



**Senate Assessment and Taxation Committee  
Oral Testimony Presented by Derek Hein on behalf of  
Kansas Beverage Association  
Opposition to SB 248  
February 20, 2023**

Madam Chairman, Members of the Committee:

My name is Derek Hein, and I appear before you on behalf of the Kansas Beverage Association (KBA) which is the state trade association for non-alcoholic beverage bottling companies operating in Kansas. Products manufactured and distributed by members of the KBA include soft drinks, bottled waters, isotonic drinks, juice, juice drinks, sports drinks, dairy-based beverages, teas, and other beverages.

**The KBA is strongly opposed to SB 248 because this is a tax increase aimed directly at consumers.**

Last year, the Legislature passed, and Governor signed into law 2022 House Bill 2106. Beginning two months ago, on January 1, 2023, the state sales and use tax rate on food and food ingredients was reduced from 6.5% to 4.0%. Starting on January 1, 2024, the state sales tax rate will be reduced to 2.0%. And, starting on January 1, 2025, the state sales tax rate will be reduced to 0.0%. This phase down to 0.0% includes *all food* items in a consumer's grocery cart.

Because this phase down has already begun, **passage of this legislation will result in consumers paying an increased tax of 4.5% on items that are not deemed "healthy", as the rate for these items will return to 6.5% rather than decreasing to 2.0% and continuing to 0.0% in subsequent years.**

**Allowing the government to designate grocery items as "good" and "bad" would create a food code more complicated than the tax code.** With thousands of products on the market that must be reviewed, differing taxes established, and collection/enforcement mechanisms developed, this will be an administrative nightmare for manufacturers, retailers, KDOR and the public.

**Consumers are taxed enough and don't need to be told what to put in their grocery carts.** When consumers have choices and clear information, they can choose what is right for them and their families. Today, more than ever, nutritional information is at our fingertips with product labels and internet access. Moms & Dads have access to calories, fat, sodium, sugar, protein, common allergy ingredients and much more.

**Kansas would be the first state in the nation to define "healthy foods".** This is an impossible task as every person in this room would have a different list of "healthy foods", based on their personal opinions and decisions of how, when, and what products they consume.



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**The “healthy foods” list in SB 248 is not WIC.** The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) program created by the federal government includes the items listed in SB 248; however, SB 248 includes meat, poultry, fish, and breakfast cereals, which are not included in the WIC program. SB 248 expands what is “healthy” far beyond WIC. **KBA supports the definition of food as used in the Supplemental Nutrition Assistance Program (SNAP) program defined and administered by the United States Department of Agriculture.**

**Professionals in the health industries have varying opinions on “healthy foods”.** In fact, there are regularly changing opinions from experts on a regular basis, as we see in changing headlines, new advice, new diets, and new approaches to staying healthy.

**The KBA believes that choices and information lead to better outcomes:**

- There are more than 400 different beverages being sold today that are low sugar or zero sugar.
- You can see these innovations in the grocery aisle, from a variety of protein and vitamin waters, sparkling waters, and flavored waters to zero-sugar sports drinks and iced teas.
- Smaller portion sizes like mini-cans are growing in popularity as we expand them to more brands
- And we have voluntarily placed easy-to-see calorie count labels on the front of every bottle we sell so people can choose what’s right for them.

The KBA members make American products, with American workers, in America's hometowns. **More than 3,206 jobs are provided by Kansas’ beverage industry.** Kansas’ beverage companies manufacture and distribute some of the most popular nonalcoholic beverages in the world. From products in your neighborhood store to our support of local community initiatives, our presence is felt in every community across the state. We play an important role in the state’s economy by providing good-paying jobs, paying significant tax dollars to the state and federal government, and making generous charitable contributions to organizations across the state.

Although the KBA is opposed to the definition of “healthy food” in SB 248, the KBA supports the definition of food as in Kansas’ current statutes and supports the definition of food as used in the SNAP program.

**We ask the committee to oppose SB 248.**

Thank you for allowing me to testify. I would be happy to answer any questions at the appropriate time.