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Testimony for House Bill 2484—Committee on Taxation

Chairman Smith and members of the Committee:

This testimony is submitted on behalf of Harvesters—The Community Food Network, the Kansas Food Bank and Second Harvest Community Food Bank, which comprise the Association of Kansas Food Banks. Together, our food banks serve the food insecure in all 105 counties in the state. Last year, our networks of charitable food pantries distributed nearly 51 million pounds of food to those in need in Kansas, from our smallest rural communities to major metropolitan areas.

We support House Bill 2484 (with reservations noted below) because Kansas' state-level sales tax on food is regressive and places a significant burden on our most vulnerable citizens. Eliminating the sales tax on food will help all Kansans have better access to the nutritious food they need to survive and thrive.

12.1% of people in Kansas are food insecure. That's 350,000 Kansans—1 in 8. And the food insecurity rate among Kansas children is even higher at 17.1%. That's 1 in every 6 children. Both are higher than the national average. We believe that taxes that add as much as 10% to every Kansan's grocery bill negatively impact the food security of low-income Kansans. Eliminating the state-level sales tax on food would help the most vulnerable among us meet their basic needs.

We know from Feeding America's *Hunger in America* study that food insecure Kansans turning to our networks of charitable organizations are making difficult choices:

- 65% have had to choose between paying for food or utilities
- 64% have had to choose between paying for food and paying for medicine or medical care
- 53% have had to choose between paying for food and paying their rent or mortgage

When people face such difficult choices, how do they cope? In Kansas, 81% report buying the cheapest food available regardless of its nutritional value.

People know they should eat healthier, but when 10% or more of their food budget goes to pay for sales tax, they have to make the other 90% stretch further. They often stretch their food dollar by purchasing cheaper, calorie-dense foods that have less nutritional value.

The elimination of the food sales tax is one of the quickest and easiest ways to put money back in the pockets of every Kansan because it would happen at the cash register on a daily basis. No receipts to keep, no tax forms to fill out. It would help our economy by bringing people back to local Kansas businesses to shop for groceries rather than go across state lines for a better deal.

The impact would be immediate. It would help every single person in our state, and our most vulnerable—from seniors on a fixed income to children—most of all.

While we do support this bill, we would like to suggest that the committee amend the bill to change the implementation date to July 1, 2022, so that tax relief for Kansans can begin as soon as possible.

And we are concerned that removing the state-level sales tax from food purchased in restaurants will increase the fiscal note to an unsustainable level. While Kansas is one of the last to still tax groceries, we would be one of the first (if not the first) to completely exempt restaurants. We suggest starting with the removal of the grocery tax and adding the restaurant exemption only after the state has a clearer picture of its long-term impact on the state budget.

The food sales tax takes the most from those who have the least so we ask for your support to completely eliminate of the state-level sales tax on food. Kansans have waited too long already.