

**SENATE  
STATE OF MINNESOTA  
SEVENTH SPECIAL SESSION**

**S.F. No. 10**

(SENATE AUTHORS: CHAMBERLAIN)

DATE	D-PG	OFFICIAL STATUS
12/14/2020	7	Introduction and first reading
	7	Laid on table

1.1 A bill for an act

1.2 relating to taxation; income; establishing a refundable tax credit for donations of

1.3 food.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **DONATIONS USED TO CLAIM TEMPORARY TAX CREDIT FOR**

1.6 **DONATED FOOD; ADDITION TO INCOME FOR INDIVIDUALS, ESTATES, AND**

1.7 **TRUSTS.**

1.8 The amount of qualifying food donations used to claim the credit under section 3 is an

1.9 addition for the purposes of Minnesota Statutes, section 290.0131. The addition is limited

1.10 to amounts that were deducted in calculating federal adjusted gross income or federal taxable

1.11 income, as applicable.

1.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December

1.13 31, 2019, and before January 1, 2022.

1.14 Sec. 2. **DONATIONS USED TO CLAIM TEMPORARY TAX CREDIT FOR**

1.15 **DONATED FOOD; ADDITION TO INCOME FOR CORPORATIONS.**

1.16 The amount of qualifying food donations used to claim the credit under section 3 is an

1.17 addition for the purposes of Minnesota Statutes, section 290.0133. The addition is limited

1.18 to amounts that were deducted in calculating federal taxable income.

1.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December

1.20 31, 2019, and before January 1, 2022.

2.1 Sec. 3. **TEMPORARY TAX CREDIT FOR DONATED FOOD.**

2.2 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have  
2.3 the meanings given.

2.4 (b) "Food service business" means a place of public accommodation offering food or  
2.5 beverages for on-premises consumption.

2.6 (c) "Qualifying closure" means a period of time during which a food service business  
2.7 was prohibited from offering in-person dining under an act of the legislature or an emergency  
2.8 executive order issued as a result of the COVID-19 pandemic, including but not limited to  
2.9 Emergency Executive Order 20-99.

2.10 (d) "Qualifying food donation" means a donation of food by a food service business  
2.11 from its inventory that:

2.12 (1) qualifies as a charitable contribution under section 170 of the Internal Revenue Code,  
2.13 disregarding the limits in section 170(b) and 170(e)(3)(C);

2.14 (2) was made during a qualifying closure, or within seven days of the end of a qualified  
2.15 business closure; and

2.16 (3) was made after November 20, 2020, but before July 1, 2021.

2.17 **Subd. 2. Credit allowed.** (a) A credit is allowed against the tax imposed by Minnesota  
2.18 Statutes, chapter 290, equal to 50 percent of qualifying food donations in the taxable year.

2.19 (b) The credit is limited to \$5,000 per taxable year per food service business.

2.20 (c) For a business entity that operates multiple food service businesses, the credit is  
2.21 calculated based on the amount of qualified food donations from each food service business,  
2.22 and the limit applies separately to each food service business.

2.23 **Subd. 3. Determination of donation value.** The amount of a qualifying food donation  
2.24 must be determined using the rules in section 170(e) of the Internal Revenue code, including  
2.25 the special rules for contributions of food inventory under section 170(e)(3)(C).

2.26 **Subd. 4. Treatment of credits for pass-through entities.** Credits allowed to a  
2.27 partnership, a limited liability company taxed as a partnership, an S corporation, or multiple  
2.28 owners of property are passed through to the partners, members, shareholders, or owners,  
2.29 respectively, pro rata to each partner, member, shareholder, or owner based on their share  
2.30 of the entity's income for the taxable year.

3.1 Subd. 5. Credit refundable. (a) If the amount of credit which the taxpayer is eligible  
3.2 to receive under this section exceeds the taxpayer's tax liability under Minnesota Statutes,  
3.3 chapter 290, the commissioner shall refund the excess to the claimant.

3.4 (b) An amount sufficient to pay the refunds required by this section is appropriated to  
3.5 the commissioner from the general fund.

3.6 Subd. 6. Denial of double benefit. A taxpayer who claims the credit allowed under this  
3.7 section must not deduct a qualifying food donation under Minnesota Statutes, section  
3.8 290.0122, subdivision 4.

3.9 EFFECTIVE DATE. This section is effective for taxable years beginning after December  
3.10 31, 2019, and before January 1, 2022.