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April 6, 2021

Written Testimony of Youthprise President Wokie Weah  
Regarding Prepared Food Sales Tax Exemption in House Omnibus Tax Bill

Chair Marquart and Members of the House Tax Committee:

**Youthprise expresses its gratitude for the inclusion in your Omnibus Tax Bill of the sales tax exemption for prepared food for use in the federal meals program** originally proposed in HF 1201.

This provision creates a narrow sales tax exemption for nonprofits who purchase prepared food for use in the federal meals program known as the Child and Adult Care Food Program (CACFP) during the school year and Summer Food Service Program (SFSP) in the summer. These programs allow nonprofits like Youthprise to help providers of afterschool and summer activities, along with child care providers, offer nutritious meals and snacks to participating youth.

**This sales tax exemption has a relatively low fiscal cost for the state but a significant impact on organizations like ours.** In 2020, Youthprise scaled up to meet the extraordinary demand for food assistance during the pandemic and served over 1 million meals to Minnesota youth. But that work also came with a big sales tax bill—nearly \$250,000 in 2020 alone! This is money that nonprofits must raise from donors that could go instead to expanding the program to additional sites or upgrading equipment at existing ones. Each additional site means more young people and more communities with equitable access to healthy food. Youthprise's nutrition program has ambitious plans for expansion throughout Greater Minnesota, and this sales tax exemption would allow us to accelerate those efforts.

We have **attached a joint letter from many of the leading nutrition-focused companies and organizations in the state in support** of this provision (referencing the original bill number, HF 1201).

Thank you once again for including this provision in the initial House Omnibus Bill. We urge you to keep it in the final version of the House's bill and to advocate strongly for its inclusion in the conference report with the Senate.

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March 29, 2021

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

***Sent via Electronic Mail***

RE: Joint Letter of Support for HF 1201

Dear Chair Marquart,

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 include HF 1201 in this year's omnibus tax bill.

Youthprise's Nutrition Program is a part of our organization's 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. Our 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. Our 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 sale tax paid by nonprofit organizations who sponsor and manage the delivery of meals limits programs such as the 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. HF 1201 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, so 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.

If included in the omnibus tax bill, HF 1201 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**