

114TH CONGRESS
1ST SESSION

H. R. 1433

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

MARCH 18, 2015

Mr. COHEN (for himself, Mr. GRIJALVA, Ms. MOORE, Ms. KELLY of Illinois, Mr. CONYERS, Ms. NORTON, Mrs. LAWRENCE, and Ms. CLARKE of New York) 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”.

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

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

6 **“PART IV—TAX INCENTIVES FOR SUPERMARKETS**
7 **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.

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

9 “(a) IN GENERAL.—In the case of a qualified reha-
10 bilitated building (as defined in section 47) which is an
11 underserved area supermarket, subsection (a) of section
12 47 shall be applied—

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

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

17 “(b) UNDERSERVED AREA SUPERMARKET.—For
18 purposes of subsection (a), a qualified rehabilitated build-
19 ing shall be treated as meeting the requirements of sub-
20 paragraphs (A), (B), (C), and (D) of section 1400V-
21 4(a)(2) if it is reasonable to believe that such building will
22 meet such requirements as of the close of the taxable year
23 in which such building is placed in service.

1 “(c) TERMINATION.—Subsection (a) shall only apply
2 to buildings placed in service after December 31, 2015,
3 and before January 1, 2018.

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

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

11 “(b) TERMINATION.—Subsection (a) shall only apply
12 to wages paid in taxable years beginning after December
13 31, 2015, and before January 1, 2021.

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

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

22 “(b) TERMINATION.—Subsection (a) shall only apply
23 to taxable years beginning after December 31, 2016, and
24 before January 1, 2021.

1 **“SEC. 1400V-4. DEFINITIONS.**

2 “For purposes of this part—

3 “(1) **UNDERSERVED AREA SUPERMARKET.**—

4 The term ‘underserved area supermarket’ means any
5 supermarket located in an underserved area.

6 “(2) **NEW UNDERSERVED AREA SUPER-**

7 **MARKET.**—The term ‘new underserved area super-

8 market’ means any underserved area supermarket

9 which—

10 “(A) is placed in service after December

11 31, 2015, and

12 “(B) was not a supermarket at any time

13 during the 3-year period ending on the date

14 such underserved area supermarket is placed in

15 service.

16 “(3) **SUPERMARKET.**—The term ‘supermarket’

17 means any building if—

18 “(A) not less than 12,000 square feet and

19 not more than 80,000 square feet of such build-

20 ing is used for selling items at retail,

21 “(B) at least 7 percent of the square feet

22 of such building which is used for selling items

23 at retail is used for selling produce, meat, fish,

24 deli, and dairy items,

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

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

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

9 “(A) any enterprise community or em-
10 powerment zone with respect to which a des-
11 ignation was in effect under section 1391 on
12 December 31, 2014, and

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

16 (b) CREDIT TO BE PART OF GENERAL BUSINESS
17 CREDIT.—Subsection (b) of section 38 of such Code (re-
18 lating to general business credit) is amended by striking
19 “plus” at the end of paragraph (35), by striking the period
20 at the end of paragraph (36) and inserting “, plus”, and
21 by adding at the end the following new paragraph:

22 “(37) the underserved area supermarket fruit
23 and vegetable credit determined under section
24 1400V–3.”.

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

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

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2015.

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