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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3386

02/17/2026 Authored by Myers and Zeleznikar The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; income and corporate franchise; establishing a credit for
1.3 farmers who donate food to a food shelf; proposing coding for new law in
1.4 Minnesota Statutes, chapter 290.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [290.0651] CREDIT FOR FARMERS MAKING DONATIONS OF FOOD.

1.7 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Farmer" means a taxpayer engaged in the business of farming, as defined in Code
1.10 of Federal Regulations, title 26, section 1.175-3, and who is eligible to own farmland under
1.11 section 500.24.

1.12 (c) "Food shelf" means an organization that meets the requirement to be considered a
1.13 food shelf under section 124D.1191.

1.14 (d) "Qualifying donation" means an in-kind charitable donation of food produced by
1.15 the farmer that is eligible for the deduction under section 170 of the Internal Revenue Code.

1.16 Subd. 2. Credit allowed. (a) A farmer is allowed a credit against the tax imposed under
1.17 this chapter equal to 85 percent of qualifying donations to a food shelf.

1.18 (b) For the purposes of determining the monetary value of a qualifying donation, the
1.19 rules for determining the monetary value of a charitable contribution under section 170 of
1.20 the Internal Revenue Code apply.

1.21 Subd. 3. Credit limitation. The credit under this section is limited to 50 percent of the
1.22 real property taxes paid by the taxpayer during the taxable year.

2.1 Subd. 4. **Denial of double benefit.** The qualifying donation used to calculate the credit
2.2 under this section may not be used to calculate any other state income tax deduction or
2.3 credit allowed by law.

2.4 Subd. 5. **Credit nonrefundable; carryover.** If the amount of the credit allowed under
2.5 this section for any taxable year exceeds the taxpayer's liability for tax under this chapter,
2.6 the excess is a credit carryover to each of the five succeeding taxable years. The entire
2.7 amount of the excess unused credit for the taxable year must be carried first to the earliest
2.8 of the taxable years to which the credit may be carried and then to each successive year to
2.9 which the credit may be carried. The amount of the unused credit that may be added under
2.10 this subdivision must not exceed the taxpayer's liability for tax less the credit for the taxable
2.11 year.

2.12 Subd. 6. **Partnerships; multiple owners.** Credits granted or transferred to a partnership,
2.13 a limited liability company taxed as a partnership, an S corporation, or multiple owners of
2.14 property are passed through to the partners, members, shareholders, or owners, respectively,
2.15 pro rata to each partner, member, shareholder, or owner based on their share of the entity's
2.16 assets or as specially allocated in their organizational documents or any other executed
2.17 agreement, as of the last day of the taxable year.

2.18 Subd. 7. **Nonresidents; part-year residents.** For a nonresident or a part-year resident,
2.19 the credit under this section must be allocated based on the percentage calculated under
2.20 section 290.06, subdivision 2c, paragraph (e).

2.21 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.22 31, 2025.