared food that qualify for the credit under section 3 to be added back to federal taxable income (FTI) for purposes of computing Minnesota taxable net income. This will prevent a taxpayer from qualifying for both a deduction and the credit.
Effective date: Tax year 2016
- 2** **Additions to FTI; corporations.** Requires charitable contributions of prepared food that qualify for the credit under section 3 to be added back to federal taxable income (FTI) for purposes of computing Minnesota taxable net income. This will prevent a taxpayer from qualifying for both a deduction and the credit.
Effective date: Tax year 2016
- 3** **Prepared food donation credit.** Allows a 20 percent, nonrefundable tax credit to businesses that make eligible donations of prepared food. No carryforward is allowed, if the credit exceeds the liability for tax. The donations must qualify as charitable contribution under federal tax law, except that the taxpayer is not required to itemize deductions. To qualify, the business must regularly sell prepared food. The food must be prepared by the taxpayer and must meet federal, state, and local food regulations.

Section

Effective date: Tax year 2016

- 4** **Minimum tax; individuals.** Provides that the addition to FTI under section 1 is included in alternative minimum taxable income for purposes of computing the alternative minimum tax that applies to individuals.

Effective date: Tax year 2016