

HB175 INTRODUCED



1 HB175
2 MSIGAHW-1
3 By Representative Robbins
4 RFD: Ways and Means Education
5 First Read: 13-Jan-26



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4 SYNOPSIS:

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

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10 A BILL
11 TO BE ENTITLED
12 AN ACT

13
14 Relating to food banks; to establish an income tax
15 credit for donations of edible farm products by a farmer to a
16 qualifying food bank.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. (a) This act, the purpose of which is to
19 incentivize farmers to donate certain food products to food
20 banks, shall be known and may be cited as the "Farm-to-Food
21 Bank Act of 2026."

22 (b) As used in this act, the following terms have the
23 following meanings:

24 (1) DEPARTMENT. The Department of Agriculture and
25 Industries.

26 (2) EDIBLE FARM PRODUCTS. Plants and animals useful to
27 humans for consumption which include, but are not limited to,
28 forage and sod crops, oilseeds, grain and feed crops, dairy



29 and dairy products, poultry and poultry products, livestock,
30 fruits, and vegetables. The products may not be damaged,
31 out-of-condition, or declared unfit for human consumption by a
32 federal, state, 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 Administration and adopted by Rule 420-3-22.01
45 of the Alabama 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. § 8170(e)(3)(C);
56 or



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

(d) The taxpayer claiming a tax credit under this act shall not receive remuneration for the donation. The tax credit must be taken in the tax year in which the taxpayer was issued a tax credit certificate under subsection (g). The tax credit issued under this act may not decrease a taxpayer's liability to less than zero. If the tax liability of the taxpayer is less than the tax credit issued under this act, the taxpayer may only utilize the amount of the credit that reduces the taxpayer's liability to zero. The tax credit is not refundable nor transferable and may not be carried forward. A taxpayer applying for the tax credit shall only apply for the tax credit for the year in which the edible farm products were donated to a qualifying food bank, regardless of the tax liability of the taxpayer.

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

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

(g) Prior to claiming the income tax credit authorized



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

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

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113 40-1-50, Code of Alabama 1975, and rules adopted by the
114 Department of Revenue.

115 (i) The department and the Department of Revenue may
116 adopt rules to implement and administer this act.

117 (j) (1) The tax credit allowed under this act may be
118 claimed beginning with the 2027 tax year.

119 (2) This tax credit may not be claimed after tax year
120 2031.

121 Section 2. This act shall become effective on June 1,
122 2026.