

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2161

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 19, 2020

The Assembly Consumer Affairs Committee reports favorably and with committee amendments Assembly Bill No. 2161.

As amended and reported by the committee, this bill allows gross income tax deductions for charitable contributions of food made to and accepted by an organization in the tax year from business inventory, as allowed under paragraph (3) of subsection (e) of section 170 of the federal Internal Revenue Code of 1986. The deduction mirrors the federal income tax deduction for contributions of food made from business inventory and is allowed regardless of whether the federal itemized deduction is taken by the taxpayer.

The deduction is an itemized deduction for charitable contributions of food, where “food” is “apparently wholesome food.” Under federal law, “apparently wholesome food” means “food that meets all quality and labeling standards imposed by Federal, State, and local laws and regulations even though the food may not be readily marketable due to appearance, age, freshness, grade, size, surplus, or other conditions.” The contribution is required to be made to an organization that is determined by the Internal Revenue Service to be an organization eligible to receive tax-deductible charitable contributions.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amendments provide that in order to qualify for a deduction, the food donated is required to have been accepted by an organization.