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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

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Supermarket Tax Credit for Underserved Areas Act''.

SEC. 2. TAX INCENTIVES FOR ESTABLISHMENT OF SUPERMARKETS IN CERTAIN UNDERSERVED AREAS.

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

"PART IV—TAX INCENTIVES FOR SUPERMARKETS 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.

"SEC. 1400V–1. INCREASED REHABILITATION CREDIT.

"(a) IN GENERAL.—In the case of a qualified rehabilitated building (as defined in section 47) which is an underserved area supermarket, subsection (a) of section 47 shall be applied—

"(1) by substituting '12 percent' for '10 percent' in paragraph (1), and

"(2) by substituting '24 percent' for '20 percent' in paragraph (2).

"(b) UNDERSERVED AREA SUPERMARKET.—For purposes of subsection (a), a qualified rehabilitated building shall be treated as meeting the requirements of subparagraphs (A), (B), (C), and (D) of section 1400V–4(a)(2) if it is reasonable to believe that such building will meet such requirements as of the close of the taxable year in which such building is placed in service.

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

"SEC. 1400V–2. INCREASED WORK OPPORTUNITY TAX CREDIT.

"(a) IN GENERAL.—In the case of an individual employed in the trade or business of operating a new underserved area supermarket, the limitation otherwise in effect under paragraph (3) of section 51(b) with respect to such individual shall be increased by $1,000.

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

"SEC. 1400V–3. CREDIT FOR SALES OF LOCALLY GROWN FRESH FRUITS AND VEGETABLES.

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

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

"SEC. 1400V–4. DEFINITIONS.

"For purposes of this part—

"(1) UNDERSERVED AREA SUPERMARKET.—The term 'underserved area supermarket' means any supermarket located in an underserved area.

"(2) NEW UNDERSERVED AREA SUPERMARKET.—The term 'new underserved area supermarket' means any underserved area supermarket which—

"(A) is placed in service after December 31, 2013, and

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

"(3) SUPERMARKET.—The term 'supermarket' means any building if—

"(A) not less than 12,000 square feet and not more than 80,000 square feet of such building is used for selling items at retail,

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

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

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

"(4) UNDERSERVED AREA.—The term 'underserved area' means—

"(A) any enterprise community or empowerment zone with a designation in effect under section 1391, and

"(B) any renewal community with respect to which a designation was in effect under section 1400E on December 31, 2009.".

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 of such Code (relating to general business credit) is amended by striking "plus" at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting ", plus", and by adding at the end the following new paragraph:

"(37) the underserved area supermarket fruit and vegetable credit determined under section 1400V–3.".

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

"PART IV. TAX INCENTIVES FOR SUPERMARKETS IN UNDERSERVED AREAS.".

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

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