

FYI – For Your Information

Crop and Livestock Contribution Credit

GENERAL INFORMATION

The crop and livestock contribution credit is available to C corporations that donate crops or livestock to a charitable organization for use in Colorado. The credit is equal to 25% of the contribution valued at wholesale market price or the most recent sale price. The contribution must be made to a charitable organization that has been granted income tax exempt status for federal income tax purposes. [§39-22-301(3), C.R.S.]

REQUIREMENTS FOR CLAIMING CREDIT

The crop and livestock contribution credit is available only if the following conditions are met:

1. The crop is harvested or the livestock is slaughtered by or on behalf of the donee charitable organization.
2. The use of the crop or livestock by the donee charitable organization is related to the purpose or function constituting the basis for the organization's tax-exempt status and is used by the donee organization in Colorado.
3. The crop or livestock is not transferred by the donee charitable organization in exchange for money, other property, or services. This condition shall not apply in those cases where the donee charitable organization functions as a clearinghouse for distribution, without expectation of remuneration, of such crops or livestock, or both, to other charitable organizations.

These secondary donees shall be subject to the provisions of this section in the same measure as if the contribution were received by that tax-exempt charitable organization directly from the original donor.

4. The taxpayer and any subsequent donors shall receive from the donee charitable organization a written statement declaring that its use and disposition of the crop or livestock will be in accordance with this law.

LIMITATIONS

The credit may not exceed \$1,000 per year, nor may it exceed any tax liability remaining after previous credits have been claimed. Any unclaimed credit may be carried forward and claimed for up to five tax years. The credit is not available to individuals, trusts, estates, S corporations, partnerships or other pass through entities.

DEFINITIONS

"Crop" means an agricultural crop, including but not limited to grains, fruits, and vegetables, which is usable as food for human beings.

"Crop contribution" means a contribution of a crop or portion of a crop to a charitable organization by a taxpayer engaged in the trade or business of farming or processing of a crop.



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(303)238-SERV(7378)

www.taxcolorado.com

"Livestock" means cattle, swine, poultry, or other animals raised for profit and usable as food for human beings.

"Livestock contribution" means a contribution of livestock to a charitable organization by a taxpayer engaged in the trade or business of raising or processing of livestock.

"Most recent sales price" means an amount equal to the price which the taxpayer would have received for the contribution, if the crop or livestock had been sold on the date of the most recent sale of such crop or livestock.

"Wholesale market price" means the average wholesale market price for the crop or livestock contributed in the nearest regional market during the month in which the contribution is made, determined without consideration of grade or quality of the crop or livestock and as if the quantity of the crop or livestock contributed were marketable.

LEGAL LIABILITY

A taxpayer that donates food to a tax-exempt charitable organization for use or distribution in providing assistance shall not be liable for damages in any civil action or subject to prosecution in any criminal proceeding resulting from the nature, age, condition, or packaging of such crop and/or livestock contributions. However, the exemption shall not apply to the willful, wanton, or reckless acts of donors that result in injury to the recipients of such contributed foods.

FURTHER INFORMATION

FYIs, commonly used forms and additional tax information are available on the Web at www.taxcolorado.com

For additional income tax information visit the "Tax Information Index" which covers a variety of topics including links to forms, publications, regulations, statutes and general questions and answers. The "Tax Information Index" is located at www.taxcolorado.com

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.