

STATEMENT OF PURPOSE

RS25047C1

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). To offset the reduction in General Fund revenue, the proposal will repeal the Grocery Tax Credit.

FISCAL NOTE

For FY 2019, revenues to the State General Fund are estimated to be reduced by \$52.8 million (this includes the loss in revenue from sales tax collections on food, and the offset to the General Fund from repealing the Grocery Tax Credit), while revenue sharing to local units of government are estimated to be an additional \$26.2 million in revenue reduction to the State General Fund. Local revenue sharing distribution is adjusted to compensate for this tax policy transition.

Contact:

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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).