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Jami Reever, Executive Director Kansas Appleseed Center for Law and Justice Written Testimony in Support of SB 377 Senate Committee on Assessment and Taxation

Thank you for allowing me the opportunity to submit testimony in support of SB 377, which would create a tax plan that puts money back in the pockets of hard-working Kansans without causing harm to our public schools, roads, and economy.

My name is Jami Reever and I am the Executive Director at Kansas Appleseed. Kansas Appleseed Center for Law and Justice is a nonprofit, nonpartisan organization dedicated to the belief that Kansans, working together, can build a state full of thriving, inclusive, and just communities. Kansas Appleseed supports SB 377 because it would help get relief to struggling Kansas families when they need it most–now.

It can't be disputed that the Kansas Legislature understands the burden our regressive sales tax has on Kansas families, which is why you voted to eliminate the food sales tax over a three-year period. As a long-time champion of the full elimination of the state sales tax on food and food ingredients, Kansas Appleseed supported that action. It is a welcome relief for many Kansans, especially the 300,000 food insecure Kansans whose every dollar matters at the grocery store.¹

However, as our state's fortunes grow, inflation continues to impact us all at the grocery stores – and frankly with any purchase we make. I urge you to speed up the food sales tax relief and fully end it in April by passing SB 377. When the sales tax bill was signed into law, the annual inflation rate was 8.6%. During that same time period, prices for food rose 11.9% from the previous year.² Fortunately, in December 2022, we saw the inflation rate decrease to 6.5 percent, which just happened to mirror our state sales tax at the time.³ These rates matter because they show that the sales tax relief that came in January of 2023 wasn't enough – inflation continues to strip away any benefit from tax savings.

Kansas families need relief from skyrocketing grocery bills now, not a year from now. This bill would be putting money back in Kansans' pockets starting in April. When families live on the edge, and when grocery bills remain high, every dollar – every cent – counts.

This bill would also provide Kansans additional needed relief by providing a sales tax holiday for school supplies. This will help working families ensure their children have the resources they need to be successful in the classroom without having to make hard decisions.

In addition to my role as the executive director of Kansas Appleseed, I am also a mom of a college sophomore and high school senior. From my own experiences, I know that preparing

¹ Feeding America, Map the Meal Gap, Kansas. 2021. <u>https://map.feedingamerica.org/county/2021/overall/kansas</u> ² U.S. Bureau of Labor Statistics. 2022.

https://www.bls.gov/opub/ted/2022/consumer-prices-up-8-6-percent-over-year-ended-may-2022.htm#:~:text=Consum er%20prices%20up%208.6%20percent.U.S.%20Bureau%20of%20Labor%20Statistics&text=The%20..gov%20mean s%20it%27s%20official

³ <u>https://www.bls.gov/news.release/pdf/cpi.pdf</u>



children to go back to school is expensive: new clothes, shoes, school supplies, new technology, school fees, and adding money to the lunch account – these are all big expenses that hit families quickly in a short amount of time. According to the National Retail Foundation, in 2022, families planned to spend on average \$864 on back to school shopping, which included shoes, electronics, and clothing. Out of that \$864, \$140 was on school supplies.⁴

These extra back to school expenses hit hard when a family is already struggling. A significant number of Kansas families with children are finding it hard to make ends meet even without these additional expenses. For example:

- During this current school year, 48% of Kansas students are receiving free and reduced-price meals while at school.⁵
- 154,000 Kansas children live in homes with a family income less than twice the federal poverty level.⁶
- 68% of Kansans who participate in the Supplemental Nutrition Assistance Program are in families with children.⁷

Too many Kansas families are being forced to make impossible decisions on how to manage an already tight budget and getting their kids ready to be back in school. With just over two-thirds of Americans living paycheck to paycheck, a tax holiday implemented this year would be a tremendous help for families and provide some much needed breathing room.⁸

Finally, Kansas Appleseed also supports SB 377 because it eliminates the state sales tax on diapers and feminine hygiene products immediately, which provides much needed relief to women, men, and families. Currently considered "luxury" items in our tax code, these items should be tax free. These items are essential that are already expensive and add yet another burden to the budgets of families struggling to get by.

The average cost of diapers a year for one infant is about \$900.⁹ With the current 6.15% state sales tax, that means a family with even one baby will pay an additional \$56. That is \$56 needed to cover other essential bills.

⁵ KSDE. Data Central. 2023-2024. https://datacentral.ksde.org/report_gen.aspx

⁶ Annie E. Casey Foundation. KIDS Count Data Center.

https://datacenter.kidscount.org/data/tables/5048-children-in-low-income-working-families-by-age-group?loc=18&loct =2#detailed/2/18/false/2048,1729,37,871,870,573,869,36,868,867/34,35,36/11455,11456

⁷ Center for Budget and Policy Priorities. 2023.

⁸ Lending Club and PYMNTS. "New Reality Check: The Paycheck-To-Paycheck Report." 2022.

https://www.pymnts.com/wp-content/uploads/2022/12/PYMNTS-New-Reality-Check-December-2022.pdf ⁹ National Diaper Bank Network. 2023.

⁴ National Retail Federation, "Back-to-Class Data Center."

https://nrf.com/topics/holiday-and-seasonal-trends/back-school/back-class-data-center

https://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_kansas.pdf

https://nationaldiaperbanknetwork.org/diaper-need-hunger-housing-the-emergency-is-now/



Meanwhile, the average woman spends about \$20 on feminine hygiene products per month.¹⁰ With the current 6.15% state sales tax on these products, that means a woman is paying an additional \$15 a year for a health-related necessity. Imagine a single-mother who is trying to pay for groceries with a limited budget while also needing to purchase basic hygiene items. She is having to make impossible decisions in the grocery store aisle on whether she will be able to get cheap food such as rice for her child or dignity for herself.

None of these examples are hypothetical scenarios. They are real decisions that Kansans make everyday. These may be Kansas who have additional assistance through SNAP, free and reduced priced meals, and other programs. However, countless other families are falling through the cracks and desperately need the relief this tax bill offers. These are families who have jobs, but might not qualify for supplemental assistance. In Kansas 12% of households live below the federal poverty level. However, another 27% are households that do not earn enough to afford their basic needs such as housing, child care, food, transportation, health care, and taxes.¹¹ This bill is an opportunity to relieve some of the stress those 447,000 struggling Kansas households are facing as they make difficult decisions everyday on how to get by and provide for their family's needs.¹²

I urge you to support SB 377 and the tax relief it brings to Kansans. Too many hard-working Kansans are still struggling to put food on their tables, gas in their cars, and paying their mortgage. They shouldn't be left behind while the rich keep getting richer. We should be amplifying and supporting the tax bill that could provide immediate relief to Kansans, such as immediately eliminating the sales tax on food, food ingredients, diapers, and hygiene products, and offering a school supply tax holiday. Thank you for the opportunity to testify in support of SB377.

¹⁰ National Organization for Women. 2021.

https://now.org/blog/female-homelessness-and-period-poverty/#:~:text=The%20average%20woman%20spends%20a bout,about%20%2418%2C000%20over%20her%20lifetime.

¹¹ United Way. ALICE: Asset Limited, Income Constrained, Employed Kansas Report. 2023. https://www.unitedforalice.org/household-budgets/kansas

¹² This is the number of households below the federal poverty level and the number of struggling households combined based on the information found at: United Way. ALICE: Asset Limited, Income Constrained, Employed Kansas Report. 2023. <u>https://www.unitedforalice.org/household-budgets/kansas</u>