

111TH CONGRESS
2D SESSION

H. R. 6164

To amend the Internal Revenue Code of 1986 to allow a credit against
tax for certain fruit and vegetable farmers.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2010

Mr. BACA introduced the following bill; which was referred to the Committee
on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a
credit against tax for certain fruit and vegetable farmers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fresh Fruit and Vege-
5 table Grower Tax Incentive Act of 2010”.

6 **SEC. 2. FRUIT AND VEGETABLE SMALL FARM CREDIT.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 is amended by adding at the end the following new
10 section:

1 **“SEC. 45Q. FRUIT AND VEGETABLE SMALL FARM CREDIT.**

2 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
3 tion 38, in the case of an eligible taxpayer, the fruit and
4 vegetable small farm credit determined under this section
5 for such taxable year is an amount equal to the lesser of—

6 “(1) \$10,000, or

7 “(2) the taxable income of the taxpayer for the
8 taxable year attributable to the trade or business of
9 fruit and vegetable farming.

10 “(b) ELIGIBLE TAXPAYER.—For purposes of this
11 section—

12 “(1) IN GENERAL.—The term ‘eligible taxpayer’
13 means any taxpayer—

14 “(A) who is engaged in the trade or busi-
15 ness of fruit and vegetable farming,

16 “(B) with respect to whom at least 75 per-
17 cent of taxable income attributable to the trade
18 or business of farming for the preceding taxable
19 year was attributable to fruit and vegetable
20 farming,

21 “(C) whose gross receipts attributable to
22 fruit and vegetable farming for the preceding
23 taxable year are not more than \$500,000, and

24 “(D) who is a farm-related taxpayer.

25 “(2) FRUIT AND VEGETABLE FARMING.—The
26 term ‘fruit and vegetable farming’ means the farm-

1 ing and sale of fruits, vegetables, or both, in fresh
 2 form generally considered as perishable, but does not
 3 include any grains or any perishable fruits and vege-
 4 tables which have been manufactured into articles of
 5 food of a different kind or character.

6 “(3) FARM-RELATED TAXPAYER.—The term
 7 ‘farm-related taxpayer’ means—

8 “(A) any farm-related taxpayer (as defined
 9 in section 464(f)(3)(B)), or

10 “(B) any corporation, partnership, or other
 11 entity, substantially all of which is owned by
 12 one or more farm-related taxpayers.

13 “(c) SPECIAL RULES.—For purposes of this sec-
 14 tion—

15 “(1) AGGREGATION RULES.—All persons which
 16 are treated as a single employer under subsections
 17 (a) and (b) of section 52 shall be treated as a single
 18 taxpayer.

19 “(2) ESTATES AND TRUSTS.—Under regula-
 20 tions prescribed by the Secretary, rules similar to
 21 the rules of subsection (d) of section 52 shall apply.

22 “(3) TAX EXEMPT ORGANIZATIONS.—No credit
 23 shall be allowed under section 38 for any fruit and
 24 vegetable small farm credit determined under this

1 subpart to any organization which is exempt from
2 tax under this chapter.

3 “(4) ALLOCATION IN THE CASE OF PARTNER-
4 SHIPS.—In the case of partnerships, the credit shall
5 be allocated among partners under regulations pre-
6 scribed by the Secretary.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 for subpart D of part IV of subchapter A of chapter 1
9 of such Code is amended by adding at the end the fol-
10 lowing new item:

 “Sec. 45Q. Fruit and vegetable small farm credit.”.

11 (c) CONFORMING AMENDMENT.—Subsection (b) of
12 section 38 of such Code is amended by striking “plus”
13 at the end of paragraph (35), by striking the period at
14 the end of paragraph (36) and inserting “, plus”, and by
15 adding at the end the following new paragraph:

16 “(37) the fruit and vegetable small farm credit
17 determined under section 45Q(a).”.

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 the date of the enactment of this Act.

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