



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

RE: Written only testimony in support of SB 296

My name is Jon McCormick, President and CEO of the Retail Grocers Association of Kansas and Missouri. 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 Independent Kansan supermarket sales in the State of Kansas and most of my members are the "Salt of the Earth" family business owner 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.

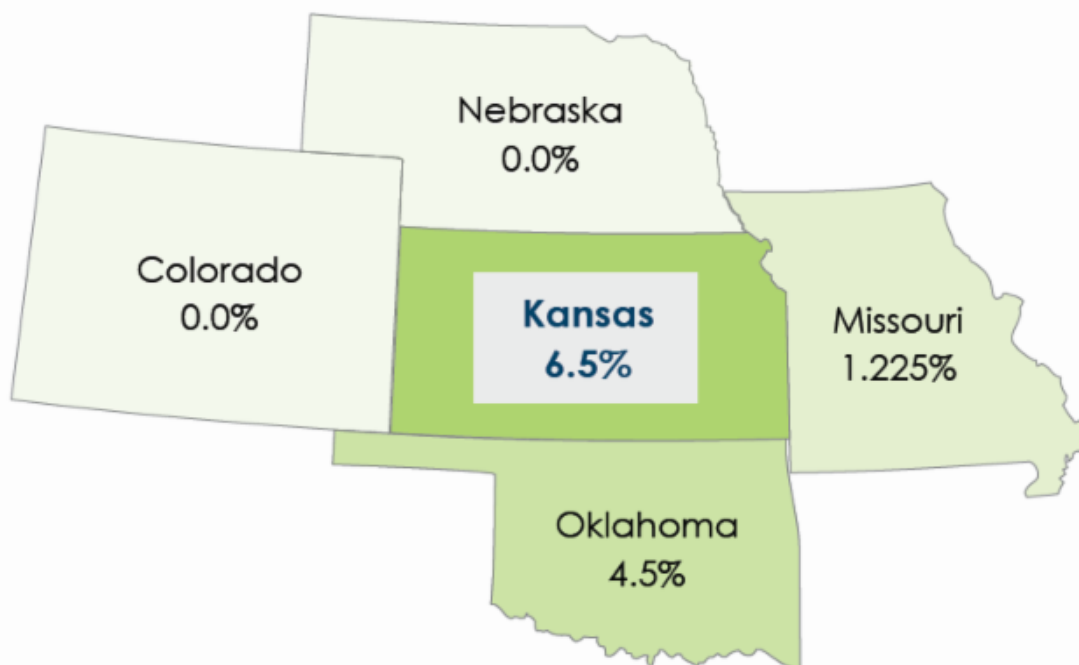
You've seen this picture in other past testimony. Give the middle class and below a tax cut in Kansas!

Get Right... Get Fair... Get to Zero!



*RETAIL GROCERS ASSOCIATION
OF GREATER KANSAS CITY*

CURRENT SALES TAX RATE ON FOOD



Source: Federation of Tax Administrators, Sales tax rates including food & drug exemptions.

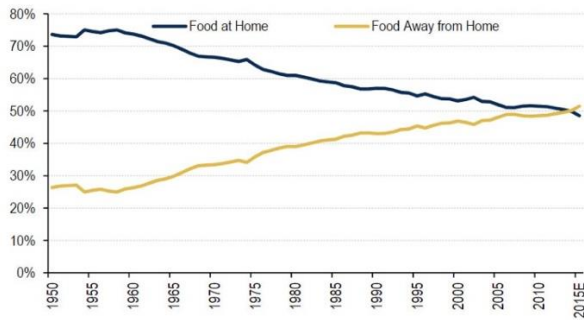
Cont'd.....

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 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 a few years ago and more share of stomach had been going to restaurants than supermarkets pre-COVID. That will return as restaurants continue to open. 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. By default, it is tax discrimination at poorer people.

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

Thank you for your time today.

A handwritten signature in black ink that reads "Jon".

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