



STATE OF CALIFORNIA
Franchise Tax Board

Donated Fresh Fruit or Vegetables Credit Report

Economic and Statistical Research Bureau

Purpose

This report is intended to fulfill the Franchise Tax Board's obligation under the Revenue & Taxation Code sections 17053.88.5 and 23688.5 to annually report by December 1, to the Legislature, under these sections for the most recent tax year, the utilization of the credit, the month the donations were made, the estimated value of the fresh fruits and vegetables donated, and the county in which the donated products originated.

Prepared by the Staff of the
Franchise Tax Board
STATE OF CALIFORNIA

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Published December 2022

Background

Chapter 503 of the Statutes of 2011 (AB 152) established an income tax credit equal to 10 percent of the cost of the donation for fresh fruits or fresh vegetables to a California food bank (Section 17053.88 of the Personal Income Tax Law (PITL) and Section 23688 of the Corporation Tax Law (CTL)). This credit was operable for tax years 2012 through 2016.

Chapter 32 of the Statutes of 2016 (SB 837) authorized a new credit equal to 15 percent of the wholesale value of the donation for fresh fruits or fresh vegetables to a California food bank (Section 17053.88.5 of the PITL and Section 23688.5 of the CTL) known as the New Donated Fresh Fruit or Vegetables Credit. The new credit was operable for tax years 2017 through 2021. The New Donated Fresh Fruit or Vegetables Credit was amended under Chapter 431 of the Statutes of 2019 (AB 614), expanding the definition of a qualified donation to include additional raw agricultural products and processed foods. This credit was operable for tax years 2020 through 2021. Most recently, Chapter 82 of the Statutes of 2021 (AB 150) further extended the credit making it operable for tax years 2022 through 2026.

Franchise Tax Board Statutory Reporting Requirements

As part of the current statute (Chapter 82 of the Statutes of 2021), the Franchise Tax Board (FTB) is required to provide an annual report to the Legislature which includes the following:

- Utilization of the credit
- Month the donations were made
- Estimated value of the qualified donation items
- County in which the donated items originated

Five annual reports from the FTB to the Legislature are required by statute. The first was due to the Legislature on or before December 1, 2021. The final report is due by December 1, 2025.

The following report meets the FTB's requirement for the report due December 1, 2022. The information presented is based on 2019, 2020, and 2021 tax return data processed as of September 1, 2022. For information on credit data for tax years 2017 and prior, please see the December 1, 2020, Donated Fresh Fruits or Vegetables Credit Report.

Data

Table 1 presents data on Donated Fresh Fruits or Vegetables Credits allowed on tax returns for tax years 2019 through 2021. The data is based on taxpayer's self-reported tax return information. During this period, \$4.7 million in Donated Fresh Fruit or Vegetable Credits were allowed on 1,784 tax returns.

Table 1: Total Credit Allowed by Tax Year*

Tax Year	Number of Returns	Total Credits Allowed
2019	413	\$1,510,924
2020	643	\$2,501,846
2021 *	728	\$736,789
Total	1,784	\$4,749,559

* Not all timely 2021 tax year returns have been processed as of this writing.

Month and Value of Donations

Data in Tables 2 through 4 present the value of donated fresh fruit and vegetables by month of donation during calendar years 2019 through 2021. The amount of credit earned by the taxpayer is calculation by multiplying the credit percent of 15 percent times the value of the donations made during the tax year. For the tables below, the month and value of each donation is self-reported by the taxpayer on the FTB Form 3814 and is included when the taxpayer files their income or franchise tax return. Taxpayers reported that approximately \$10.3 million in donations were made during 2019, \$6.3 million during 2020, and \$5.6 million during 2021.

Table 2: Calendar Year 2019 Donation Values by Month

Month	Donation Value
January	\$57,163
February	\$284,538
March	\$309,476
April	\$247,739
May	\$160,546
June	\$479,948
July	\$197,212
August	\$377,986
September	\$711,994
October	\$69,962
November	\$412,586
December	\$6,201,234

Month	Donation Value
Multiple Months	\$741,206
Total Value	\$10,251,592

*Totals do not include donations on returns where sufficient detail was not provided by taxpayers.

Table 3: Calendar Year 2020 Donation Values by Month

Month	Donation Value*
January	\$75,830
February	\$26,160
March	\$66,904
April	\$261,014
May	\$718,499
June	\$253,419
July	\$136,778
August	\$301,081
September	\$274,799
October	\$82,288
November	\$282,668
December	\$3,819,508
Multiple Months	\$10,138
Total Value	\$6,309,085

*Totals do not include donations on returns where sufficient detail was not provided by taxpayers.

Table 4: Calendar Year 2021 Donation Values by Month

Month	Donation Value*
January	\$6,478
February	\$55,025
March	\$89,010
April	\$45,012
May	\$16,738
June	\$203,888
July	\$157,827
August	\$24,192
September	\$219,008
October	\$9,030
November	\$18,545
December	\$4,763,413
Multiple Months	N/A
Total Value	\$5,608,166

*Not all timely 2021 tax year returns have been processed as of this writing.

Origination of Donations

Table 5 is the county of origination for donated fruits and vegetables, as specified by the taxpayer.

Table 5: County Origin of Donations

2019 Origin:	2020 Origin:	2021 Origin:
Alameda	Alameda	Alameda
Butte	Butte	Butte
Contra Costa	Contra Costa	Contra Costa
Fresno	Fresno	Fresno
N/A	Humboldt	N/A
Imperial	Imperial	Imperial

2019 Origin:	2020 Origin:	2021 Origin:
Kern	Kern	Kern
Lake	N/A	N/A
Los Angeles	Los Angeles	Los Angeles
N/A	Marin	Marin
Merced	Merced	Merced
Monterey	N/A	Monterey
N/A	Napa	Napa
Nevada	Nevada	N/A
Orange	Orange	Orange
Placer	Placer	Placer
Riverside	Riverside	Riverside
Sacramento	Sacramento	N/A
San Bernardino	San Bernardino	San Bernardino
San Diego	San Diego	San Diego
San Francisco	San Francisco	N/A
San Joaquin	San Joaquin	San Joaquin
San Luis Obispo	San Luis Obispo	San Luis Obispo
San Mateo	San Mateo	N/A
Santa Barbara	Santa Barbara	Santa Barbara
Santa Clara	Santa Clara	Santa Clara
Santa Cruz	Santa Cruz	N/A
N/A	N/A	Shasta
N/A	Solano	Solano
Sonoma	N/A	N/A
Stanislaus	Stanislaus	Stanislaus
N/A	Sutter	N/A
Tulare	N/A	N/A

2019 Origin:	2020 Origin:	2021 Origin:
Ventura	Ventura	Ventura
Yolo	N/A	Yolo