

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 1018
HOUSE BILL 1099

AN ACT TO PROVIDE AN INCOME TAX CREDIT TO FARMERS WHO PERMIT
THEIR CROPS TO BE GLEANED.

The General Assembly of North Carolina enacts:

Section 1. Division I of Article 4 of Chapter 105 is amended by adding a new section to read:

"§ 105-130.34. Credit for gleaned crop.—(a) Any corporation that grows a crop and permits the gleaning of the crop shall be allowed a credit against the tax imposed by this Division equal to ten percent (10%) of the market price of the quantity of the gleaned crop. This credit may not exceed the amount of tax imposed by this Division for the taxable year reduced by the sum of all credits allowable under this Division, except tax payments made by or on behalf of the taxpayer. No deduction is allowed under G.S. 105-130.5(b)(5) for the items for which a credit is claimed under this section. Any unused portion of the credit may be carried forward for the succeeding five years.

(b) The following definitions apply to this section:

- (1) 'gleaning' means the harvesting of a crop that has been donated by the grower to a nonprofit organization which will distribute the crop to individuals or other nonprofit organizations it considers appropriate recipients of the food;
- (2) 'market price' means the season average price of the crop as determined by the North Carolina Crop and Livestock Reporting Service in the Department of Agriculture, or the average price of the crop in the nearest local market for the month in which the crop is gleaned if the Crop and Livestock Reporting Service does not determine the season average price for that crop; and
- (3) 'nonprofit organization' means an organization for which contributions are deductible under G.S. 105- 130.9 or 105-147(15) or (16)."

Sec. 2. Division II of Article 4 of Chapter 105 is amended by adding a new section to read:

"§ 105-151.12. Credit for gleaned crop.—(a) Any person who grows a crop and permits the gleaning of the crop shall be allowed a credit against the tax imposed by this Division equal to ten percent (10%) of the market price of the quantity of the gleaned crop. This credit may not exceed the amount of tax imposed by this Division for the taxable year reduced by the sum of all credits allowable under this Division, except tax payments made by or on behalf of the taxpayer. No deduction is allowed under G.S.

105-147(15) or (16) for the items for which a credit is claimed under this section. Any unused portion of the credit may be carried forward for the succeeding five years.

(b) The following definitions apply to this section:

- (1) 'gleaning' means the harvesting of a crop that has been donated by the grower to a nonprofit organization which will distribute the crop to individuals or other nonprofit organizations it considers appropriate recipients of the food;
- (2) 'market price' means the season average price of the crop as determined by the North Carolina Crop and Livestock Reporting Service in the Department of Agriculture, or the average price of the crop in the nearest local market for the month in which the crop is gleaned if the Crop and Livestock Reporting Service does not determine the season average price for that crop; and
- (3) 'nonprofit organization' means an organization for which contributions are deductible under G.S. 105- 130.9 or 105-147(15) or (16)."

Sec. 3. This act is effective for taxable years beginning on or after January 1, 1984.

In the General Assembly read three times and ratified, this the 28th day of June, 1984.