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AN ADVERTISER EDITORIAL: Let people vote on food tax

Once again Alabama legislators will have an opportunity to allow the people to vote on eliminating the state portion of the sales taxes on groceries, a highly regressive tax that hits hardest those working families least able to pay it.

This year, unlike in the past, legislators should let the people of Alabama decide this issue. Alabama and Mississippi are the last remaining states that tax groceries at the same rate as other goods. All other states don't tax groceries, tax them at a lower rate, or allow some form of tax credit to offset taxes on grocery purchases.

Alabama Arise, an organization that represents Alabama's poor, is once again supporting a proposed constitutional amendment to remove the 4 percent state sales tax from groceries and over-the-counter medicine. And once again, the bill is being sponsored by Rep. John Knight, D-Montgomery.

Of course, removing the tax is the easy part of the equation. The tough part is finding the revenue to replace the money the state would lose if the state portion of the tax were eliminated. (Local taxes on food would not be affected by the proposal.)

Knight's bill would replace the lost revenue by ending the ability of the state's wealthiest taxpayers to deduct their federal income taxes on their state income tax returns.

Kimble Forrister, the state coordinator for Alabama Arise, said Thursday that the proposal would protect the full deductibility of federal taxes for couples earning up to \$200,000 and singles earning up to \$100,000 per year.

The deduction would be eliminated completely for couples earning more than \$300,000 and individuals earning more than \$150,000 per year. Taxpayers in the middle would retain a partial deduction.

"Ninety-six percent of income tax filers would see no change in their state income taxes from this bill," Forrister said. "But they would see savings from not paying the sales tax on food or over-the-counter medicines."

Alabama Arise estimates a typical Alabama family would save about \$100 per family member over the course of the year. A savings of \$400 per year for a family of four would be a major help in getting through these tough economic times.

As proposed, the amendment essentially would be revenue-neutral, with the changes in the sales tax and the income tax deductions offsetting one another.

A tax on groceries is simply an unfair tax, which is why most states either don't do it or allow a tax credit for it. The Legislature should give the public a chance to vote this proposal up or down.