

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 2215

STATE OF NEW JERSEY

DATED: JUNE 8, 2026

The Senate Economic Growth Committee reports favorably Senate Bill No. 2215.

As reported, this bill creates a pilot program that provides a tax credit against the corporation business tax and the gross income tax based on the value of certain donated fruits and vegetables.

Specifically, the tax credit is available to commercial farm operators who donate fruits or vegetables that are fit for human consumption to a charitable organization located in this State during the first three tax periods beginning on or after January 1 of the year next following the date of the bill's enactment. The amount of the credit is equal to 50 percent of the wholesale value of the fruits or vegetables donated, but not to exceed the value of \$5,000 during each tax period. If a commercial farm operator is unable to claim any portion of the credit otherwise permitted for a tax period, the unused credits can be carried forward for the earliest available use during the next five tax periods following the period for which the credits were allowed.

Under the bill, a commercial farm operator is required to obtain a written statement from the charitable organization before claiming the credit. In addition to certain other information, this statement is to specify the variety, grade, and quantity of the donated fruits and vegetables, and the wholesale value of the fruits and vegetables, as provided by the commercial farm operator. The bill requires the Secretary of Agriculture (secretary) to establish and publish the wholesale value of fruits and vegetables for the purpose of calculating the tax credit allowed under the bill. The secretary is also required to prepare a written statement form for use by individuals authorized to accept donations on behalf of the charitable organization. Upon approval of the written statement, the Department of Agriculture is required to notify the Director of the Division of Taxation as to the eligibility of the commercial farm operator for a tax credit in the amount approved by the Department of Agriculture.

The bill also requires the secretary, in consultation with the Director of the Division of Taxation in the Department of the Treasury, to prepare an annual report on the utilization of the credits provided on or before December 1 beginning in the year next following the first year in which the utilization of tax credits is permitted pursuant to the bill. In addition to certain requirements for

each annual report required by the bill, the secretary is required to provide recommendations in the final report as to whether: (1) the allowance of tax credits pursuant to the bill's provisions should be continued; and (2) the percentage of the wholesale value of the fruits or vegetables donated to a charitable organization used to determine amounts of tax credits should be increased, and if so, to what percentage.

The total value of tax credit amounts awarded under the bill's provisions may not exceed \$100,000 in any fiscal year.

This bill was pre-filed for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.