



Bill Number: HB 2720

SUPPORT

Testimony Will Be: Oral WebEx

For Meeting On: Wednesday, March 2nd

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TESTIMONY OF HALEY KOTTLER
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HOUSE COMMITTEE ON TAXATION
IN SUPPORT OF HB 2720
MARCH 2, 2022

Members of the House Committee on Taxation:

My name is Haley Kottler; I am a Campaign Director for Kansas Appleseed Center for Law and Justice, a nonprofit, nonpartisan organization dedicated to the belief that Kansans, working together, can build a state full of thriving, inclusive, and just communities.

Kansas Appleseed supports HB 2720.

Ending the state sales tax on groceries would help Kansans purchase the food they need. When looking at the combined state and county sales tax rates, no state in the country has more counties with grocery taxes above 8%.¹ Kansas has the resources to eliminate this sales tax right now, and help address urgent hunger needs.

Addressing hunger in Kansas is more essential now than ever as food insecurity has grown in the wake of COVID-19. It is urgent for Kansans to receive these savings as soon as possible. HB 2720 commences the end of the food sales tax on August 1 of this year.

Current food assistance programs are helping, but they are not enough. While those receiving assistance through SNAP and WIC are not taxed on foods purchased with those dollars, these programs are only meant to supplement recipients' current food budget. Because SNAP and WIC only cover a portion of most families' grocery bills, the other part is still taxed by the state at 6.5%, limiting their ability to buy more nutritious food for themselves or their family.

For example, if a family of four is making \$28,548 a year or less, they can qualify for SNAP. The maximum benefit for that family is \$2.29 per person per meal.² If the family of 4 on SNAP wants

¹ USDA - Economic Research Service. "Grocery tax rates among U.S. counties."
https://www.ers.usda.gov/webdocs/charts/102475/Food_taxes.png?v=249.4

² Maximum SNAP allotment in Kansas for a family of 4 is \$835/month. This is \$208.75/month/person or \$2,505/year/person. \$2505/52 = \$48.17/week/person. \$48.17/7 = \$6.88/day/person. 6.88/3 = \$2.29/meal/person.

to spend \$5 per meal to provide nutritious meals, then they are still paying almost \$15/week in grocery tax.³

Ending the grocery sales tax will not solve hunger in Kansas, but it will help fill the gap. Our rural grocery stores are closing at alarming rates across the state. The elimination of the grocery tax will incentivise the purchase of groceries at local grocery stores and benefit local economies. Research shows that the current food sales taxes have a negative effect on rural grocery stores, workers at rural grocery stores see lower compensation because of food sales taxes, and employment rates are lower in rural grocery stores than it would be without a food sales tax.⁴

In the breadbasket of the world, no one deserves to experience hunger, yet more than 380,000 Kansans are food insecure.⁵ The Kansas food sales tax is a regressive burden for Kansas families who spend hundreds of dollars each year just in taxes on their groceries. It's past time for the Kansas Legislature to act. As food prices continue to rise and rural grocery stores continue to struggle, it is essential to eliminate the food sales tax as an investment in Kansas families.

For these reasons, Kansas Appleseed supports HB 2720.

³ \$5 a week per person per meal = \$420. The SNAP allotment is \$48.17/week/person or \$192.68. $\$420 - \$192.68 = \$227.32$ remaining costs.
 $\$227.32 * 6.5\%$ state sales tax = \$14.78

⁴ Kriz, K.. "The effect of the inclusion of groceries in the sales tax base on rural grocery stores." KC Healthy Kids.
<https://www.kchealthykids.org/uploads/1/3/2/6/132654074/rural-grocery-stores-white-paper-fin.pdf>

⁵ Feeding America research projects a 13.1% food insecurity rate in Kansas. US Census Population Estimate for Kansas in 2021 is 2,934,582. This means a projected 384,430 food insecure Kansans. <https://feedingamericaaction.org/resources/state-by-state-resource-the-impact-of-coronavirus-on-food-insecurity/> <https://www.census.gov/quickfacts/KS>