

March 8, 2018

Thomas A. Alonzo
Tax Analyst/Farmer
Proponent
HB 2668

Chairman Johnson and members of the Committee:

Thank you for the opportunity to testify in support of House Bill 2668.

Here are a couple things you should know about me. I am descended from Mexican immigrants who came to the Kansas City area in the 1920s and settled in the Armourdale District of Kansas City, Kansas. I am also descended from French Scotch Irish immigrants who settled in SW Missouri and SE Kansas pre-Civil War. Those people farmed the areas around Mulberry, Kansas and Liberal, Missouri until the early 1970s. Most of those folks have passed away now and their descendants have pursued other careers.

While I have a day job with the Internal Revenue Service as a tax analyst, I have a side job. I am an urban farmer. Some may laugh that a man who works 2 or 3 acres of land considers himself a farmer, but, I consider myself a farmer. I grow mostly heirloom tomatoes, peppers, eggplant, greens, basil, potatoes, peas and green beans. It's not a big operation by any means and it is 2 or 3 acres on a 20 acre parcel I own in Western Wyandotte County within the Kansas City, Kansas City limits. I've been growing now for about 13 years. I am self-taught and I have been associated with the Urban Farming Community of Cultivate Kansas City for about the last 10 years.

I'm also an active board member of the Rosedale Farmers Market and the Kansas City, Kansas Farmers Market, so, I have a lot of insight and knowledge as to what it takes for people to bring produce, honey and value-added food products to the farmers markets of Wyandotte County.

The sales tax in Kansas City, Kansas in our two farmers markets locations is about 9.5% which is a considerable cost. I have built in the tax to the things I sell and then file the sales tax on line through Department of Revenue. My volume is small most years and my savings would be between \$100 and \$200 a year. However, allow me to provide you with information regarding the farmers I serve as a board member of the two farmers markets I previously mentioned. There are several other vendors/farmers who sell considerably more than I do because they devote most of their time to their farms and have much greater volume of produce. It is a major part of their livelihood. I can estimate, based up what I've seen in the market many of those farmers would be saving \$400-\$1,000 per season. Remember, our season is short in Kansas so general, the markets are operating from mid-May to the end of September. The figure of \$400 to \$1,000 per year is a car payment, or a mortgage payment, or rent, or part of tuition for school for someone's child, it could be a month or more of utilities, new school clothes, a couple weeks of groceries. Every little bit counts for many of our farmers. Many of our farmers are new citizens who have been sponsored by Catholic Charities' New Roots for Refugees and trained by Cultivate Kansas City to use practical farming methods in an urban environment. So, many of those individuals are low income families. By not having to pay sales tax on the produce they themselves grow and then bring to market, would help them channel those funds into satisfying financial obligations as I previously mentioned, which, are not luxuries but part of everyday living expenses. You see, I am working with people in one of the most financially and socially challenged counties in the

state. Not only would not having to pay sales tax benefit the farmer but would also benefit the majority of our customers, many of whom are already receiving assistance through SNAP and the Kansas Senior Farmers Market Nutrition Program. These are individuals who are already financially stressed in a part of the city of Kansas City, Kansas that is basically a food desert and the farmers market offers an opportunity for our customers to connect with local farmers growing locally, providing an opportunity for people to buy fresh produce, honey and other food items. Eliminating sales tax at the market would greatly affect our customers in a positive manner.

Not having to pay sales tax might even provide a customer an additional \$30-\$75 per season to spend on healthy produce and other foods available at the farmers markets.

Lowering the sales tax on food would benefit the Kansas economy while putting dollars back into the pockets of Kansas families who need it most. For these reasons, we ask the committee to support HB 2668.

Thomas A. Alonzo
Tax Analyst and Farmer