

SESSION OF 2023

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 248**

As Amended by Senate Committee of the Whole

**Brief\***

SB 248, as amended, would amend law related to sales taxes. The bill would create exemptions for food and food ingredients and for the Kansas State School for the Blind and Kansas State School for the Deaf and would modify the disposition of revenue percentages for sales taxes.

The bill would be effective January 1, 2024.

***Food Sales Tax***

The bill would create a sales tax exemption for food and food ingredients.

The bill would eliminate a provision in current law allowing for local sales and use taxes to apply to all sales of food and food ingredients.

***Schools for the Blind and Deaf***

The bill would exempt the Kansas State School for the Blind and Kansas State School for the Deaf from paying sales tax on purchases related to the building, maintenance, and enlargement of facilities used for human habitation.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

### ***Disposition of Revenue***

The bill would set the percent of sales and use tax deposited in the State Highway Fund to be 18 percent, effective January 1, 2024.

### **Background**

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Peck.

### ***Senate Committee on Assessment and Taxation***

In the Senate Committee hearing, **proponent** testimony was provided by Senator Masterson, who stated the bill would provide a true sales tax exemption for nutritional food and would facilitate broader tax reform opportunities.

Written-only proponent testimony was provided by a representative of Americans for Prosperity-Kansas.

**Opponent** testimony was provided by representatives of Fuel True, Kansas Appleseed Center for Law and Justice, Kansas Beverage Association, and Retail Grocers Association of Kansas and Missouri. The opponents generally stated the bill would be difficult for retailers to implement and could result in an effective sales tax increase for Kansans.

Written-only opponent testimony was provided by representatives of Greater Kansas City Food Policy Coalition, Harvesters, Kansas Chamber of Commerce, Kansas Food and Farm Coalition, Kansas Rural Center, National Confectioners Association, Queen's Price Chopper, and United Community Services of Johnson County and by a private citizen.

Written-only neutral testimony was provided by representatives of Economic Lifelines, Kansas Association of Counties, and Kansas Policy Institute.

***Senate Committee of the Whole***

The Senate Committee of the Whole amended the bill to replace a sales tax exemption for “healthy food” with a sales tax exemption for food and food ingredients and to add the exemptions for the Kansas State School for the Blind and Kansas State School for the Deaf.

**Fiscal Information**

A revised fiscal note on the bill as amended was not immediately available.

Taxation; sales tax; exemption; food; food ingredients