

119TH CONGRESS
2D SESSION

H. R. 9378

To amend the Internal Revenue Code of 1986 to establish a tax credit
for grocery stores located in food deserts.

IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2026

Mr. VINDMAN (for himself and Mr. MACKENZIE) 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 establish
a tax credit for grocery stores located in food deserts.

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 “Grocery Affordability
5 Act”.

6 **SEC. 2. ESTABLISHMENT OF FOOD DESERT GROCERY**
7 **STORE CREDIT.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 45BB. FOOD DESERT GROCERY STORE CREDIT.**

4 “(a) IN GENERAL.—For purposes of section 38, the
5 food desert grocery store credit determined under this sec-
6 tion for any taxable year is an amount equal to—

7 “(1) in the case of a qualified grocery store
8 which is placed in service during such taxable year
9 by a taxpayer, 30 percent of the basis of such gro-
10 cery store, including any property used in the oper-
11 ation of such grocery store—

12 “(A) which is acquired by such taxpayer if
13 the original use of such property commences
14 with such taxpayer, and

15 “(B) with respect to which depreciation (or
16 amortization in lieu of depreciation) is allow-
17 able, and

18 “(2) in the case of a qualified renovation area
19 which is placed in service during such taxable year
20 by a taxpayer, 30 percent of the qualified renovation
21 expenditures paid or incurred by such taxpayer.

22 “(b) LIMITATION.—The credit allowed under sub-
23 section (a) with respect to any taxpayer for any taxable
24 year shall not exceed \$500,000.

1 “(c) BASIS REDUCTION.—The basis of any qualified
2 grocery store, or any grocery store which includes a quali-
3 fied renovation area, for which a credit is allowable under
4 subsection (a) shall be reduced by the amount of such
5 credit so allowed.

6 “(d) DEFINITIONS.—For purposes of this section—

7 “(1) QUALIFIED GROCERY STORE.—The term
8 ‘qualified grocery store’ means a grocery store
9 which, on the date with respect to which construc-
10 tion of such grocery store begins, is located in a food
11 desert.

12 “(2) QUALIFIED RENOVATION AREA.—The term
13 ‘qualified renovation area’ means any area of a gro-
14 cery store in which groceries are sold, provided that
15 such grocery store, on the date with respect to which
16 renovation or rehabilitation of such area begins, is
17 located in a food desert.

18 “(3) QUALIFIED RENOVATION EXPENDI-
19 TURES.—The term ‘qualified renovation expendi-
20 tures’ means amounts chargeable to capital account
21 and incurred for property (or additions or improve-
22 ments to property) of a character subject to an al-
23 lowance for depreciation in connection with the ren-
24 ovation or rehabilitation of a grocery store.

1 “(4) GROCERY STORE.—The term ‘grocery
2 store’ means a retail store for which forecasted sales
3 of groceries account for at least 35 percent of its
4 total annual sales.

5 “(5) GROCERIES.—The term ‘groceries’
6 means—

7 “(A) fresh and frozen produce,

8 “(B) fresh and frozen meat and seafood,

9 “(C) dairy products,

10 “(D) deli products, including sliced meats,
11 cheeses, and salads, and

12 “(E) baked goods.

13 “(6) FOOD DESERT.—

14 “(A) IN GENERAL.—The term ‘food desert’
15 means any population census tract in which—

16 “(i) at least 500 people, or at least 33
17 percent of the population of such tract, re-
18 side—

19 “(I) in the case of a tract located
20 within a metropolitan area, more than
21 1 mile from a grocery store, or

22 “(II) in the case of a tract not lo-
23 cated within a metropolitan area,
24 more than 10 miles from a grocery
25 store, and

1 “(ii) either—

2 “(I) the poverty rate for such
3 tract is at least 20 percent, or

4 “(II)(aa) in the case of a tract
5 located within a metropolitan area,
6 the median family income for such
7 tract does not exceed 80 percent of
8 the greater of the statewide median
9 family income or the metropolitan
10 area median family income, or

11 “(bb) in the case of a tract not
12 located within a metropolitan area,
13 the median family income for such
14 tract does not exceed 80 percent of
15 the statewide median family income.

16 “(B) AREAS NOT WITHIN CENSUS
17 TRACTS.—In the case of an area which is not
18 tracted for population census tracts, the equiva-
19 lent county divisions (as defined by the Bureau
20 of the Census) shall be used for purposes of de-
21 terminations of food deserts under this para-
22 graph.

23 “(C) DETERMINATION OF FOOD
24 DESERTS.—For purposes of determining wheth-
25 er a population census tract qualifies as a food

1 desert for purposes of this section, the Sec-
 2 retary shall make such determinations, in con-
 3 sultation with the Secretary of Agriculture, in
 4 such manner as is deemed appropriate, includ-
 5 ing through the use of the Food Access Re-
 6 search Atlas established by the Department of
 7 Agriculture.

8 “(D) METROPOLITAN AREA.—The term
 9 ‘metropolitan area’ has the same meaning given
 10 the term ‘metropolitan statistical area’ under
 11 section 143(k)(2)(B).

12 “(e) REGULATIONS.—The Secretary, in consultation
 13 with the Secretary of Agriculture, shall prescribe such reg-
 14 ulations or other guidance as may be necessary or appro-
 15 priate to carry out the purposes of this section.”.

16 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
 17 NESS CREDIT.—Section 38(b) of such Code is amended
 18 by striking “plus” at the end of paragraph (40), by strik-
 19 ing the period at the end of paragraph (41) and inserting
 20 “, plus”, and by adding at the end the following new para-
 21 graph:

22 “(42) the food desert grocery store credit deter-
 23 mined under section 45BB(a).”.

24 (c) CLERICAL AMENDMENT.—The table of sections
 25 for subpart D of part IV of subchapter A of chapter 1

1 of such Code is amended by adding after the item relating
2 to section 45AA the following new item:

“Sec. 45BB. Food desert grocery store credit.”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply with respect to taxable years begin-
5 ning after December 31, 2026.

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