

Mark Broadhurst  
Mars, Incorporated

HB2237

Seeking Amendments

2/6/2017



February 6, 2017

The Honorable Steven Johnson  
Chairman, House Taxation Committee  
300 S.W. 10<sup>th</sup> Street, Room 346-S  
Topeka, KS 66612

Dear Chairman Johnson:

I am writing you today on behalf of Mars, Incorporated and the more than 400 Associates employed at 8 locations across Kansas, including the 270 full time Associates at our Chocolate manufacturing plant in Topeka and our opposition to a new sales tax scheme that would assign a higher tax on candy and other products.

Indeed, we appreciate the legislature's attention to creating a fairer tax environment for businesses and especially for our Associates in Kansas. As you and the Committee continue to consider tax measures this session, we urge you to amend **House Bill 2237** and consider alternate revenue generators rather than placing a discriminatory higher tax on our candy products, many of which are manufactured in Topeka.

Mars supports proposals lowering the sales tax for food and food ingredients, but urges this committee **to refrain from taxing candy at a higher rate than other groceries**. Under these proposals, foods of comparable nutritional value, such as cakes, cookies, donuts, pies and dairy desserts would get more favorable treatment than candy. In addition, candy taxes, such as this one, create confusion and compliance hardships for smaller retailers who do not have advanced point-of-sale scanning systems which easily identify what is considered "candy" under the new proposal. For example, a candy with cookie bits or licorice would be tax exempt—but a plain chocolate bar would be taxed. To put that into "Mars-speak," a package of M&M'S® candies would be taxed while a TWIX® bar would not.

You may know, Mars participated in the Kansas Department of Commerce's first "Made in Kansas" day last week in the Kansas Capitol building. We were honored to have the opportunity to highlight our positive impact on the state economy, having hired over 270 new Associates in the state between 2011 and 2016, and investing more than \$450 million to build and expand our factory.

As a leading global food manufacturer, Mars has been proud to call Kansas its home since breaking ground in 2011 and starting production in March 2014. We hope you will join our hundreds of Kansas associates and oppose any measure which would unfairly target the over 8 million SNICKERS® bars and M&M'S® made in Kansas each day. Please do not hesitate to call on us if we can provide any additional information or perspective as this important public debate progresses.

Yours truly,

A handwritten signature in black ink, appearing to read "Mark Broadhurst", written in a cursive style.

Mark Broadhurst  
Director, Public Affairs & Government Relations  
Mars, Incorporated