



Establishing a Tax Credit for Donations of Groceries to Food Banks (Bill A.1336-Clark)

Memorandum of Support

Poverty is a major problem, both in New York and across the country. According to New York State Comptroller Tom DiNapoli, nearly 2.7 million New Yorkers (13.9% of the state's population) lived in poverty during the year 2021.¹ Many low-income people rely on the generosity of food pantries to provide them with daily sustenance when their own resources run out. In turn, food pantries rely upon the generosity of donors to supply them with the food that they give to the poor.

Bill A.1336-Clark would give grocery stores, wholesalers, restaurants, and caterers a tax incentive to donate unused food to food pantries. Under this bill, an eligible taxpayer (such as a grocery store) would receive a tax credit in the amount of 25% of the value of the food that it donates to food pantries in a given year. The credit would be capped at \$5,000 per taxable year. This tax credit would encourage grocery stores and other businesses to donate unused food rather than simply discarding it. Also, if more businesses donated excess food to food pantries, fewer food pantries would experience shortages.

While the Legislature has passed other legislation requiring grocery stores to make excess food available to qualifying charities from time to time, that legislation did not offer any incentives to grocery stores that donate excess food. By incentivizing such donations (and by making the credit available to wholesalers, restaurants and caterers), this legislation would help to increase the amount of excess food that is donated.

New Yorkers for Constitutional Freedoms respectfully calls upon the Legislature to pass this common-sense bill, which would assist persons living in poverty and would also reduce food waste.

¹ See <https://www.osc.state.ny.us/reports/new-yorkers-need-look-poverty-trends-new-york-state-last-decade>, last accessed March 28, 2023.