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May 3, 2021

Senate Tax Committee Chair Carla Nelson
3235 Minnesota Senate Building
St. Paul, MN 55155

House Tax Committee Chair Paul Marquart
597 State Office Building
St. Paul, MN 55155

Sent via Electronic Mail

RE: Joint Letter of Support for Sales Tax Exemption for Prepared Food Used by Certain Nonprofits
(HF 991 – House Version, Art. 4, Sec. 3)

Dear Chair Nelson, Chair Marquart, and Tax Conferees,

In the coming months, 1 in 5 Minnesota children are expected to face food insecurity. Since the start of the pandemic, the number of Minnesotans experiencing the stress of hunger on any given day has increased by 275,000 residents, including 112,000 children. This is why the undersigned organizations urge you to adopt the sales tax exemption for prepared food purchased by nonprofit sponsors of the federal meals program contained in the House bill as part of your conference report.

Youthprise's Nutrition Program is a part of Youthprise's Health and Safety impact area with a goal of promoting the health and safety of young people by meeting basic needs and holistically addressing health concerns that impact youth in our communities. Youthprise's Nutrition Program advances this goal by serving as a sponsor of the federal meals program for local nonprofits, recreation centers, libraries, schools, and houses of worship. This work allows these organizations to provide healthy meals and snacks to the youth they serve through their afterschool and summer programming.

However, under Minnesota law, Youthprise and other nonprofit sponsors must pay sales tax on these meals. In 2020 alone, Youthprise paid almost \$250,000 in sales tax! The sales tax paid by nonprofit organizations who sponsor and manage the delivery of meals limits programs like Youthprise's Nutrition Program from expanding. The sales tax takes away extra dollars that could go towards serving more meals, expanding to new sites, and upgrading food service equipment at the sites. The provision contained in Article 4, Section 3 of the House Bill would create a sales tax exemption for sales of prepared food to nonprofit organizations for use in the federal meals program.

Access to a healthy meal is critical to student health and well-being, especially for low-income students, and ensures that students have the nutrition they need throughout the day to learn. Creating this sales tax exemption that will increase the number of meals that are provided to youth statewide is crucial. Data show that serving meals in afterschool and summer learning programs improves enrollment and retention of youth as well as enhances the long-term educational, health, and life outcomes of the youth.

Including this provision in your conference report would also allow the Youthprise Nutrition Program to expand outside the suburbs and into Greater Minnesota. With food insecurity rates extremely high due to the economic hardship triggered by COVID-19, our youth need us now more than ever to receive all the support and meals they can get. Minnesota's children and families are counting on you.

Sincerely,
Youthprise

Appetite For Change - Youth Employment & Training Program (YTOP)

ARTS-Us Center for the African Diaspora

Banyan Community

Blue Cross and Blue Shield of Minnesota

Centro Tyrone Guzman

City of Saint Paul

EdAllies

Faribault Youth Investment

General Mills

Healthy Community Initiative

Hunger Solutions Minnesota

Neighborhood House - Wellstone Center

Ramsey County Library

Second Harvest Heartland

The Sanneh Foundation

YWCA Minneapolis