HOUSE BILL NO. 5166

October 30, 2025, Introduced by Reps. Tate, Snyder, Miller and Young and referred to Committee on Economic Competitiveness.

A bill to amend 1967 PA 281, entitled

"Income tax act of 1967,"

(MCL 206.1 to 206.847) by adding sections 279 and 679.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 279. (1) The department shall establish a charitable food tax credit program to improve food security in this state by supporting certain emergency food providers and regional food banks in innovative food resource projects and operations involving the provision of food to pantries, soup kitchens, shelters, or feeding

centers and of food packages or meals to people in need of assistance. The department shall develop and use an application, certification, and compliance process to certify emergency food providers and regional food banks as qualified organizations. The department shall post the application, certification, and compliance process on the department's website. The department shall maintain on its website a list of qualified organizations that a qualified taxpayer may make a donation to and claim a credit as provided under this section. An emergency food provider or a regional food bank that wants to participate in the charitable food tax credit program must annually submit, before March 15 of each year, an application to the department to be certified as a qualified organization under the program.

(2) For tax years that begin on and after January 1, 2026, a qualified taxpayer that donates food to a qualified organization may claim a credit against the tax imposed under this part in an amount equal to 65% of the fair market value of the food that the qualified taxpayer donated during the tax year to the qualified organization. To be eligible for a credit under this section, a taxpayer must have received a written acknowledgment from the qualified organization that includes all of the following:

(a) The qualified taxpayer's name, address, and tax identification number.

(b) The date of the donation.

(c) A description of the food donated.

(3) The qualified taxpayer shall attach the written acknowledgment required under subsection (2) to the annual return filed under this part on which a credit under this section is claimed.

(4) For a qualified taxpayer who is a member of a flow-through entity that qualifies for the credit under this section, that taxpayer may claim a credit against the member's tax liability under this part based on the member's distributive share of business income reported from that flow-through entity or an alternative method approved by the department.

(5) The credit allowed by this section must not exceed 50% of the qualified taxpayer's tax liability for the tax year before claiming any credits allowed by this part or $10,000.00, whichever is less. If the amount of the credit allowed under this section exceeds the tax liability of the qualified taxpayer for the tax year, that portion of the credit that exceeds the tax liability must be refunded.

(6) As used in this section and section 679:

(a) "Charitable food tax credit program" means the program created under subsection (1).

(b) "Emergency food provider" means a nonprofit organization that operates a food pantry, soup kitchen, food bank, shelter or feeding center, or other program to relieve hunger, undernutrition, and food shortages among needy individuals and families, homeless people, and victims of domestic violence.

(c) "Qualified organization" means an emergency food provider or a regional food bank that the department certifies as meeting all of the following requirements:

(*i*) Supports a broad range of project activities to reduce food insecurity in this state and to provide food to those in need.

(*ii*) Maintains an ongoing program to attract new contributions by seeking gifts and bequests from a wide range of potential donors in the geographic area served.

(*iii*) Maintains continually at least 1 part-time or full-time employee.

(d) "Qualified taxpayer" means a taxpayer that is engaged in the business of farming, food processing, food manufacturing, or food distribution.

(e) "Regional food bank" means a nonprofit charitable organization that qualifies for exemption from federal taxable income under section 501(c)(3) of the internal revenue code and that maintains an established operation involving the provision of food to emergency food providers and individuals and families in need of food assistance.

Sec. 679. (1) For tax years that begin on and after January 1, 2026, a qualified taxpayer that donates food to a qualified organization may claim a credit against the tax imposed under this part in an amount equal to 65% of the fair market value of the food that the qualified taxpayer donated during the tax year to the qualified organization. To be eligible for a credit under this section, a taxpayer must have received a written acknowledgment from the qualified organization that includes all of the following:

(a) The qualified taxpayer's name, address, and tax identification number.

(b) The date of the donation.

(c) A description of the food donated.

(2) The qualified taxpayer shall attach the written acknowledgment to the annual return filed under this part on which a credit under this section is claimed.

(3) The credit allowed by this section must not exceed 50% of the qualified taxpayer's tax liability for the tax year before claiming any credits allowed by this part or $10,000.00, whichever

is less. If the amount of the credit allowed under this section exceeds the tax liability of the qualified taxpayer for the tax year, that portion of the credit that exceeds the tax liability must be refunded.