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Food Tax Makes Thanksgiving a Struggle for Thousands of Tennesseans

As Tennessee's elected officials get ready to celebrate Thanksgiving with the traditional feast, hundreds of thousands of their fellow Tennesseans struggle to feed their families every day of the year.

"The reality of these two Tennessees when it comes to food simply is not acceptable," said John G. Stewart, board chair of Tennesseans for Fair Taxation.

Last week the U.S. Department of Agriculture (USDA) reported that more than 450,000 Tennessee households experience "very low food security" — difficulty in providing enough food for all their family members throughout the year.

"A contributing factor to the food shortages faced by these families in Tennessee is our tax on grocery food that can range as high as 7.75 percent, the third highest rate in America," said Stewart.

"Repeal of the grocery food tax would provide every Tennessee family with the equivalent of a free month's worth of groceries. This one action would go a long way toward eliminating food insecurity in our state," Stewart said.

Most of the families living in a condition of food insecurity also pay the highest percentage of their income to the state in taxes.

A recent study by the Institute of Taxation & Economic Policy found that persons earning less than \$17,000 per year pay 11.7 percent of their income in state and local taxes while those earning between \$29,000 and \$47,000 pay 9.3 percent. Meanwhile, Tennesseans with annual incomes of \$414,000 or more pay only 3.3 percent. (*Who Pays? A Distributional Analysis of the Tax Systems in All 50 States*, ITEP, Washington, DC, 2009)

"Talk about double whammys!" Stewart said. "First, those least able to pay are taxed the highest. Then, to compound the outrage, these high taxes make it even harder for the same households to provide adequate food supplies for their families."

The USDA report emphasized that "rates of food insecurity were substantially higher than the national average for households with incomes near or below the Federal poverty line, households with children headed by single women or single men, and Black and Hispanic households. . . Regionally, food insecurity was most prevalent in the South. . . ." (*Household Food Security in the United State, 2008*, Economic Research Service, USDA, p. iii)

“There is something terribly wrong with this situation and it is time for the General Assembly to fix it,” Stewart said.

“All the data in this report point to the urgency of repealing Tennessee’s tax on grocery food as part of comprehensive tax modernization. Everyone in Tennessee should be able to celebrate a healthy Thanksgiving and have enough to eat every other day of the year, as well,” Stewart said.