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SALES TAX & COMPLIANCE

Kansas Considers Reducing or Exempting Groceries from Sales Taxes

Kansas is one of just a few states that taxes groceries at the full sales tax rate. That won't be the case for much longer if Governor Laura Kelly gets her way.

Gail Cole • Dec. 17, 2021



Kansas is one of just a few states that taxes groceries at the full sales tax rate. That won't be the case for much longer if Governor Laura Kelly gets her way.

There have been numerous proposals to reduce or eliminate the food sales tax in Kansas since [the state repealed its food sales tax refund program for low income individuals](#) in 2012 (it was replaced by an [income tax credit](#) in 2013). Most proposals died or were thwarted by the state's budget problems: It was hard to justify any tax cut while Kansas was clinging to a [fiscal cliff](#).

Kansas finances are in much better shape today, and with its coffers overflowing, cutting the food tax is back on the table. Governor Kelly explains, "Thanks to the fiscally responsible decisions we made before and during the pandemic, we can [cut the food sales tax and keep Kansas' budget intact](#)."

Under the governor's "[Axe the Food Tax](#)" plan, the 6.5% state sales tax on food "would be completely eliminated," though local taxes may still apply. Kansas Treasurer Lynn Rogers expects this to save the average Kansas family of four more than \$500 per year, enough to put a bit more food on the table each month. About 12.1% of Kansans are food insecure, including 17.1% of Kansas children. To put those figures in perspective, 10.9% of Americans overall and 14.6% of American children experience food insecurity.

The 2022 bill has yet to be introduced. Previous attempts to cut the tax have taken various approaches. For example:

- A [2021 bill](#) sought to lower the state sales tax rate annually until 2023, when the rate would settle at 3.5%
- A 2020 bill proposed [reducing sales and use tax on food and food ingredients](#) over time, but only if compensating use tax revenue exceeded "the revenue of the base year amount plus 3% annually"
- A 2019 bill would have reduced the tax rate to 5.5% (it passed but was vetoed)

Additionally, several bills seeking to lower the tax on food died in 2017 and 2016, as did a 2015 proposal to [eliminate the tax on fresh fruits, vegetables, herbs, and honey](#). You get the picture.

Thirteen states currently tax groceries fully or partially:

- Alabama, Mississippi, and South Dakota tax food for home consumption at the regular rate
- Hawaii, Idaho, Kansas, and Oklahoma tax food for home consumption at the regular rate but provide a tax credit or rebate to certain taxpayers

- Arkansas, Illinois, Missouri, Tennessee, Utah, and Virginia tax food for home consumption at a reduced rate

The [Center on Budget and Policy Priorities](#) encourages all of these states to repeal their taxes on food and food ingredients, “or at least” to reduce or partially offset them through a tax credit. Yet change is hard, as indicated by the fact that [recent proposals to reduce or eliminate the sales tax on food](#) in Alabama and Mississippi died.

If Kansas does succeed in cutting or eliminating the sales tax on food, we’ll let you know at the [Avalara Tax Desk](#).

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[Gail Cole](#) is a writer for Avalara.

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