



March 1, 2022

Memorandum:

To: House Tax Committee  
From: Becky Schwartz, Executive Director Fuel True  
Re: Written Neutral HB 2711

Chairman Smith and Members of the House Tax Committee:

My name is Becky Schwartz. I am the Executive Director of Fuel True, Independent Energy and Convenience, formally known as the Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas), a statewide trade association representing over 250 independent Kansas Energy distribution companies and convenience store retailers throughout Kansas.

Chairman and members of the committee, thank you for the opportunity to provide testimony supporting HB 2711. Our members own and operate convenience stores in small communities across the state. In many of these communities, the local convenience store is the grocery store. Our stores along the Missouri and Nebraska borders see customers go a few miles down the road to another convenience store or grocery store because they do not have to pay tax on the food purchases. Eliminating the food sales tax increases the customer base for our members.

Our membership appreciates the general theory behind cutting the food tax. We believe this version of lowering the food tax allows for tremendous success. Our members had previously expressed concerns that eliminating the tax could lead to higher taxes elsewhere in the future.

We do have concerns about definitions of food. As you may know, there are many different products and SKUs (stock-keeping unit) in our stores. The definitions in HB 2711 of food, food products, candy, soft drinks, and bottled water can confuse the customer. For example, a single bottle of milk would be exempt, but the sports drink next to it would not be exempt. We want to keep it simple for our employees, customers, and computers.

In conclusion, Fuel True, Independent Energy and Convenience support lowering the food sales tax. However, we remain neutral on this bill because of the definitions and exclusions of products in HB 2711.

Thank you.