

STATEMENT OF PURPOSE

RS29229 / H0489

This legislation repeals the sales tax on food sold for human consumption, using the definition of food products provided under the Federal Supplemental Nutrition Assistance Program (SNAP), excluding prepared food. To offset the reduction in General Fund Revenue, the proposal will repeal the Grocery Tax Credit and keep the revenue sharing dollars to local units of government whole.

FISCAL NOTE

For FY23, revenues to the State General Fund are estimated to decrease by \$269 million from ending the sales tax on food, offset by ending the grocery tax credit for an increase of \$170 million. The Transportation Expansion and Congestion Mitigation Fund would see a \$12 million reduction as well, due to the overall reduction in sales tax revenue. In addition the cost of increasing the revenue sharing from 11.5% to 12.9% to make local units whole, would be \$30 million. So the overall cost to the General Fund would be \$117 million.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).