

Support amendments to grocery tax legislation that would hold local budgets harmless: Act before 8:30 a.m. tomorrow!

Tomorrow morning, **Tuesday Feb. 8th**, at 8:30 a.m. the <u>Senate Finance and Appropriations Committee</u> will decide whether to protect localities from funding cuts if the General Assembly repeals the sales tax on groceries. The bills in play tomorrow are <u>SB380</u> (McDougle), <u>SB571</u> (Newman), and <u>SB609</u> (DeSteph). Currently, **none** of the bills would fully replace this critical revenue with SB571 and SB609 failing to replace any of the lost revenue.

Concerns

- Because groceries are about 20 percent of sales, the Department of Taxation estimated that exempting these products from sales taxes would mean a revenue reduction of about \$700 million every year to the Commonwealth and its localities.
- Schools and public safety will be left vulnerable if **all** funding cuts to localities because of the grocery tax repeal are not replaced.

Action points

- Ask the members of the committee (see below) to amend SB380, SB571, and SB609, so that the legislation would **fully** replace all the revenue localities would lose from repeal of the sales tax on groceries.
- Inform the senators that revenue replacement to localities would best be accomplished through statute in the Code of Virginia as well as in the budget to better protect this critical funding source for local governments.

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Current GA Committee:

Senate Finance and Appropriations Committee

Committee Members:

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