

Comment Report

SSB 1254

A bill for an act exempting from the state sales tax and use tax the purchase price of tangible personal property sold and services furnished to a nonprofit food bank.(See SF 601.)

Subcommittee Members: Smith, R.-CH, Dotzler, Green

Date: 04/07/2021

Time: 12:30 PM

Location: RM 111

Name: Mike Miller

Comment: River Bend Food Bank was exempt from sales taxes for the decades we were located in Moline, Illinois. In 2014, when we moved 5 miles west to Davenport, Iowa, we had to start paying sales tax on all the supplies and equipment we use, such as forklifts, uniforms, and office supplies. For us, this amounts to about \$25,000 per year. This frustrates our donors. They expect their contributions to help feed hungry people, not to be paid to the State. And with every \$1 providing 5 meals, sales tax exemption would allow us to provide 125,000 more meals to hungry people. This is already a food bank that is exempt, the HACAP Food Reservoir in Hiawatha, because they are under the umbrella of a Community Action Program. From a fairness standpoint, it is frustrating that they are exempt, but we are not. Southwest Iowa is served by the Food Bank for the Heartland out of Omaha, so they would not qualify. That leaves 4 organizations this affects the Food Bank of Iowa in Des Moines, Northeast Iowa Food Bank in Waterloo, the Food Bank of Siouxland in Sioux City, and River Bend Food Bank in Davenport. The total cost of exempting these organizations would be less than a quarter million dollars about 62 cents for every hungry person in Iowa and would provide over 1 million meals per year for people in need. As integral as Iowa's food banks were to the State's COVID response, this is the year for this legislation, and I would appreciate your every consideration. Respectfully submitted, Mike Miller President & CEO River Bend Food Bank