



Economics

Implement a permanent sales tax holiday on grocery items.

WHY

Ensuring that families have access to affordable groceries is a key component of supporting our state's developing children and ensuring they are able to fully thrive.

A study from American Academy of Pediatrics found, "Compared to rates had they not been food insecure, children in food-insecure household had rates of lifetime asthma diagnosis and depressive symptoms that were 19.1% and 27.9% higher, rates of foregone medical care that were 179.8% higher, and rates of emergency department use that were 25.9% higher."¹

Tennessee understands the value that a tax reprieve can bring to families. The long-standing weekend long tax holiday on clothing and school supplies was expanded upon in 2021 to include grocery items. In 2022, the grocery holiday was extended to one month. In August of 2023, Tennessee is in the midst of a 3-month grocery tax holiday.²

Eliminating the grocery tax would put Tennessee on par with the 75 percent of states that have chosen to not levy this tax on their citizens.³ Tennessee is only one of only two states without an income tax but levies a grocery tax.³

Between July 26th - August 7th, 2023, 38 percent of Tennessee households with children reported that it was somewhat or very difficult to pay for usual household expenses within the last 7 days.⁴

During that same time period, one in 10 households with children in Tennessee reported sometimes or often not having enough to eat within the last 7 days.⁵

Among those reporting they often didn't have enough to eat, 99 percent reported cost as the reason for food insufficiency. Nationally that figure was 85 percent.⁶

Among Tennessee household with children where it was reported who reported food insecurity, 37 percent reported that the children in the household were not eating enough because food was unaffordable.⁶

Mental health challenges among Tennessee heads of households with children widely varied depending on food security status.

Among those reporting often not having enough to eat, 46 percent reported anxiety and 36 depression nearly every day. Among those with no food insecurity, those numbers were 8 and 4 percent respectively.⁶