

KANSAS OFFICE of  
**REVISOR of STATUTES**

LEGISLATURE of THE STATE of KANSAS  
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**MEMORANDUM**

To: Members of the House Committee on Taxation

From: Adam Siebers, Assistant Revisor

Date: January 25, 2022

Subject: House Bill No. 2487

**Summary**

House Bill No. 2487 would levy a sales and compensating use tax rate at 0% for the state rate for sales of food and food ingredients. The bill would allow for the continued levying of city and countywide retailers' sales tax by cities and counties. A sales tax exemption is established to exempt sales of farm products sold at farmers' markets. The nonrefundable food sales tax credit would be discontinued in tax year 2023.

**Section 1** – the city and countywide retailers' sales tax would continue to be levied for sales of food and food ingredients.

**Section 2** – discontinues the nonrefundable food sales income tax credit starting in tax year 2023.

**Section 3** – amends the sales tax definition section. Accordingly, the definition of “food and food ingredients” was amended to include the following items that would be subject to the 0% rate of state sales tax:

*bottled water, candy, dietary supplements, food sold through vending machines and soft drinks.*

**Sections 4 & 7** – impose the 0% rate for sales and compensating use on the sale of food and food ingredients starting January 1, 2023. Prepared food is excluded from the lower rate of taxation.

**Section 5** – provides for the sales tax exemption for sales of farm products sold at farmers' markets

**Sections 6 & 8** – adjusts the distribution percentage of revenue received from sales and compensating use tax that gets deposited into the state highway fund.