

March 3, 2022

House Finance Committee Colorado General Assembly

RE: HB22-1062 Expand Sales And Use Tax Exemption For Food - OPPOSE

Dear Chair Bird, Vice-Chair Snyder, and Members of the Committee:

HB22-1062 would exempt from sales tax prepared food for on-site consumption or for take-out, mainly restaurant food. This would cut state revenue by \$462.3 million in FY 2023-24, requiring serious budget cuts, and could seriously impact budgets in tourist towns that exempt food for human consumption.

The League is a nonpartisan organization encouraging informed and active participation in government and influencing public policy through education and advocacy. Our members span the state of Colorado.

The League of Women Voters believes a tax system should be progressive, with a higher overall tax rate for those who have more and a lower overall tax rate for those who have less. This bill would cut sales tax from fast-food meals, but also from the priciest restaurants, patronized by the most well-off. If the General Assembly chooses to use nearly half a billion dollars each year to help those who most need it, there are many more targeted ways, including increasing the earned income tax and child tax credits.

Please vote NO on HB22-1062.

Sincerely,

Maud Naroll, Volunteer Lobbyist Legislative Action Committee League of Women Voters of Colorado 1410 Grant Street, Suite B-204 Denver, CO 80203 303-863-0437