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SISTERS OF CHARITY OF LEAVENWORTH

OFFICE OF JUSTICE, PEACE, AND INTEGRITY OF CREATION



Date: January 25, 2022

To: House Committee on Taxation

From: John Shively

RE: Support for House Bill 2487

Dear Chairman Smith and members of the Committee,

The Sisters of Charity follow in the traditions of St. Vincent de Paul and St. Louise de Marillac, who began the daughters of charity with a particular emphasis on serving those living in poverty. It is in the same tradition that we support HB 2487, which will provide tax relief for all Kansans who purchase grocery products in the state of Kansas – but will particularly alleviate tax burdens for low and middle-income individuals and families. Especially given the economic impact of the last two years and current inflation rates¹, we believe now is the time to offer additional help to struggling families and individuals to provide for their basic needs.

Low-income individuals spend a larger share of their income to meet basic needs

Because low-income persons need to provide for the same needs as all earners, taxes such as the sales tax on groceries are particularly hard on low-income persons. The sales tax on food takes a greater share of their total income, leaving them with less disposable income overall compared to other income brackets. Additionally, according to the Bureau of Labor Statistics, the lowest 20% of earners spend approximately 10% of their income on food at home, whereas the highest 20% of earners only spend about 5.7%².

Current tax credits are not as effective as eliminating the sales tax on groceries

Currently, Kansas offers a refund on groceries and does offset some of the burdens of the tax for some individuals. However, due to the eligibility requirements and limits on the amount individuals can receive, we believe it is a less preferable model.

We believe the legislature ought to allow all Kansans of all income levels to buy groceries without being subject to state tax requirements, and that this solution is the most equitable and fair.

¹ CPI data shows inflation rose 7% year over year, its highest increase since 1982. <https://www.cnbc.com/2022/01/12/cpi-december-2021-.html>

² <https://www.cbpp.org/low-income-families-spend-much-more-of-their-income-on-food-at-home>

A straightforward, focused bill

We would encourage legislators to keep this bill simple, narrowly focused, and as close to the current bill as possible.

We believe that additional tax proposals unrelated to the focus of groceries and food ought to be considered separately and those policies can be weighed on their own merits. This legislation is too important and urgently needed to be bogged down by unrelated policy considerations.

Effective Date

While we support both HB 2484 and 2487, we prefer this bill's effective date of July 1, 2022.

Farmers' Market Provision

While we support both HB 2484 and 2487, we prefer this bill's inclusion of Farmers' Markets being exempt from food sales tax. This provision ensures that locally grown produce and products are not at a competitive price disadvantage and allows for equal economic footing for the local producers. Besides being good for the local economy, it may allow those with lower incomes to access fresh produce that may otherwise be too expensive.

Thank you for allowing me to testify today and I would ask you to support this urgent and necessary legislation for the benefit of all Kansans.