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Act provides enhanced tax deductions for businesses

Stillwater, Okla. – Dec. 1, 2008

Some business taxpayers and clients of the Robert M. Kerr Food & Agricultural Products Center, located on the Oklahoma State University campus, will benefit from the Emergency Economic Stabilization Act of 2008.

The law, which was passed by Congress and signed into law by the President in early October, includes new tax incentives to foster increased donations of food and grocery products to food banks nationwide, including the Regional Food Bank of Oklahoma.

“Obviously, the goal of any successful business is to sell all the product you can, but sometimes, and especially with the current economic climate, a company cannot help but have product that cannot be sold before expiration,” said Chuck Willoughby, FAPC business and marketing relations manager. “This enhanced tax benefit could at least lessen the impact of sales lost for some of our clients.”

This new law enables business taxpayers, including farmers

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franchisees, ranchers and other small business owners to take an enhanced tax deduction that is the sum of one-half of the unrealized appreciation, which is the fair market value minus cost equals appreciation, plus the taxpayer’s cost, said Bill Hendrix of the Regional Food Bank of Oklahoma. However, the deduction cannot exceed two times the cost of the contributed property as described in IRC Section 170(e)(3).

“This new law extends the enhanced tax deduction for food and grocery product donations to all business taxpayers from Jan. 1, 2008, to Dec. 31, 2009,” Hendrix said. “This means that the law will be retroactive and available for product donations already made to

the Regional Food Bank of Oklahoma this year.”

The Emergency Economic Stabilization Act also allows qualified ranchers and farmers to deduct more than 10 percent of their income for the 2008 calendar year if they donate food that is worth more than that amount, Hendrix said.

“We hope this new incentive will allow our generous donors to do more and inspire new donors to join our efforts to feed hungry Oklahomans,” Hendrix said.

To learn more about the new tax incentive, call Hendrix at 405-604-7106. For information about the FAPC and its programs, call Willoughby at 405-744-6071 or visit www.fapc.biz.