

113TH CONGRESS
1ST SESSION

H. R. 3015

To amend the Internal Revenue Code of 1986 to provide tax incentives for the establishment of supermarkets in certain underserved areas.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2013

Mr. COHEN 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 provide tax incentives for the establishment of supermarkets in certain underserved areas.

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 “Supermarket Tax
5 Credit for Underserved Areas Act”.

6 **SEC. 2. TAX INCENTIVES FOR ESTABLISHMENT OF SUPER-**
7 **MARKETS IN CERTAIN UNDERSERVED AREAS.**

8 (a) IN GENERAL.—Subchapter Y of chapter 1 of the
9 Internal Revenue Code of 1986 is amended by adding at
10 the end the following new part:

1 **“PART IV—TAX INCENTIVES FOR SUPERMARKETS**
2 **IN UNDERSERVED AREAS**

“Sec. 1400V-1. Increased rehabilitation credit.

“Sec. 1400V-2. Increased work opportunity tax credit.

“Sec. 1400V-3. Credit for sales of locally grown fresh fruits and vegetables.

“Sec. 1400V-4. Definitions.

3 **“SEC. 1400V-1. INCREASED REHABILITATION CREDIT.**

4 “(a) IN GENERAL.—In the case of a qualified reha-
5 bilitated building (as defined in section 47) which is an
6 underserved area supermarket, subsection (a) of section
7 47 shall be applied—

8 “(1) by substituting ‘12 percent’ for ‘10 per-
9 cent’ in paragraph (1), and

10 “(2) by substituting ‘24 percent’ for ‘20 per-
11 cent’ in paragraph (2).

12 “(b) UNDERSERVED AREA SUPERMARKET.—For
13 purposes of subsection (a), a qualified rehabilitated build-
14 ing shall be treated as meeting the requirements of sub-
15 paragraphs (A), (B), (C), and (D) of section 1400V-
16 4(a)(2) if it is reasonable to believe that such building will
17 meet such requirements as of the close of the taxable year
18 in which such building is placed in service.

19 “(c) TERMINATION.—Subsection (a) shall only apply
20 to buildings placed in service after December 31, 2013,
21 and before January 1, 2016.

1 **“SEC. 1400V-2. INCREASED WORK OPPORTUNITY TAX CRED-**
2 **IT.**

3 “(a) IN GENERAL.—In the case of an individual em-
4 ployed in the trade or business of operating a new under-
5 served area supermarket, the limitation otherwise in effect
6 under paragraph (3) of section 51(b) with respect to such
7 individual shall be increased by \$1,000.

8 “(b) TERMINATION.—Subsection (a) shall only apply
9 to wages paid in taxable years beginning after December
10 31, 2013, and before January 1, 2019.

11 **“SEC. 1400V-3. CREDIT FOR SALES OF LOCALLY GROWN**
12 **FRESH FRUITS AND VEGETABLES.**

13 “(a) IN GENERAL.—For purposes of section 38, the
14 underserved area supermarket fruit and vegetable credit
15 determined under this section for the taxable year is 15
16 percent of the gross receipts from the retail sale of locally
17 grown fresh fruits and vegetables in the trade or business
18 of operating a new underserved area supermarket.

19 “(b) TERMINATION.—Subsection (a) shall only apply
20 to taxable years beginning after December 31, 2014, and
21 before January 1, 2019.

22 **“SEC. 1400V-4. DEFINITIONS.**

23 “For purposes of this part—

24 “(1) UNDERSERVED AREA SUPERMARKET.—
25 The term ‘underserved area supermarket’ means any
26 supermarket located in an underserved area.

1 “(2) NEW UNDERSERVED AREA SUPER-
2 MARKET.—The term ‘new underserved area super-
3 market’ means any underserved area supermarket
4 which—

5 “(A) is placed in service after December
6 31, 2013, and

7 “(B) was not a supermarket at any time
8 during the 3-year period ending on the date
9 such underserved area supermarket is placed in
10 service.

11 “(3) SUPERMARKET.—The term ‘supermarket’
12 means any building if—

13 “(A) not less than 12,000 square feet and
14 not more than 80,000 square feet of such build-
15 ing is used for selling items at retail,

16 “(B) at least 7 percent of the square feet
17 of such building which is used for selling items
18 at retail is used for selling produce, meat, fish,
19 deli, and dairy items,

20 “(C) gross sales of items sold at retail
21 from such building exceed \$2,000,000 annually,
22 and

23 “(D) at least 7 percent of such gross sales
24 are attributable to sales of produce, meat, fish,
25 deli, and dairy items.

1 “(4) UNDERSERVED AREA.—The term ‘under-
2 served area’ means—

3 “(A) any enterprise community or em-
4 powerment zone with a designation in effect
5 under section 1391, and

6 “(B) any renewal community with respect
7 to which a designation was in effect under sec-
8 tion 1400E on December 31, 2009.”.

9 (b) CREDIT TO BE PART OF GENERAL BUSINESS
10 CREDIT.—Subsection (b) of section 38 of such Code (re-
11 lating to general business credit) is amended by striking
12 “plus” at the end of paragraph (35), by striking the period
13 at the end of paragraph (36) and inserting “, plus”, and
14 by adding at the end the following new paragraph:

15 “(37) the underserved area supermarket fruit
16 and vegetable credit determined under section
17 1400V-3.”.

18 (c) CLERICAL AMENDMENT.—The table of parts for
19 subchapter Y of chapter 1 of such Code is amended by
20 adding at the end the following new item:

 “PART IV. TAX INCENTIVES FOR SUPERMARKETS IN UNDERSERVED
 AREAS.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2013.

○