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Submitted by: Natalie Fullerton, Kansas Rural Center
Testimony for the House Tax Committee in support of House Bill 2444

Chairman Kleeb and members of the Committee:

Thank you for the opportunity to share our support for House Bill 2444. Since 1979, the Kansas Rural Center (KRC) has worked as a statewide organization to promote the long-term health of the land and it's people through education, research, and advocacy for farmers, ranchers, communities, and others engaged in strengthening our states farm, food and health systems.

KRC has spent the past two and a half years traveling the state and getting input from hundreds of Kansans who are concerned about healthy food access in their communities. It is loud and clear that Kansas' state tax on groceries puts an unfair burden on low income families, hurts rural grocers and their employees, and drives shoppers across state lines to buy food. This bill would improve our states ability to ensure access to food, especially healthful food, to all Kansans.

I write today asking you to support HB 2444 - to reduce the sales tax rate on food. Below outlines why this is important.

- A household in the lowest income group pays anywhere from 2.7 percent to 8.4 percent more of their income in taxes on groceries than does a household in the highest income level. These households may be substituting cheaper, less healthful foods potentially resulting in higher rates of obesity and poor health.
- Rural Kansas is struggling to keep grocery store doors open. Sales tax on food costs grocers thousands of dollars each year as customers purchase less or travel to other states and counties with lower sales tax rates. This also places a significant burden on customers who may have to travel 20 miles or more to the nearest food retail outlet.
- High sales tax rates on food impact farmers and other food entrepreneurs' ability to successfully start up and sustain food businesses, especially in underserved areas of urban and rural Kansas.

This comes at a time when several communities are working together around the state through food and farm councils and task forces to address food and farm system issues and opportunities to strengthen economies and the health of their citizens. It is clear that there are several negative consequences including high rates of poor health and loss of economic opportunity. Food is not a luxury and should not be taxed as such. Reducing sales tax rates on food will have significant positive outcomes for Kansas consumers and food businesses.

Thank you for your time and consideration.