



Your Family Owned Hometown Grocery Store!

February 1, 2023

Dear Chairman Smith and members of Taxation Committee,

My name is Mike Floersch, of Ray's Apple Markets. We own and operate 5 locations in small rural northeast Kansas towns. Four of those locations we are the only grocery store in those towns. We also own and operate a single location in Nebraska.

Thank you for taking time to read my testimony supporting eliminating the food sales tax in Kansas. I ask you to support in simplifying and lowering the Food Sales Tax in the State of Kansas to 0%. Lowering the cost of groceries for Kansas families is a win for Kansas.

Under the current law there is a considerable amount of confusion for both the retailer and the consumer. We as the retailers are expected to use the attached flow chart to determine if an item qualifies for reduced tax rate or not. We believe it was not the legislatures intent to be this confusing. Are you aware that non-alcoholic beer qualifies for reduced tax? Fountain soda is at higher tax but purchasing a bottle of soda is reduced tax? Cold chicken in our Deli department if sold by the pound is reduced tax but if we sell the same chicken by the each, it is higher tax? Cut fruit with more than two fruits in the same container qualifies for the standard tax? We have spent a large amount of company time and resources dedicated to deciphering where items fall under the current law. We spent seven hours for our five locations on New Year's Eve December 31st, 2022, after we closed the store, setting up the new sales tax for opening on January 1st, 2023. We have received numerous phone calls, social media posts, direct messages, and e-mails stating we have overcharged customers on their sales tax. In almost all these instances the customer thinks the sales tax on food is 4%. We must take more company time to explain to them that is the Kansas state reduced sales tax rate on edible food. It does not include the local rate that will never go to 0%.

We believe the simplest approach for the consumer and the retailer is to follow the SNAP program requirements with a few adjustments. Hot prepared food remains at the standard tax. Cold refrigerated food that qualifies for SNAP benefits would qualify for reduced tax regardless of sold by the pound or by the each. Cut fruit sold in produce that has watermelon and cantaloupe and grapes can qualify for reduced tax. Non-alcoholic beer would be taxed at the standard rate. The exceptions we would purpose is that anything edible for human consumption be considered for the reduced tax. Vitamins and dietary supplements, fountain soda drinks, would all qualify for the reduced sales tax.

Thank you for your consideration and time today.

Mike Floersch, Ray's Apple Markets, Owner

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We're Right On



Your Family Owned Hometown Grocery Store!

Is It Non-Food, Food and Food Ingredients, or Prepared Food?

