

1 S.313

2 Introduced by Senators Zuckerman and Pollina

3 Referred to Committee on

4 Date:

5 Subject: Agriculture; commerce and trade; taxation

6 Statement of purpose of bill as introduced: This bill proposes to create a tax  
7 credit for donations made to socially responsible small farms.

8 An act relating to a tax credit for donations made to socially responsible  
9 small farms

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 32 V.S.A. § 5830e is added to read:

12 § 5830e. TAX CREDITS; SOCIALLY RESPONSIBLE

13 AGRICULTURE

14 (a) Definition. As used in this section, “socially responsible small farm”  
15 means any agricultural business that is Vermont-domiciled and meets all of the  
16 following criteria:

17 (1) earns at least one-half of its gross annual income from the business  
18 of farming as that term is defined in 26 C.F.R. § 1.175-3;

19 (2) provides its employees with at least one hour of paid sick leave for  
20 every 40 hours worked;

1           (3) has an hourly wage ratio for all its employees of no greater than  
2 three to one; and

3           (4) has a gross annual revenue of \$500,000.00 or less.

4           (b) Credit authorized. A donation made to a socially responsible small  
5 farm shall entitle a Vermont taxpayer to a credit against the tax imposed by  
6 section 5822 of this title. The credit may be claimed for any year in which a  
7 donation is made.

8           (c) Amount of credit. The amount of the credit shall be equal to one-fifth  
9 of the amount of the donation made to a socially responsible small farm.

10          (d) Procedure for claiming tax credit.

11           (1) Each taxpayer who claims a tax credit under this section shall claim  
12 the credit on an affidavit to be provided by the Department of Taxes. The  
13 affidavit shall include the name and address of the donor taxpayer and  
14 recipient and the amount of the donation.

15           (2) On or before January 31 of each taxable year, any socially  
16 responsible small farm that has received one or more donations under this  
17 section shall furnish the Department of Taxes, in a form specified by the  
18 Commissioner of Taxes, a list of all the donations it received during the prior  
19 taxable year and the amount of each corresponding tax credit.

1       (e) Donation limit. In any taxable year, the maximum amount a farm shall  
2       accept in donations under this section is an amount equal to five percent of its  
3       annual gross revenue from the prior taxable year.

4       (f) Repayment obligation. In the event the farm recipient closes its  
5       business, it shall be obligated to pay to the State of Vermont an amount equal  
6       to one-fifth of the amount of all donations it accepted in the three taxable years  
7       prior to the year of closing. Any payment made to the State of Vermont under  
8       this subsection shall be deposited into the General Fund.

9       Sec. 2. REPEAL

10       On January 1, 2022, Sec. 1 of this act (creating a tax credit for donations  
11       made to socially responsible small farms in 32 V.S.A. § 5830e) shall be  
12       repealed.

13       Sec. 3. EFFECTIVE DATE

14       Notwithstanding 1 V.S.A. § 214, this act shall take effect retroactive to  
15       January 1, 2014.