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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO TAXATION -- TAX CREDIT FOR FOOD DONATION

Introduced By: Representatives McEntee, Caldwell, Morales, McGaw, Spears,  
Speakman, Boylan, Bennett, O'Brien, and Cortvriend  
Date Introduced: February 11, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by  
2 adding thereto the following chapter:

3 CHAPTER 33.7

4 TAX CREDIT FOR FOOD DONATION

5 **44-33.7-1. Definitions.**

6 As used in this chapter:

7 (1) "Apparently wholesome food" means food that is fit for human consumption at the time  
8 it was donated as long as it meets all safety and safety-related standards required by federal, state,  
9 and local laws regardless of compliance with any laws, rules or ordinances regulating the packaging  
10 or labeling of food which are not linked to food safety. "Apparently wholesome food" as stipulated  
11 in the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. § 1791) is defined as "food  
12 that meets all quality and labeling standards imposed by federal, state, and local laws and  
13 regulations, even though the food may not be readily marketable due to appearance, age, freshness,  
14 grade, size, surplus, or other conditions." "Apparently wholesome food" does not include canned  
15 goods that are leaking, swollen, dented on a seam, or no longer airtight.

16 (2) "Donate" means to give without requiring anything of monetary value from the  
17 recipient, except that the term shall include giving food, notwithstanding that the donor receives or  
18 charges a Good Samaritan reduced price.

19 (3) "Division" means the division of taxation.

1           (4) "Good Samaritan reduced price" means a price that is an amount not greater than the  
2 cost of handling, administering, harvesting, processing, packaging, transporting, and distributing  
3 the apparently wholesome food.

4           (5) "Nonprofit organization" means a nonprofit organization that is exempt from federal  
5 taxation pursuant to § 501(c)(3) of the Federal Internal Revenue Code, 26 U.S.C. § 501(c)(3) that:

6           (i) Operates for religious, charitable, or educational purposes;

7           (ii) Does not provide net earnings to, or operate in any other manner that inures to the  
8 benefit of, any officer, employee, or shareholder of the entity; and

9           (6) "Qualified taxpayer" means a corporation, partnership, organization, or association,  
10 including a food producer, retail grocer, wholesaler, hotel, motel, manufacturer, restaurant, caterer,  
11 farmer, nonprofit food distributor, or hospital.

12           **44-33.7-2. Credit for food donation.**

13           (a) For taxable years beginning on or after January 1, 2027, any qualified taxpayer that  
14 donates apparently wholesome food to a nonprofit organization shall be allowed a credit to be  
15 computed as provided in this chapter against a tax imposed by chapters 11, 14, 17, and 30 of this  
16 title, for the taxable year of the donation. The qualified taxpayer shall be allowed a credit in an  
17 amount equal to seventy-five percent (75%) of the fair market value of such apparently wholesome  
18 food. This credit shall not exceed five thousand dollars (\$5,000) per tax year.

19           (b) Credits shall be allowed under this section only if:

20           (1) The use of the donated food by the donee nonprofit organization is related to providing  
21 food to the needy; and

22           (2) The donated food, if sold by the donee nonprofit organization, is provided to or sold to  
23 the needy or other nonprofit organizations that intend to use the food to provide food to the needy  
24 at no cost or at a Good Samaritan reduced price.

25           (c) Upon receipt of the donated food, the nonprofit organization shall provide a certificate  
26 to the qualified taxpayer, which shall contain the name of the qualified taxpayer, the name and  
27 address of the donee nonprofit organization, the date of the donation, the type and quantity of  
28 donated food, and, as provided by the qualified taxpayer, the fair market value of the donated food.  
29 The certificate shall also include a statement by the donee nonprofit organization that its use and  
30 disposition of the donated food complies with the requirements under subsection (b) of this section.  
31 The certificate shall also include a statement by the donee nonprofit organization that the donation  
32 meets the definition of apparently wholesome food.

33           (d) For every taxable year for which a qualified taxpayer seeks a tax credit under this  
34 chapter, the person shall apply to the division in accordance with the forms, instructions, dates, and

1 procedures prescribed by the division.

2 **44-33.7-3. Limit on tax credit.**

3 (a) The amount of the credit claimed under § 44-33.7-2(a) shall not exceed the total amount  
4 of tax imposed upon the qualified taxpayer for the taxable year. Any credit not usable for the taxable  
5 year for which the credit was first allowed may be carried over for credit against the income taxes  
6 of the qualified taxpayer in the next five (5) succeeding taxable years or until the total amount of  
7 the tax credit has been taken, whichever is sooner.

8 (b) Credits granted to a partnership, limited liability company, or electing small business  
9 corporation (S corporation) shall be allocated to the individual partners, members, or shareholders,  
10 respectively, in proportion to their ownership or interest in such business entities.

11 (c) Any tax credits claimed shall not reduce a corporation's tax liability below the state  
12 corporate minimum tax. Pursuant to chapter 14 of title 44, any tax credits claimed shall not reduce  
13 the tax liability of a bank below the bank excise minimum tax.

14 **44-33.7-4. Promulgation of rules and regulations.**

15 (a) The division shall be authorized to develop guidelines, rules or regulations  
16 implementing the provisions of this chapter. The guidelines, rules and regulations shall include  
17 procedures for the allocation of tax credits among qualified taxpayers.

18 (b) The division shall not be responsible for determining whether a donation consists of  
19 apparently wholesome food.

20 **44-33.7-5. Reporting requirements.**

21 Using information available to the division, the division shall report to the general  
22 assembly, annually, through the division of taxation's testimony at a revenue estimating  
23 conference, regarding the use of the credit authorized under this chapter. The report shall include,  
24 at a minimum, the credits generated in the taxable year, the credits claimed in the taxable year, and  
25 the number of qualified taxpayer claimed credits.

26 SECTION 2. This act shall take effect on January 1, 2027.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO TAXATION -- TAX CREDIT FOR FOOD DONATION

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- 1           This act would provide a tax credit for food donations by qualified taxpayers to nonprofit
- 2 organizations up to five thousand dollars (\$5,000) per year.
- 3           This act would take effect on January 1, 2027.

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