

What are the Tax Incentives?

The U.S. Tax Code provides an enhanced tax deduction for the lesser of 1/2 the Gross Profit or the Basis Cost.

<u>Example:</u>	<u>Sales Price</u>	<u>Surplus Donated</u>
Food Sales	\$10.00	\$0.00
Base Cost	\$3.25	\$0.00
Gross Profit	\$6.75	\$0.00
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Food Donated	\$0.00	\$10.00
Enhanced Tax Deduction		\$6.50

RESULTS:

Gross Margin on Food Sold:	\$4.25
Gross Margin on Food thrown away:	\$(2.05)
Gross Margin on Food donated:	\$ (.85)