



Chairwoman Tyson and Members of the Committee,

I'd like present to this committee neutral testimony to the SB 296 in its current form.

While we acknowledge decreasing the sales tax on food lessens the burden on low-income families, we fear that doing so creates too many negative consequences, costs that affect other Kansans that did not choose to pay such a cost. Here are two;

1. Solely reducing sales tax on food results in a tax burden shift

Given the magnitude of the rate reduction, if the bill before you doesn't have a pay-for to keep it revenue or deficit neutral then the bill will result in a tax burden shift. Despite our worst fears of pandemic-induced revenue decreases and the tremendous amount of federal money flowing into the state, Kansas *must* place ourselves on a sustainable fiscal path in which expenditures are limited to core government functions and revenue matches expenditures.

2. Reducing sales tax on food doesn't substantially increase economic growth

Food is obviously a necessity but if part of the goal is to spark economic growth then the focus should be on lowering the tax burden across the board. That could be accomplished with a substantial decrease in the overall sales tax. But, a food-only sales tax reduction will likely have little, if any, economic benefit.

Thank you for your consideration.