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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

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A BILL

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

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 "Grocery Affordability Act".

SEC. 2. ESTABLISHMENT OF FOOD DESERT GROCERY STORE CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of

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

"SEC. 45BB. FOOD DESERT GROCERY STORE CREDIT.

"(a) IN GENERAL.—For purposes of section 38, the food desert grocery store credit determined under this section for any taxable year is an amount equal to—

"(1) in the case of a qualified grocery store which is placed in service during such taxable year by a taxpayer, 30 percent of the basis of such grocery store, including any property used in the operation of such grocery store—

"(A) which is acquired by such taxpayer if the original use of such property commences with such taxpayer, and

"(B) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and

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

"(b) LIMITATION.—The credit allowed under subsection (a) with respect to any taxpayer for any taxable year shall not exceed $500,000.

"(c) BASIS REDUCTION.—The basis of any qualified grocery store, or any grocery store which includes a qualified renovation area, for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED GROCERY STORE.—The term 'qualified grocery store' means a grocery store which, on the date with respect to which construction of such grocery store begins, is located in a food desert.

"(2) QUALIFIED RENOVATION AREA.—The term 'qualified renovation area' means any area of a grocery store in which groceries are sold, provided that such grocery store, on the date with respect to which renovation or rehabilitation of such area begins, is located in a food desert.

"(3) QUALIFIED RENOVATION EXPENDITURES.—The term 'qualified renovation expenditures' means amounts chargeable to capital account and incurred for property (or additions or improvements to property) of a character subject to an allowance for depreciation in connection with the renovation or rehabilitation of a grocery store.

"(4) GROCERY STORE.—The term 'grocery store' means a retail store for which forecasted sales of groceries account for at least 35 percent of its total annual sales.

"(5) GROCERIES.—The term 'groceries' means—

"(A) fresh and frozen produce,

"(B) fresh and frozen meat and seafood,

"(C) dairy products,

"(D) deli products, including sliced meats, cheeses, and salads, and

"(E) baked goods.

"(6) FOOD DESERT.—

"(A) IN GENERAL.—The term 'food desert' means any population census tract in which—

"(i) at least 500 people, or at least 33 percent of the population of such tract, reside—

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

"(II) in the case of a tract not located within a metropolitan area, more than 10 miles from a grocery store, and "(ii) either—

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

"(II)(aa) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of the statewide median family income or the metropolitan area median family income, or

"(bb) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the statewide median family income.

"(B) AREAS NOT WITHIN CENSUS TRACTS.—In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census) shall be used for purposes of determinations of food deserts under this paragraph.

"(C) DETERMINATION OF FOOD DESERTS.—For purposes of determining whether a population census tract qualifies as a food desert for purposes of this section, the Secretary shall make such determinations, in consultation with the Secretary of Agriculture, in such manner as is deemed appropriate, including through the use of the Food Access Research Atlas established by the Department of Agriculture.

"(D) METROPOLITAN AREA.—The term 'metropolitan area' has the same meaning given the term 'metropolitan statistical area' under section 143(k)(2)(B).

"(e) REGULATIONS.—The Secretary, in consultation with the Secretary of Agriculture, shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section.".

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of such Code is amended by striking "plus" at the end of paragraph (40), by striking the period at the end of paragraph (41) and inserting ", plus", and by adding at the end the following new paragraph:

"(42) the food desert grocery store credit determined under section 45BB(a).".

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding after the item relating to section 45AA the following new item:

"Sec. 45BB. Food desert grocery store credit.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 2026.

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