

**Senate Committee on Assessment and Taxation  
Testimony in Opposition to SB 197  
Presented by Eric Stafford, Vice President of Government Affairs**

**Thursday, March 7, 2019**

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to testify in opposition to Senate Bill 197 as currently drafted.

SB 197 lowers the sales tax rate on food from 6.5% to 5.5%. Our preference would be to see the overall sales tax rate decreased since Kansas has the 8<sup>th</sup> highest sales tax burden in the nation according to the Tax Foundation. Kansas has programs in place to help low income families offset the cost of sales tax on food. That said, we take a neutral position on the proposal before you today.

Our request would be that the committee not treat candy differently under the definition of food and food ingredients as currently drafted in the bill on pages 3 and 12. Under the current definition in SB 197, a TWIX bar will be taxed at the lower rate because it contains flour, but M&M candies will be taxed at the higher rate. This creates concerns over compliance for small retailers who do not have systems which can separate out the higher-taxed food from the lower-taxed items. Our proposed fix is included below, and if adopted, would alleviate our concerns with the bill.

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(n) "Food and food ingredients" means substances, whether in liquid, concentrated, solid, frozen, dried or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. "Food and food ingredients" does not include alcoholic beverages, candy, dietary supplements, food sold through vending machines, soft drinks or tobacco. "Food and food ingredients" does include bottled water.

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(iii) "Candy" means a preparation of sugar, honey or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops or pieces. "Candy" shall not include any preparation containing flour and shall require no refrigeration.

We appreciate the opportunity to testify in opposition to Senate Bill 197 as drafted, and I am happy to answer any questions at the appropriate time.