

INTERIM STUDY PROPOSAL 2015-163

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3 REQUESTING THAT THE ARKANSAS LEGISLATIVE COUNCIL REFER TO THE  
4 JOINT COMMITTEE ON ECONOMIC AND TAX POLICY A REQUEST TO STUDY  
5 IMPLICATIONS OF CHANGING THE TAX CODE SIMILAR TO THE STATE OF  
6 MAINE TO ALLOW THE LIMITATION OF PURCHASING CERTAIN FOOD AND FOOD  
7 INGREDIENTS BY RECIPIENTS OF THE SUPPLEMENTAL NUTRITION  
8 ASSISTANCE PROGRAM.  
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10 WHEREAS, the Supplemental Nutrition Assistance Program (SNAP) is  
11 federally administrated by the Food and Nutrition Service (FNS) of the United  
12 States Department of Agriculture (USDA) using federal funds; and  
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14 WHEREAS, the eligibility criteria and types of food that can be  
15 purchased are established by federal laws and regulations; and  
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17 WHEREAS, state agencies administer the Supplemental Nutrition  
18 Assistance Program at the state and local level based on the federal laws and  
19 regulations; and  
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21 WHEREAS, however, a state may alter the eligibility process or benefits  
22 received under the Supplemental Nutrition Assistance Program by submitting a  
23 waiver to the United States Department of Agriculture for approval; and  
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25 WHEREAS, several states including Wisconsin, Delaware, Missouri, and  
26 South Carolina have attempted to pass legislation to restrict the benefits of  
27 the Supplemental Nutrition Assistance Program to the purchase of only healthy  
28 food or the prohibition on junk food or luxury foods; and  
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30 WHEREAS, Maine passed a resolution to require the Maine Department of  
31 Health and Human Services to request a waiver to prohibit the use of food  
32 supplement for the purchase of taxable food items in February 2015; and  
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34 WHEREAS, in October 2015, the Maine Department of Health and Human  
35 Services requested a waiver to prohibit a beneficiary of the Supplemental

1 Nutrition Assistance Program from purchasing candy and soft drinks which are  
2 taxable under the Maine sales tax; and  
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4 WHEREAS, presently, the United States Department of Agriculture has not  
5 granted approval for the waiver submitted by the State of Maine or any other  
6 waiver submitted by a state or municipality; and  
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8 WHEREAS, legislation has not been introduced in Arkansas to prohibit a  
9 beneficiary of the Supplemental Nutrition Assistance Program from purchasing  
10 a particular food such as candy or soft drinks; and  
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12 WHEREAS, in Arkansas, the regular sales tax rate of six and one-half  
13 percent (6.5%) applies for prepared food and a reduced sales tax rate of one  
14 and one-half percent (1.5%) applies to "food and food ingredients"; and  
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16 WHEREAS, candy and soft drinks that packaged by a manufacturer are  
17 taxed at the reduced sales tax rate in Arkansas while candy and soft drinks  
18 that packaged by a supplier are taxed at the regular sales tax rate; and  
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20 WHEREAS, candy and soft drinks are a contributor to the adult obesity  
21 rate in the State of Arkansas which is currently thirty-five and nine-tenths  
22 percent (35.9%) and which is the highest adult obesity rate in the nation,  
23 according to a recent report from the Trust for America's Health and the  
24 Robert Wood Johnson Foundation; and  
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26 WHEREAS, to prohibit a beneficiary of the Supplemental Nutrition  
27 Assistance Program from purchasing items such as candy and soft drinks  
28 similar to the way the State of Maine is attempting, the definition of "food  
29 and food ingredients" would need to be changed;  
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31 WHEREAS, the State of Arkansas has an interest in encouraging its  
32 citizens to pursue healthier lifestyles to reduce healthcare costs and  
33 insurance costs in this state; and  
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35 WHEREAS, the General Assembly should investigate all possible methods  
36 available to encouraging healthier lifestyles among the citizens of Arkansas,

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NOW THEREFORE,  
BE IT PROPOSED BY THE ARKANSAS LEGISLATIVE COUNCIL OF THE NINETIETH GENERAL  
ASSEMBLY OF THE STATE OF ARKANSAS:

        THAT the Arkansas Legislative Council refer to the Joint Committee on  
Economic and Tax Policy a request to study the implication of changing the  
tax code similar to that of the State of Maine to allow the limitation of  
purchasing certain foods and food ingredients by beneficiaries of the  
Supplemental Nutrition Assistance Program.

Respectfully submitted,

Representative Justin Boyd  
District 77

By: JMB/JMB