MAY 12 '25 AM9:18
IDAHO SECRETARY OF STATE

Repeal Grocery Tax PAC
2245 NE 19th Ave
Payette, Idaho 83661

Honorable Phil McGrane
Secretary of State
700 W Jefferson St.
Boise, ID 83720

Honorable Phil McGrane:

We hereby submit this cover letter as the chief petitioners for the Initiative on "The Repeal of Sales Tax on Food".

We respectively request that this initiative be submitted to the qualified electors of the State of Idaho for their approval or disapproval at the regular general election to be held November 3rd, 2026.

Respectfully submitted,

Howard Rynearson

Howard Rynearson
Chairman
208-740-7613

J Rynearson

Jacob Rynearson
Treasure
208-899-3475

Repeal Idaho Grocery Tax PAC
2245 NE 19th Ave.
Payette, Idaho 83661

6/24/2025

Honorable Phil McGrane
Secretary of State
700 W. Jefferson St.
Boise, ID 83720

JUN 25 '25 AM9:22
IDAHO SECRETARY OF STATE

Honorable Phil McGrane

I hereby submit this letter in response to the analysis and recommendations of the Attorney General's office.

Not being certain of the correct way to address the recommendations, I am forwarding two options. One is a simple request for amendment to the original initiative petition, and the second document enclosed is a re-written copy of the original noting the recommended changes.

Respectfully,

Howard Rynearson
208-740-7613

REQUESTED TITLE:

Repeal of Sales Tax on Food

Be it enacted by the people of the State of Idaho

SECTION 1. That Chapter 36, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-3622H, Idaho Code, and to read as follows:

63-3622H. FOOD FOR HUMAN CONSUMPTION. There is hereby exempted from the taxes imposed by this chapter the sale of food sold for human consumption. The types and kinds of food products eligible for exemption by this section shall be the same types and kinds of food products that are eligible for purchase with benefits provided under the federal supplemental nutrition assistance program (SNAP) and do not include restaurant sales of food. As used in this section, "food" shall have the same definition as provided in 7 U.S.C. 2012 as that section existed on January 1, 2027.

SECTION 2. That Section 63-3024A, Idaho Code, be, and the same is hereby repealed.

SECTION 3. That Section 63-3077G, Idaho Code, be, and the same is hereby repealed.

SECTION 4. That Section 63-3077H, Idaho Code, be, and the same is hereby repealed.

SECTION 5. That Section 32-706, Idaho Code, be, that only the brief reference to the Grocery Credit be removed.

Funding: For the most part, no funding will be required as signature gathering will be performed by volunteers. Any printing or other minor cost will come from private donations to "Repeal Grocery Tax PAC" organization and then properly reported.

Fiscal Impact Statement: If this initiative is passed it will result in 6% food tax being removed from Idaho State revenue.

AMENDMENT

This amendment is in reference to the initiative petition titled "Repeal of Sales Tax on Food" submitted by Repeal Idaho Grocery Tax PAC.

Section 5. Idaho Code 32-706. It is hereby requested to amend this section to read that only the brief reference to the Grocery Credit be removed from 32-706.

Section 6. Idaho Code 63-3622J. It is hereby requested to remove this section from the initiative petition.

Section 7. Idaho Code 63-3622FF. It is hereby requested to remove this section from the initiative petition.

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL
RAÚL R. LABRADOR

July 11, 2025

VIA HAND DELIVERY
The Honorable Phil McGrane
Idaho Secretary of State
Statehouse

RE: Ballot Titles
Proposed Initiative for Adding a New Section to Title 63, Idaho Code, Relating to Repealing Tax on Food.

Dear Secretary of State McGrane:

An initiative petition was filed on May 28, 2025, proposing to amend title 63 of the Idaho Code. Pursuant to Idaho Code section 34-1809, this office reviewed the petition and provided advisory comments and a certificate of review. Thereafter, the petitioners made changes to their proposed initiative and re-submitted it requesting the assignment of ballot titles. In accordance with section 34-1809, this office must, within ten (10) working days, provide ballot titles for the measure, one short and one general (long) title. The short title—not exceeding twenty (20) words—shall be a distinctive title by which the measure is commonly referred to or spoken of. The general (long) title—not exceeding two hundred (200) words—shall express the purpose of the measure. The ballot titles should give a true and impartial statement of the purpose of the measure and in such language that the ballot title shall not be intentionally an argument or likely to create prejudice either for or against the measure. This letter therefore provides both the short and long ballot titles below, in accordance with Idaho Code section 34-1809. Any person dissatisfied with a ballot title provided herein may appeal to the supreme court by petition, praying for a different title and setting forth the reason why the title is insufficient or unfair.

BALLOT TITLES

I. Short Ballot Title

Measure exempting food sold for human consumption from state sales taxes and repealing/replacing the existing Idaho Grocery Credit.

II. Long Ballot Title

The measure seeks to remove sales and use taxes on food sold for human consumption by replacing the current grocery credit with an exemption from sales and use taxes on "food sold for human consumption." "The types and kinds of food products" that fall under this exemption are the same "types and kinds of food products that are eligible for purchase with benefits provided under the federal supplemental nutrition assistance program (SNAP)." This would include most standard food items and exclude alcohol, tobacco, and "restaurant sales of food."

The measure also replaces the grocery credit and refund by repealing Idaho Code section 63-3024A (FOOD TAX CREDITS AND REFUNDS) referred to by the Idaho State Tax Commission as the "Idaho Grocery Credit." In addition to repealing the grocery credit, the measure would also remove other references to the grocery credit within the Idaho Code.

CERTIFICATION

I HEREBY CERTIFY that the above ballot title provides an impartial statement of purpose for the enclosed measure and satisfies the requirements of Idaho Code section 34-1809.

Sincerely,

Raúl R. Labrador

RAÚL R. LABRADOR
Attorney General

Repeal Idaho Grocery Tax PAC
2245 NE 19th Ave.
Payette, Idaho 83661

6/24/2025

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Howard Rynearson
208-740-7613

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Section 7. Idaho Code 63-3622FF. It is hereby requested to remove this section from the initiative petition.

FISCAL IMPACT STATEMENT

Summary of Fiscal Impact Statement (52 words)

Starting in Fiscal Year 2028 (FY28), the initiative would decrease general fund revenue because it proposes: to exempt sale of SNAP eligible food for human consumption from the sales and use tax and eliminate the food tax credit. For FY28, the initiative would decrease revenue by between $200 million and $230 million.

Detailed Statement of Fiscal Impact Including Assumptions

To generate the fiscal impact, the Division of Financial Management (DFM) consulted with the Idaho State Tax Commission to provide a reasonable calculation based on the available data.

Sales tax data on food sold at grocery stores (or other retail stores selling food to consumers) is not available from tax data in Idaho. In Idaho, retailers are not required to report food item sales, or any other specific items sold at grocery stores. That means Idaho does not have a separate tax rate applied to food groceries.

Without that information, DFM relied on Utah as a proxy to calculate the fiscal impact because Utah has had a separate tax rate applied to food groceries.

DFM assumed that Utah data may be applied to calculate the fiscal impact of this initiative because of (a) similar economic factors between the states, (b) similar demographics between the states, and (c) geographical proximity.

Utah has statistics available on food groceries sales and aggregate retail sales. Typically, groceries are 11% to 13% of all sales, according to Utah data. The most recent four quarters place this at 11.25% of all sales.

Using Utah as a proxy, DFM calculated as follows:

> Sales tax revenue generated by grocery tax in Utah is 11% to 13%
>
> Sales tax revenue in Idaho $3.7 billion
>
> Applying Utah's 11% to 13% to Idaho's sales tax revenue of $3.7 billion, DFM arrived at a loss of revenue to the general fund of $410 million to $485 million

The 2025 Idaho Legislature amended the Food Tax Credit increasing the Food Tax Credit amount allowed per individual from $120 to $155 for years 2025 onward. The current revenue impact for the Food Tax Credit in Idaho is estimated to be between $210 million and $255 million in Fiscal Year 2028. The proposed initiative would eliminate this Food Tax Credit.

Based on the above information gathered, the total loss of revenue to the general fund would be between $410 million and $485 million, minus the eliminated food tax credit of $210 to $255 million. That would result in net revenue impact between $200 million and $230 million.