

**First Regular Session  
Seventy-Seventh General Assembly  
STATE OF SAN ANDREAS**

**ENGROSSED**

LLS NO. 26-0702.02 Robin Bass x2314

**HOUSE BILL 26-002**

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**SENATE SPONSORSHIP**

**Kent, Stimpson**

**HOUSE SPONSORSHIP**

**Schneider, Malone, Price, Singleton**

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**House Committees**

Not assigned

**Senate Committees**

Not assigned

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**A BILL FOR AN ACT**

**CONCERNING TAXATION BY EXEMPTING FOOD AND CERTAIN BABY SUPPLIES FROM  
STATE SALES AND USE TAX**

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**Bill Summary**

*(Note: This summary applies to this bill as engrossed and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <https://saleg.uscgov.com>)*

This bill exempts two categories of essential goods from the state sales and use tax: food for domestic home consumption and certain baby supplies. “Baby supplies” are defined as items primarily intended for the care, nourishment, hygiene, or safety of infants and toddlers under three years of age, including diapers, baby wipes, infant formula, and baby food marketed for infants and toddlers.

**Shading denotes HOUSE amendment. Underlining denotes SENATE amendment.**

**Capital letters or bold & italic numbers indicate new material to be added to existing law.**

**Dashes through the words or numbers indicate deletions from existing law.**

The measure is intended to reduce the cost of basic necessities for families and caregivers by removing state taxation on these items. The exemption applies only to the state portion of the sales and use tax and does not require counties or municipalities to adopt similar exemptions for locally imposed taxes. The Department of Revenue is authorized to adopt rules necessary to administer the exemption.

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1 *Be it enacted by the General Assembly of the State of San*  
2 *Andreas:*  
3 **SECTION 1. SHORT TITLE.** This act shall be known and cited  
4 as the “No Sales Tax on Food Act”. **SECTION 2.**  
5 **DEFINITIONS.** As used in this section, unless the context  
6 otherwise requires: (a) “Baby supplies” means tangible personal  
7 property primarily intended for the care, nourishment, hygiene, or  
8 safety of infants and toddlers under three years of age. (b) “Baby  
9 supplies” includes, but is not limited to: (I) Diapers, including  
10 disposable and reusable diapers. (II) Baby wipes. (III) Infant  
11 formula. (IV) Baby food, including prepared foods specifically  
12 marketed for infants and toddlers. (c) “Baby supplies” does not  
13 include: (I) Clothing, toys, furniture, or decorative items; (II)  
14 Electronic monitoring devices not medically prescribed; (III)  
15 Nonessential luxury or novelty items marketed for infants or  
16 toddlers. (d) “Food for domestic home consumption” has the same  
17 meaning as set forth in section 39-26-102. (e) “Baby supplies”  
18 shall not include items primarily marketed as luxury, novelty, or  
19 convenience products that are not reasonably necessary for the  
20 care, hygiene, nourishment, or safety of infants and toddlers. (f)  
21 “Baby supplies” also includes breast pumps and breast pump  
22 accessories primarily intended for feeding infants. (g) “Baby  
23 supplies” includes child safety equipment intended for infants and  
24 toddlers, including but not limited to car seats, child safety gates,  
25 and infant monitors. (h) “Baby supplies” also includes infant  
26 feeding accessories including baby bottles, bottle liners, bottle  
27 nipples, and sterilization equipment used for infant feeding. (i)

1 “Baby supplies” includes over-the-counter medications  
2 specifically marketed and labeled for infants and toddlers.

3 **SECTION 3. LEGISLATIVE DECLARATION.** The general  
4 assembly hereby finds and declares that: (a) Access to food and  
5 essential baby supplies is a basic necessity for the health, dignity,  
6 and well-being of residents of the state, particularly for families  
7 with young children and individuals living on fixed or limited  
8 incomes. (b) Sales and use taxes applied to food and baby  
9 supplies disproportionately burden low- and moderate-income  
10 households, as these households spend a greater share of their  
11 income on necessities than higher-income households. (c)  
12 Exempting food for domestic home consumption and essential  
13 baby supplies from the state sales and use tax promotes economic  
14 fairness and provides meaningful cost-of-living relief to families  
15 and caregivers across the state. (d) Reducing the tax burden on  
16 essential goods supports public health outcomes by improving  
17 access to adequate nutrition and necessary infant care items  
18 during critical stages of early childhood development. (e) It is the  
19 intent of the general assembly that this act focus narrowly on  
20 essential goods and not extend to discretionary or luxury items,  
21 while allowing the Department of Revenue to administer the  
22 exemptions in a clear, consistent, and enforceable manner. (f) The  
23 General Assembly further finds that the revenue impact of this act  
24 is justified by its public purpose and that any resulting fiscal  
25 effects are outweighed by the benefits to household stability, child  
26 welfare, and economic participation. (g) Therefore, the general  
27 assembly declares that exempting food and certain baby supplies  
28 from the state sales and use tax serves a legitimate public purpose  
29 and advances the general welfare of the people of the State of San  
30 Andreas. (h) The general assembly further finds that removing the  
31 tax burden from essential infant care items helps reduce economic  
32 barriers faced by families with newborns and young children. (i)  
33 The General Assembly further finds that ensuring access to

1 affordable food and infant care items strengthens family stability  
2 and supports early childhood health and development across the  
3 state. (j) The general assembly further finds that reducing taxes on  
4 essential goods promotes household financial stability and helps  
5 mitigate rising costs of living. (k) The general assembly  
6 recognizes that essential goods should remain accessible and  
7 affordable for all residents regardless of geographic location  
8 within the state. **SECTION 4. SALES AND USE TAX**  
9 **EXEMPTION FOR FOOD AND BABY SUPPLIES.** (a)  
10 Notwithstanding any provision of law to the contrary, on and after  
11 the effective date of this act, there shall be exempt from the state  
12 sales tax and state use tax the sale, storage, use, or consumption  
13 of: (I) Food for domestic home consumption. (II) Baby supplies,  
14 as defined in section 1 of this act. (b) This section applies only to  
15 the state sales and use tax and does not require any political  
16 subdivision of the state to exempt such items from a locally  
17 imposed sales or use tax. (c) Point-of-sale application. Retailers  
18 shall apply the exemption at the point of sale and shall not collect  
19 state sales tax on qualifying items. (d) Bundled transactions. The  
20 Department of Revenue may adopt rules governing bundled  
21 transactions to ensure that the exemption applies only to  
22 qualifying items when sold together with taxable goods or  
23 services. (e) Retailers shall apply the exemptions established  
24 under this section at the point of sale and shall not require  
25 purchasers to submit documentation in order to receive the  
26 exemption. (f) The Department of Revenue shall publish publicly  
27 accessible guidance identifying categories of items eligible for the  
28 exemptions provided under this Act. (g) Nothing in this Act shall  
29 be construed to prevent political subdivisions from adopting  
30 similar exemptions for local sales and use taxes if authorized  
31 under local law. (h) Retailers shall not advertise the exemptions  
32 provided under this Act in a manner that misrepresents the  
33 exemption as applying to items not eligible under this Act. (i) The

1 Department of Revenue shall periodically review classifications  
2 of items eligible for exemption under this Act and may issue  
3 updated guidance as necessary to ensure consistent application of  
4 the exemption. (j) The exemption established under this Act shall  
5 apply equally to purchases made through online retailers,  
6 provided the sale is subject to state sales or use tax. **SECTION 5.**  
7 **RULEMAKING AUTHORITY.** (a) The Department of Revenue  
8 may promulgate rules as necessary to implement this act,  
9 including rules to clarify eligible items and prevent abuse of the  
10 exemptions established by this act. (b) Rules adopted under this  
11 section shall include procedures for retailers to properly classify  
12 eligible food and baby supplies and prevent improper taxation of  
13 exempt goods. (c) The Department of Revenue shall conduct  
14 public outreach to inform retailers and consumers of the  
15 exemptions established under this Act. (d) The Department of  
16 Revenue shall provide advisory opinions upon request from  
17 retailers regarding whether specific products qualify for  
18 exemption under this Act. (e) The Department of Revenue shall  
19 coordinate with retailers and trade organizations to ensure proper  
20 implementation of the exemptions established under this Act. (f)  
21 The Department of Revenue shall submit a report to the General  
22 Assembly within three years evaluating the fiscal impact of the  
23 exemptions established under this Act. **SECTION 6. EFFECTIVE**  
24 **DATE.** Act subject to petition - effective date. This act takes  
25 effect at 12:01 a.m. on the day following the expiration of the  
26 ninety-day period after final adjournment of the general assembly;  
27 except that, if a veto petition is filed pursuant to Article II, Section  
28 15 of the state constitution against this act or an item, section, or  
29 part of this act within such period, then the act, item, section, or  
30 part will not take effect unless approved by the people at the  
31 general election to be held in November 2027 and, in such case,  
32 will take effect on the date of the official declaration of the vote  
33 thereon by the governor.