

# HB321 INTRODUCED



1 HB321  
2 FFS6CDD-1  
3 By Representative Robbins  
4 RFD: Ways and Means Education  
5 First Read: 20-Feb-25



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SYNOPSIS:

This bill would establish an income tax credit for a donation of edible farm products by a farmer to a qualifying food bank.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to food banks, to establish an income tax credit for donations of edible farm products by a farmer to a qualifying food bank.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) This act, the purpose of which is to incentivize farmers to donate certain food products to food banks, shall be known and may be cited as the "Farm-to-Food Bank Act of 2025."

(b) As used in this article, the following terms have the following meanings:

(1) DEPARTMENT. Department of Agriculture and Industries.

(2) EDIBLE FARM PRODUCT. Plants and animals useful to humans for consumption and includes, but is not limited to, forage and sod crops, oilseeds, grain and feed crops, dairy



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29 and dairy products, poultry and poultry products, livestock,  
30 fruits, and vegetables. May not be damaged, out-of-condition,  
31 or declared unfit for human consumption by a federal, state,  
32 or local health official.

33 (3) ELIGIBLE DONOR. A farmer or owner of a food  
34 establishment.

35 (4) FARMER. An Alabama taxpayer that meets either of  
36 the following qualifications:

37 a. Is responsible for and derives income of at least  
38 one thousand dollars (\$1,000) from growing fruits, vegetables,  
39 or other edible farm products or from raising beef, poultry,  
40 pork, fish, or other edible agriculture products.

41 b. Has filed an acreage report with the United States  
42 Department of Agriculture.

43 (5) FOOD ESTABLISHMENT. As defined by the United States  
44 Food and Drug Food Code and adopted by rule of the Alabama  
45 Department of Public Health.

46 (6) QUALIFYING FOOD BANK. A food bank as defined in  
47 Section 40-9-25.16, Code of Alabama 1975.

48 (c) An Alabama income tax credit is established for  
49 eligible donors who donate edible farm products to a food  
50 bank. The tax credit shall equal the lesser of:

51 (1) Fifteen percent of the value of the edible farm  
52 products donated during the tax year for which the credit is  
53 claimed. The value of the edible farm products shall be  
54 determined in the same manner as a charitable contribution of  
55 food for federal tax purposes under 26 U.S.C. §170(e)(3)(C).

56 (2) Five thousand dollars (\$5,000).



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57 (d) The taxpayer claiming a tax credit under this act  
58 shall not receive remuneration for the donation. The tax  
59 credit must be taken in the tax year in which the taxpayer was  
60 issued a tax credit certificate under subsection (g). The tax  
61 credit issued under this article may not decrease a taxpayer's  
62 liability to less than zero. If the tax liability of the  
63 taxpayer is less than the tax credit issued under this  
64 article, the taxpayer may only utilize the amount of the  
65 credit that reduces the taxpayer's liability to zero. The tax  
66 credit is not refundable nor transferable and may not be  
67 carried forward. A taxpayer applying for the tax credit shall  
68 only apply for the tax credit for the year in which the edible  
69 farm product was donated to a qualifying food bank, regardless  
70 of the tax liability of the taxpayer.

71 (e) The Department of Revenue shall grant the tax  
72 credit against the state income tax that is due by the  
73 taxpayer holding the tax credit certificate issued under  
74 subsection (g) in the amount stated on the tax credit  
75 certificate, subject to the limitations of subsection (d). The  
76 department may audit and reassess any credit improperly  
77 obtained by the taxpayer in accordance with the Alabama  
78 Taxpayers' Bill of Rights and Uniform Revenue Procedures Act  
79 under Chapter 2A of Title 40 of the Code of Alabama 1975.

80 (f) The tax credit authorized by this act is limited to  
81 an aggregate amount for all taxpayers of two million dollars  
82 (\$2,000,000) annually.

83 (g) Prior to claiming the income tax credit authorized  
84 under subsection (c), the taxpayer shall file an annual



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85 informational report in a manner prescribed by the department,  
86 which includes information of edible farm products donated,  
87 along with additional information as required by the  
88 department. Following the receipt of all information required  
89 by this subsection, the department shall issue a tax credit  
90 certificate to the taxpayer seeking the credit. Tax credit  
91 certificates shall be issued on a first come, first served  
92 basis until the annual cap provided by subsection (f) is met.  
93 In the event the reservations of tax credits equal the total  
94 amount available for reservations during the tax year, all  
95 eligible taxpayers with applications then awaiting approval or  
96 thereafter submitted shall be notified in a manner as  
97 prescribed by the department that no additional tax credits  
98 shall be granted during that tax year and, notwithstanding  
99 subsection (c), shall be allowed to seek a tax credit  
100 certificate in the next tax year, subject to the limitations  
101 of subsection (d).

102 (h) The department shall prepare a report detailing the  
103 edible farm products donated by farmers and the amount of tax  
104 credits claimed under this article. The information on the  
105 report shall be consistent with the information required under  
106 Section 40-1-50, Code of Alabama 1975, and rules adopted by  
107 the Department of Revenue. Information provided under this  
108 section is exempt from the confidentiality provisions of  
109 Section 40-2A-10, Code of Alabama 1975, and shall be provided  
110 by the department to the Legislature in accordance with  
111 Section 40-1-50, Code of Alabama 1975, and rules adopted by  
112 the Department of Revenue.



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113 (i) The department and the Department of Revenue may  
114 adopt rules to implement and administer this article.

115 (j) The tax credit allowed under this section shall be  
116 available for the tax year beginning on January 1, 2026, and  
117 shall continue through the tax year ending December 31,2030.

118 Section 2. This act shall become effective on October  
119 1, 2025.