



STATE OF CALIFORNIA
Franchise Tax Board

Donated Fresh Fruit or Vegetables Credit Report

Economic and Statistical Research Bureau

Purpose

This report is intended to fulfill the Franchise Tax Board's obligation under the Revenue & Taxation Code sections 17053.88.5 and 23688.5 to annually report by December 1, to the Legislature, under these sections for the most recent tax year, the utilization of the credit, the month the donations were made, the estimated value of the fresh fruits and vegetables donated, and the county in which the donated products originated.

Prepared by the Staff of the
Franchise Tax Board
STATE OF CALIFORNIA

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Published November 2024

Background

Chapter 503 of the Statutes of 2011 (AB 152) established an income tax credit equal to 10 percent of the cost of the donation for fresh fruits or fresh vegetables to a California food bank (Section 17053.88 of the Personal Income Tax Law (PITL) and Section 23688 of the Corporation Tax Law (CTL)). This credit was operable for tax years 2012 through 2016.

Chapter 32 of the Statutes of 2016 (SB 837) authorized a new credit equal to 15 percent of the wholesale value of the donation for fresh fruits or fresh vegetables to a California food bank (Section 17053.88.5 of the PITL and Section 23688.5 of the CTL) known as the New Donated Fresh Fruit or Vegetables Credit. The new credit was operable for tax years 2017 through 2021. The New Donated Fresh Fruit or Vegetables Credit was amended under Chapter 431 of the Statutes of 2019 (AB 614), expanding the definition of a qualified donation to include additional raw agricultural products and processed foods. This credit was operable for tax years 2020 through 2021. Most recently, Chapter 82 of the Statutes of 2021 (AB 150) further extended the credit making it operable for tax years 2022 through 2026.

Franchise Tax Board Statutory Reporting Requirements

As part of the current statute (Chapter 82 of the Statutes of 2021), the Franchise Tax Board (FTB) is required to provide an annual report to the Legislature which includes the following:

- Utilization of the credit
- Month the donations were made
- Estimated value of the qualified donation items
- County in which the donated items originated

Five annual reports from the FTB to the Legislature are required by statute. The first was due to the Legislature on or before December 1, 2021. The final report is due by December 1, 2025.

The following report meets the FTB's requirement for the report due December 1, 2024. The information presented is based on 2021, 2022, and 2023 tax return data processed as of September 5, 2024.

Data

Table 1 presents data on Donated Fresh Fruits or Vegetables Credits allowed on tax returns for tax years 2021 through 2023. The data is based on taxpayer's self-reported tax return information. During this period, \$4.2 million in Donated Fresh Fruit or Vegetable Credits were used to offset tax liability on 1,992 tax returns.

Table 1: Total Credit Allowed by Tax Year

Tax Year	Number of Returns	Total Credits Allowed**
2021	879	\$1,638,723
2022	594	\$1,819,954
2023 *	519	\$769,499
Total	1,992	\$4,228,176

* Not all timely 2023 tax year returns have been processed as of this writing.

** Total Credits Allowed includes carryover amounts from prior years.

Month and Value of Donations

Data in Tables 2 through 4 present the value of donated fresh fruit and vegetables by month of donation during calendar years 2021 through 2023. The amount of credit earned by the taxpayer is calculated by multiplying the credit percent of 15 percent times the value of the donations made during the tax year. For the tables below, the month and value of each donation is self-reported by the taxpayer on the FTB Form 3814. This form is included when the taxpayer files their income or franchise tax return. Taxpayers reported that approximately \$11.8 million in donations were made during 2021, \$10.7 million during 2022, and \$8.3 million has been reported to date for taxable year 2023.

Table 2: Calendar Year Donation Values by Month*

Month	2021** Donation Value	2022** Donation Value	2023*** Donation Value
January	\$8,124	\$186,707	\$91,106
February	\$120,412	\$185,324	\$30,279
March	\$90,249	\$38,851	\$157,753
April	\$55,358	\$572,304	\$67,117
May	\$34,003	\$61,584	\$49,744
June	\$262,173	\$186,187	\$71,614
July	\$1,616,021	\$133,817	\$113,329
August	\$97,278	\$136,501	\$99,049
September	\$360,719	\$189,888	\$123,947
October	\$99,737	\$254,101	\$104,771

Month	2021** Donation Value	2022** Donation Value	2023*** Donation Value
November	\$37,370	\$95,596	\$77,341
December	\$6,553,894	\$7,156,239	\$6,894,268
Multiple Months	\$2,433,372	\$1,527,178	\$398,051
Total Value	\$11,768,710	\$10,724,277	\$8,278,369

*Totals do not include donations on returns where sufficient detail was not provided by taxpayers.

**Data reported as filed by the taxpayer. Figures are subject to change in future reports due to return validation and processing.

***Not all timely 2023 tax year returns have been processed as of this writing.

Origination of Donations

Table 3: County of Origination:

2021:	2022:	2023:
Alameda	Alameda	Alameda
Butte	Butte	Butte
Contra Costa	Contra Costa	Contra Costa
El Dorado	N/A	El Dorado
Fresno	Fresno	Fresno
N/A	Glenn	N/A
N/A	N/A	Humboldt
Imperial	Imperial	N/A
Kern	Kern	Kern
N/A	N/A	Kings
N/A	N/A	Lake
Los Angeles	Los Angeles	Los Angeles
Marin	Marin	Marin
N/A	N/A	Mendocino
Merced	Merced	Merced
Monterey	Monterey	Monterey

2021:	2022:	2023:
Napa	N/A	N/A
Orange	Orange	Orange
Placer	Placer	Placer
Riverside	Riverside	Riverside
Sacramento	Sacramento	Sacramento
N/A	San Benito	San Benito
San Bernardino	San Bernardino	San Bernardino
San Diego	San Diego	San Diego
N/A	San Francisco	San Francisco
San Joaquin	San Joaquin	San Joaquin
San Luis Obispo	San Luis Obispo	San Luis Obispo
N/A	San Mateo	San Mateo
Santa Barbara	Santa Barbara	Santa Barbara
Santa Clara	Santa Clara	Santa Clara
Santa Cruz	Santa Cruz	Santa Cruz
Shasta	N/A	Shasta
N/A	Sierra	N/A
Solano	Solano	Solano
Sonoma	Sonoma	Sonoma
Stanislaus	Stanislaus	Stanislaus
N/A	N/A	Tehama
Tulare	Tulare	Tulare
Ventura	Ventura	Ventura
Yolo	Yolo	N/A

Table 3 shows the county of origination for donated fruits and vegetables, as specified by the taxpayer. Counties listed are the reported source of at least one donation in the following tax years. Data for statistical tabulations prepared at the county level may not be released for cells containing data for fewer than

20 returns. Only three entries exceeded disclosure restrictions which are Fresno Tax Year 2021, \$543,789, Fresno 2022, \$698,748, and Los Angeles 2023, \$130,350.