



youthprise

Sales Tax Exemption for Federal Youth Meals



Bill #:
HF 1201

Explanation of the Bill

This bill **creates a sales and use tax exemption** for the sale of prepared food **to non-profit organizations** that provide meals through the **federal Child and Adult Care Food Program (CACFP) or Summer Food Service Program (SFSP)** to unaffiliated centers. An unaffiliated center, such as a library or recreation center, operates as a legal entity separate from the federal meal sponsor, like Youthprise. Only prepared food purchased from a caterer or other business under contract with the nonprofit and **used directly in the CACFP or SFSP** would qualify for the exemption.

Learn more at
www.youthprise.org

The Problem

Non-profit organizations and non-school sites, like recreation centers and libraries, sponsoring CACFP and/or SFSP are subject to sales tax on prepared food purchased for the program(s). Because of financial and administrative barriers, most non-school sites choose not to sponsor federal meal programs. Organizations like Youthprise can bear those burdens by serving as a nutrition hub. However, the sales tax paid by these entities restricts their growth and expansion, limiting the number of healthy, nourishing meals that can be served to youth. Further, the sales tax takes away resources that could go towards the site's programming.

The Solution

Create a sales tax exemption that will increase the number of meals that are provided to youth statewide.

Benefits of the Proposed Legislation

- Allows sales tax funds to be put towards more youth meals and enhanced youth programming at nutrition program sites across the state.
- Increases the number of meals served in afterschool and summer learning programs, improving the enrollment and retention of youth and enhancing their long-term educational, health and life outcomes of the youth.
- Accelerates the Youthprise Nutrition Program's expansion outside the metro area and into Greater Minnesota.

About Youthprise's Nutrition Program

Increased Demand for Youth Meals

Before the onset of COVID-19, 1 in 11 Minnesotans struggled to afford food. Now, 1 in 8 Minnesotans experience the stress of hunger on any given day; this is an additional 275,000 people and includes 112,000 youth. In the coming months, 1 in 5 Minnesotan children are expected to face food insecurity. Further, the stark disparities in the face of hunger have only deepened since the pandemic began. Black, Latinx, and Indigenous families now experience food insecurity at more than two times the rate of white Minnesotans.

Impact of Hunger on Youth and Their Communities

Hunger creates long-term costs for our communities, resulting in health and physical development issues, poorer education outcomes and a less productive workforce. Beginning in 2014, Youthprise took on an essential role as a nutrition hub—coordinating, recruiting, training and supporting programs in serving snacks and meals year-round. In October 2020, Youthprise served its two millionth meal, less than eight months after serving its one millionth meal! Youthprise continues to serve meals and meet the needs of communities impacted by the economic downturn and remote learning.

Role of the Nutrition Program at Youthprise

Our Nutrition Program is part of our Health and Safety impact area. Our goal is to promote the health and safety of young people by meeting basic needs and holistically addressing health concerns that impact youth in our communities. When young people are out of school, they shouldn't have to worry about where meals are coming from. Year-round meals are provided to youth at trusted locations in the community, where youth are not only encouraged to participate in programming but also have the space to provide input into their menus. The Youthprise Nutrition Hub provides meals at public libraries, recreation centers, churches, schools and local youth-serving nonprofits.



Minnesota Eligible Area Map for Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP)

