



Serving Kansas Retailers Everyday

January 30, 2018

Dear Chairwoman Tyson and Members of the Assessment and Taxation Committee,

My name is Jon McCormick, President of the Kansas Food Dealers and The Retail Grocers of Greater Kansas City.

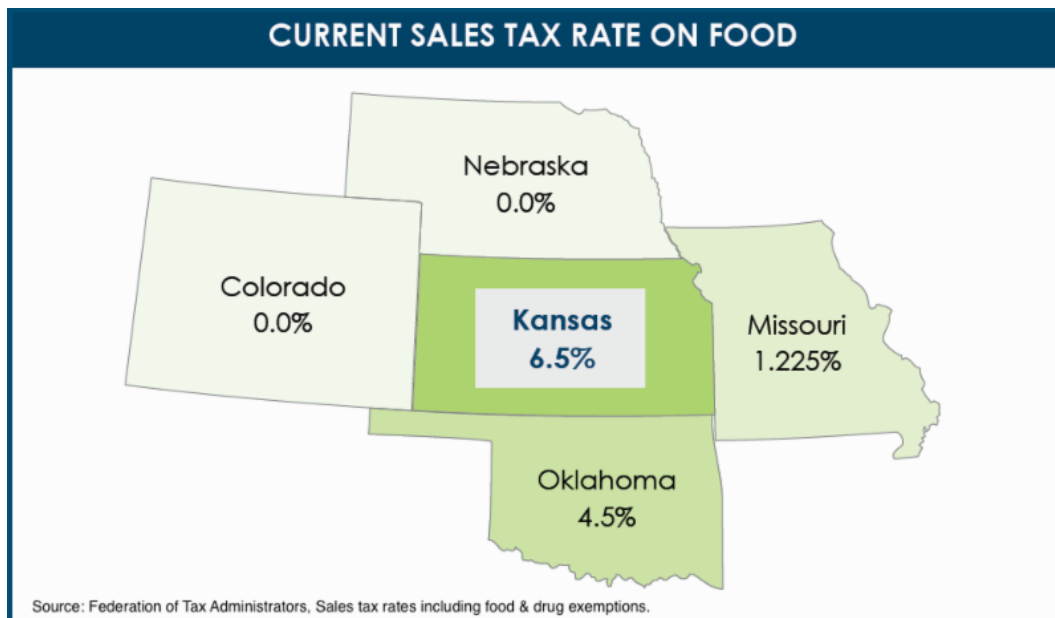
I am writing you today to ask you to consider a favorable position on lowering the Food Sales Tax in the State of Kansas.

I represent much of the supermarket sales in the State of Kansas and most of my members are the “Salt of the Earth” family business owners in the tough Kansas Supermarket or Convenience store business.

I would ask you to look at Tax on Food as just another wedge between the Kansas Retailer and the border retailers in Colorado, Nebraska, Missouri and Oklahoma.

The retailers that are within a reasonable drive to another State’s supermarket are at a distinct disadvantage when it comes to increasing the cost of groceries of Kansas residents. The exodus is real, the exodus is caused by lower cost of groceries largely by getting a 6.5% discount from 2 states, a 5.3% discount in one State and a 2.0% discount in another state.

You’ve seen this picture in other testimony.





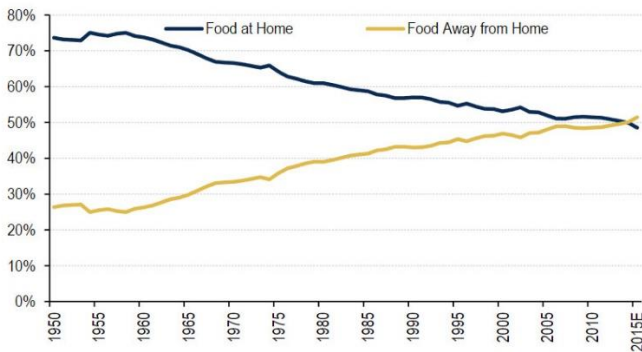
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I think making Kansas a “Low-Tax State” is a good plan. Understanding that both spending and taxing needs to be controlled. Why would someone think they would want to move to Kansas? Or, move a business to Kansas and then, possibly not have their Kansas workers satisfied with living here.

Why don't we start with no tax on Food?

Further, please consider the issue of the HUGE impact on the lower income wage earner. The Food Sales Tax affects them more than a higher wage earner. Why? Look at the graph for Restaurant sales versus grocery/supermarket sales.

Chart 93: Spending on food away from home surpassing spending on food at home



Source: USDA

Restaurants overtook Grocery two years ago. More share of stomach is going to restaurants than supermarkets. Higher wage earners go to restaurants more than lower wage earners. They have more discretionary income and the tax is less impactful.

Lower wage earners buy groceries, meat and produce... and cook meals at home. The 6.5% hits them harder on a limited budget that demands they cook at home.

I ask you to support a plan to eliminate sales tax on Food in the State of Kansas.

Thank you for your time today.

Jon McCormick
President Kansas Food Dealers Association
President, CEO Retail Grocers Association of greater Kansas City.