

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

INTRODUCED

LLS NO. 26-0702.01 Robin Bass x2314

HOUSE BILL 26-002

SENATE SPONSORSHIP

Kent, Stimpson

HOUSE SPONSORSHIP

Schneider, Malone, Price, Singleton

House Committees

Not assigned

Senate Committees

Not assigned

A BILL FOR AN ACT

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

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.

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. **SECTION 3.**

18 **LEGISLATIVE DECLARATION.** The general assembly hereby
19 finds and declares that: (a) Access to food and essential baby
20 supplies is a basic necessity for the health, dignity, and well-being
21 of residents of the state, particularly for families with young
22 children and individuals living on fixed or limited incomes. (b)
23 Sales and use taxes applied to food and baby supplies
24 disproportionately burden low- and moderate-income households,
25 as these households spend a greater share of their income on
26 necessities than higher-income households. (c) Exempting food
27 for domestic home consumption and essential baby supplies from

1 the state sales and use tax promotes economic fairness and
2 provides meaningful cost-of-living relief to families and
3 caregivers across the state. (d) Reducing the tax burden on
4 essential goods supports public health outcomes by improving
5 access to adequate nutrition and necessary infant care items
6 during critical stages of early childhood development. (e) It is the
7 intent of the general assembly that this act focus narrowly on
8 essential goods and not extend to discretionary or luxury items,
9 while allowing the Department of Revenue to administer the
10 exemptions in a clear, consistent, and enforceable manner. (f) The
11 General Assembly further finds that the revenue impact of this act
12 is justified by its public purpose and that any resulting fiscal
13 effects are outweighed by the benefits to household stability, child
14 welfare, and economic participation. (g) Therefore, the general
15 assembly declares that exempting food and certain baby supplies
16 from the state sales and use tax serves a legitimate public purpose
17 and advances the general welfare of the people of the State of San
18 Andreas. **SECTION 4. SALES AND USE TAX EXEMPTION**
19 **FOR FOOD AND BABY SUPPLIES.** (a) Notwithstanding any
20 provision of law to the contrary, on and after the effective date of
21 this act, there shall be exempt from the state sales tax and state
22 use tax the sale, storage, use, or consumption of: (I) Food for
23 domestic home consumption. (II) Baby supplies, as defined in
24 section 1 of this act. (b) This section applies only to the state sales
25 and use tax and does not require any political subdivision of the
26 state to exempt such items from a locally imposed sales or use tax.
27 (c) Point-of-sale application. Retailers shall apply the exemption
28 at the point of sale and shall not collect state sales tax on
29 qualifying items. (d) Bundled transactions. The Department of
30 Revenue may adopt rules governing bundled transactions to
31 ensure that the exemption applies only to qualifying items when
32 sold together with taxable goods or services. **SECTION 5.**
33 **RULEMAKING AUTHORITY.** The Department of Revenue may

1 promulgate rules as necessary to implement this act, including
2 rules to clarify eligible items and prevent abuse of the exemptions
3 established by this act. **SECTION 6. EFFECTIVE DATE.** Act
4 subject to petition - effective date. This act takes effect at 12:01
5 a.m. on the day following the expiration of the ninety-day period
6 after final adjournment of the general assembly; except that, if a
7 veto petition is filed pursuant to Article II, Section 15 of the state
8 constitution against this act or an item, section, or part of this act
9 within such period, then the act, item, section, or part will not take
10 effect unless approved by the people at the general election to be
11 held in November 2027 and, in such case, will take effect on the
12 date of the official declaration of the vote thereon by the governor.