

18 March 2020

Dear \_\_\_\_\_\_\_\_ ;

I am writing in support of SB 144.

This bill, sponsored by Sen. Andrew Jones, R-Centre, would eliminate Alabama’s state sales tax on groceries and replace the lost revenue by capping the state deduction for federal income taxes.

SB 144 will help people who struggle to make ends meet each month. I believe that while the grocery tax is an unjust burden on people who simply need to eat, the flip side is that the federal income tax (FIT) deduction is a giant and unfair tax loophole, allowing people with higher incomes to pay a lower percentage of their overall earnings. Only **two** other states still allow the full FIT deduction, and only two other states fully tax groceries.

The grocery tax brings in about $480 million a year, while the entire FIT deduction for individuals costs our budget more than $719 million a year. Essentially, we are subsidizing our reliance on this giant tax loophole with a ridiculous tax on food.

I don’t think that we should continue to subsidize an unfair tax loophole with an unjust grocery tax. I support Sen. Jones’ proposal because it would end this unfair tax shift by capping the total FIT deduction allowed. This would allow working families who pay federal income taxes to still benefit from the deduction, but also would prevent the Education Trust Fund (ETF) from losing revenue.

The Institute on Taxation and Education Policy, completed a modeling of the impact of SB 144, that showed that this bill would generate a conservative estimate of an additional $474 million a year to the ETF. That’s almost an even swap for grocery tax revenue that would be returned to taxpayers.

Your constituent,

Address: