



Grocery tax, health care key Arise focuses this year

By Chris Sanders, communications director | chris@alarise.org

Untax groceries. Expand health coverage. Make the criminal justice system more just. Those are a few of Alabama Arise's major priorities during the Legislature's 2022 regular session. And we're making real progress toward turning those goals into realities.

UNTAXING GROCERIES

Ending the state's regressive sales tax on groceries has been a longtime Arise priority. It was the centerpiece of Alabama Arise Action's online Legislative Day on Feb. 15, which attracted nearly 200 advocates from across the state. It also will be the focus of a March 15 rally in Montgomery. *(See the enclosed flyer.)*

Legislative Day attendees heard from two lawmakers working to untax groceries: Sen. Andrew Jones, R-Centre, and Rep. Penni McClammy, D-Montgomery. Jones' and McClammy's bills reflect growing support for untaxing groceries while protecting funding for public schools. *(See page 2.)*

McClammy said the grocery tax is a policy concern that transcends political

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Join us for the Untax Groceries Rally on March 15!

By Matt Okarmus, communications associate
matt@alarise.org

Join Arise in Montgomery to tell lawmakers that now is the time to untax groceries! We can't miss this opportunity to help families across Alabama make ends meet.

The Untax Groceries Rally will be from noon to 1 p.m. on Tuesday, March 15. We will gather outside the State House steps. In the case of inclement weather, we have a backup plan for those who feel safe to gather inside. Please note that we will observe COVID-19 safety precautions should we gather indoors.

Visit untaxgroceries.org today to register for the event. Masks will be required for rally participation. See the enclosed flyer for more details.

We see you, Alabama, and we're with you

By Robyn Hyden, executive director
robyn@alarise.org



As I think about each of you receiving and reading these updates, in the midst of a hectic and uncertain time, I'm amazed by the strength and resilience of the people like you who make up Arise's membership and our community.

The single parent who has been holding it together during COVID-19 child care closures and home schooling, all while trying to keep their family safe.

The college student who isn't sure what the future holds but just wants to make the world a better place.

The full-time essential worker who goes home and works a second shift as a community organizer, caregiver or volunteer, keeping the threads of society woven together.

The person living with disability or mental illness, struggling to find dignity, care and inclusion.

I see you. Alabamians. United in our belief that our state can be better. We'll make it happen together.

Eliminating state grocery tax would make life better for Alabama families

By Carol Gundlach, senior policy analyst | carol@alarise.org

Alabama's sales tax on groceries is a cruel tax on survival, particularly in times of economic insecurity. It increases hunger rates and drives struggling Alabamians deeper into poverty. Three bills in the 2022 regular session – SB 43 by Sen. Andrew Jones, R-Centre; HB 173 by Rep. Mike Holmes, R-Wetumpka; and a forthcoming bill by Rep. Penni McClammy, D-Montgomery – would end the state grocery tax while protecting funding for public schools. The graph below shows how millions of Alabamians would benefit.

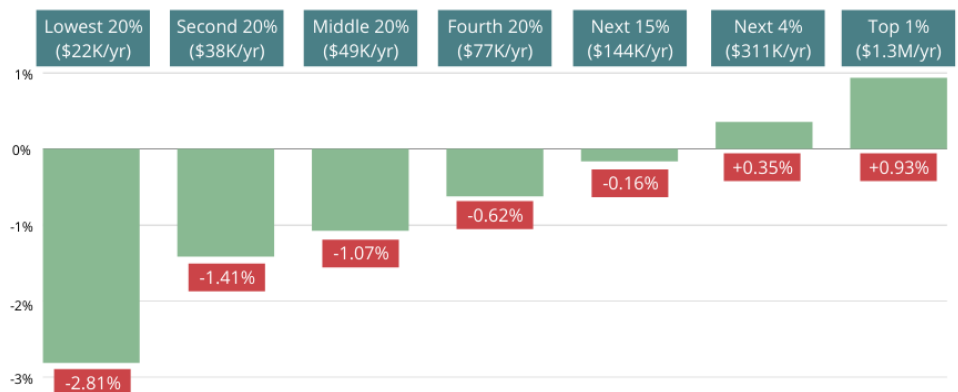
UNTAXING GROCERIES IS THE RIGHT PATH FOR ALABAMA

Alabama lawmakers have a real opportunity this year to untax groceries responsibly. Here's why and how it needs to happen this year:

- Alabama is one of only three states with no tax break on groceries.
- The state grocery tax is 4%, equal to two weeks' worth of groceries each year.
- Alabama can untax groceries and protect education funding by limiting its state income tax deduction for federal income taxes (FIT). The FIT deduction is a skewed tax loophole that overwhelmingly benefits rich households.

Most Alabamians would get a tax cut under the untax groceries bill

Estimated net tax change as a share of income if Alabama capped its federal income tax (FIT) deduction and eliminated its state sales tax on groceries



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Welcome, Rebecca!

Rebecca Howard joined Arise as our new policy and advocacy director in January. She is an Alabama native who grew up in Alexander City. She earned a B.A. in political science from the University of Alabama and an M.A. in European public policy from King's College London. Before joining Arise, Rebecca worked for former U.S. Sen. Doug Jones, serving as his legislative policy adviser on education and agriculture policy, among other issues. She most recently worked as a federal policy adviser at the Learning Policy Institute in Washington, D.C., where she worked on teacher shortages, early childhood education and school discipline issues.



GROCERY TAX

From page 2

All three bills would end the state grocery tax and protect education funding by capping the FIT deduction for individuals. McClammy's bill also would remove the state sales tax on over-the-counter medicines. All of the bills would require voter approval of a constitutional amendment.

Under SB 43 and HB 173, the FIT deduction cap for Alabamians who file as single, head of household or married filing separately would be \$4,000 annually. For married couples filing jointly, the limit would be \$8,000 a year. Under McClammy's bill, those annual caps would be \$3,500 and \$7,000, respectively.

Both sales tax revenue and individual income tax revenue go to the Education Trust Fund. By capping the FIT deduction, these bills would allow Alabama to untax groceries without cutting school funding. This plan would be a significant tax cut for nearly all Alabamians, and the largest benefit would go to people with low and middle incomes who need it most. The Legislature should pass this proposal this year and send it to voters for final approval.

Bottom line

Untaxing groceries quickly and responsibly would boost economic and food security for all Alabamians. By ending the state grocery tax and capping the FIT loophole, lawmakers could protect funding for public schools and make life better for families across our state.

You are the strong force behind Arise's advocacy

By McKenzie Burton, development associate
mckenzie@alarise.org

Your support holds lawmakers accountable during this legislative session. Will you donate to Alabama Arise today?

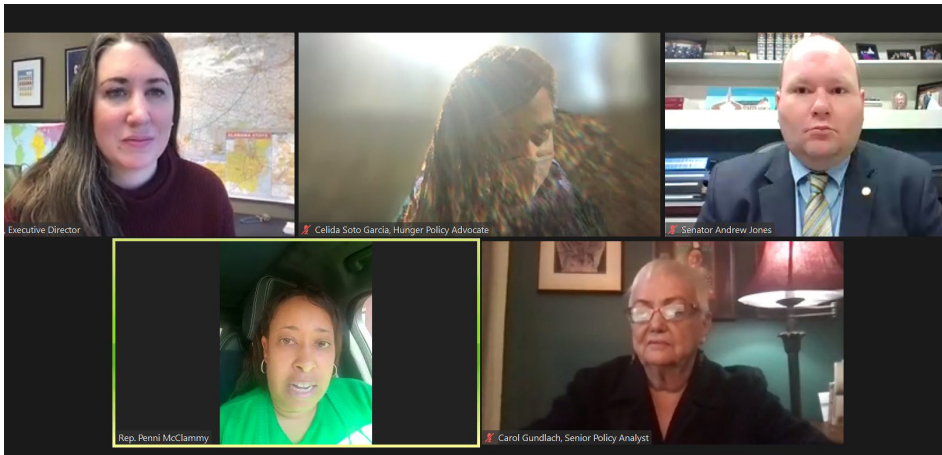
Right now in Montgomery, elected officials from across Alabama are proposing laws that would infringe on our constitutional right to protest, limit our children's access to a quality, well-rounded education and increase barriers to receiving unemployment insurance benefits, even as the pandemic rages on.

There is so much at stake. But our members are the strong force behind our sustained advocacy at the State House – and we are already seeing progress. Lawmakers are willing to hear our concerns, and we need your help to ensure they listen. Your donation will strengthen our calls to stop this harmful legislation and pass laws that ensure all Alabamians have the opportunity to live happy and productive lives.

Will you join or renew your Arise membership today to demand our elected officials promote fair policies to alleviate poverty?

Together, we can make a difference in the lives of our children and neighbors. You can donate online at alarise.org/donate, or send a check to P.O. Box 1188, Montgomery, AL 36101.

Legislative Day 2022



Nearly 200 advocates from across Alabama attended Arise's virtual 2022 Legislative Day on Feb. 15. Supporters gathered to learn more about our issue priorities and get updates on where things stand legislatively on them. Sen. Andrew Jones, R-Centre (*top right*), and Rep. Penni McClammy, D-Montgomery (*bottom left*), joined us for a discussion of their bills to untax groceries.

Cover photo: Later on Feb. 15, dozens of well-wishers gathered for an online retirement party for outgoing Arise policy director Jim Carnes. We salute Jim for his 19 years of service at Arise and his lifelong dedication to building a better world. Thank you, Jim!

LEGISLATIVE OVERVIEW

From page 1

lines. "It's important that we stand together united as one and show the citizens that we all care about what's going on in our homes," she said.

Jones expressed optimism that lawmakers are nearing a breakthrough on the grocery tax. "This is not a partisan issue," he said. "This is something that really meets the full criteria of being a bipartisan issue."

EXPANDING HEALTH COVERAGE

The COVID-19 pandemic has underscored a cruel fact: Hundreds of thousands of Alabamians can't afford the health care they need. Gov. Kay Ivey can remove that financial barrier by expanding Medicaid to cover nearly 300,000 adults with low incomes. Arise and our Cover Alabama campaign are working hard to make that happen.

Public support for Medicaid expansion is strong and growing. More than seven in 10 Alabamians support expansion, according to a statewide Arise poll conducted in January. Expansion would create more than 20,000 jobs and save the state almost \$400 million annually, a recent report estimated. (*See the enclosed fact sheet.*)

Extending Alabama Medicaid's postpartum coverage to one year (up from the current 60 days) is another key goal this year. Nearly 70% of Alabama's maternal deaths in 2016 were preventable, one study found. That's why Arise is working hard to ensure legislators fund this life-saving coverage extension in the General Fund budget.

ADVANCING JUSTICE

Numerous reforms of Alabama's criminal justice system are moving in the Legislature this year. Arise supports two bills – HB 200 by Rep. Merika Coleman, D-Birmingham, and SB 117 by Sen. Will Barfoot, R-Montgomery – to end driver's license suspensions for failure to pay fines and fees. Arise also backs HB 57 by Rep. Chris England, D-Tuscaloosa, and SB 215 by Sen. Bobby Singleton, D-Greensboro, which would increase transparency in parole decisions.

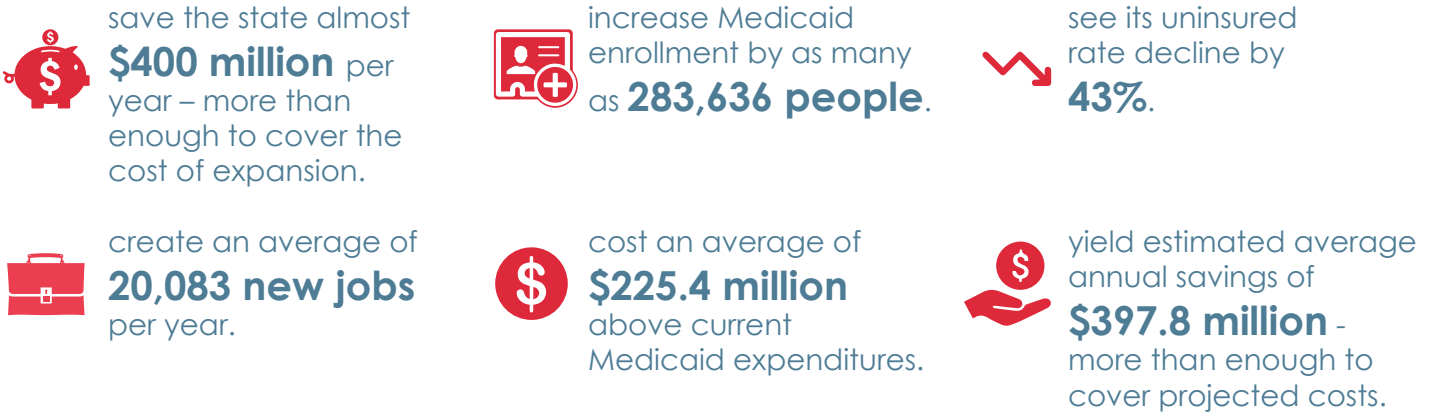
Together, we can make a difference. Subscribe to our email list for timely alerts on these bills and others. And visit the Bills of Interest page at alarise.org to track legislation throughout the year.

THE ECONOMIC IMPACT OF MEDICAID EXPANSION



Recent data shows that Medicaid expansion is financially beneficial for the state and would result in a significant economic impact. The Public Affairs Council of Alabama (PARCA) released a report, *The Economic Impact of Expanding Medicaid in Alabama*. The following findings are based on analysis conducted by PARCA and the Center for Economic Development and Business Research at Jacksonville State University.

OVER THE NEXT SIX YEARS, EXPANDING MEDICAID IN ALABAMA COULD:

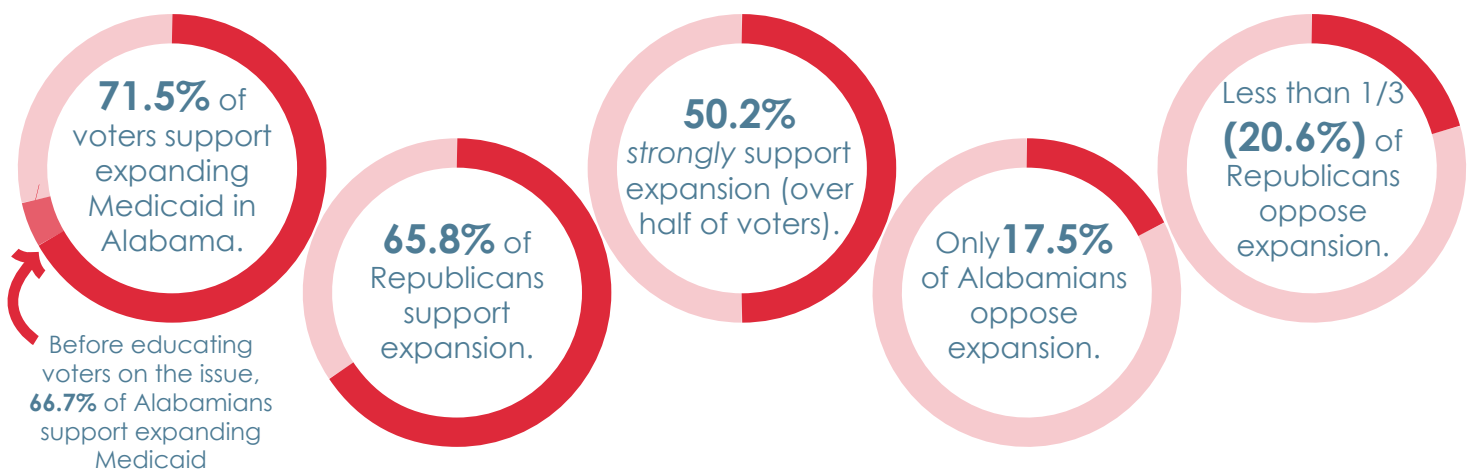


Total savings over next six years: **\$2.38 billion**

\$1.89 billion economic impact per year

ALABAMIANS SUPPORT EXPANDING MEDICAID IN THE STATE

Recent polling data conducted by Cygnal shows that **more than 7 in 10** of voters in the state would like to expand Medicaid in Alabama so that more people have access to health care.

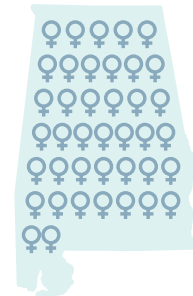


The Cygnal survey was conducted January 13 – 14, 2022, with 631 likely 2022 election voters. It has a margin of error of ±3.85%. Known registered voters were interviewed via online panel, live calls, SMS, and email invitation. This survey was weighted to a likely 2022 election voter universe. *Note: The data above reflects voters' views on Medicaid expansion once told about arguments in support of expansion.

Save Mothers' Lives: Extend Medicaid Postpartum Coverage

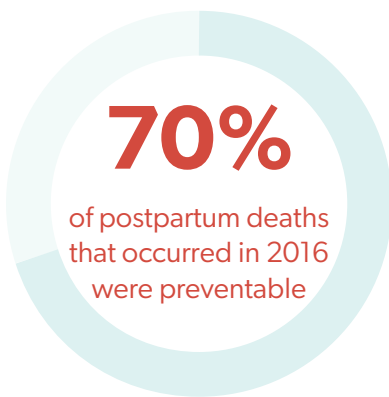
Alabama Medicaid's 60-day limit on postpartum health coverage is costing new mothers their lives. The postpartum period begins immediately after delivery, but its end is less predictable. Medicaid covers the cost of postpartum care up to 60 days; however, most OBGYNs agree pregnancy-related health concerns continue for up to a year.

Annually, nearly 40 women die within one year after delivery in our state, according to the Alabama Department of Public Health's Maternal Mortality Review Committee (MMRC). The toll on Black mothers is nearly three times that on white mothers, and almost double the overall state rate. Cardiovascular-related conditions are a leading underlying cause in pregnancy-related deaths



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While the committee recommends *full* Medicaid expansion, there is another path available to address the specific concerns of maternal health: **extending postpartum coverage.**



Why Alabama needs to extend Medicaid postpartum coverage:

- According to MMRC's 2020 report, nearly 70% of postpartum deaths that occurred in 2016 were preventable.
- MMRC's report *only* accounts for deadly complications and conditions. The impact of other debilitating pregnancy-related health problems is even greater.
- Extending postpartum coverage from 60 days to one full year would offer protection for the 30,000 Alabama women each year who rely on Medicaid for their deliveries.

Why Alabama needs to extend Medicaid postpartum coverage *now*:

- Under the American Rescue Plan Act (ARPA), states may extend their Medicaid postpartum coverage to one year through a state plan amendment (SPA) instead of the much more complicated waiver approval process.
- In response to the pandemic, all Medicaid coverage, including postpartum, is continuous through the Public Health Emergency. Congress is considering a bill that would make one-year postpartum coverage mandatory by 2023. Extending coverage now would prevent a gap when the emergency ends.
- Extending postpartum coverage to one year would only cost Alabama an estimated \$8.5 million a year in state funding, according to Alabama Medicaid.

\$8.5M

annual cost of
extending postpartum
coverage to 12 months

BOTTOM LINE

For any of the 30,000 Alabamians whose deliveries are covered by Medicaid each year, extending postpartum coverage to 12 months could be life-saving and life-changing. **Alabama can reverse the dangerous trend in maternal deaths.**



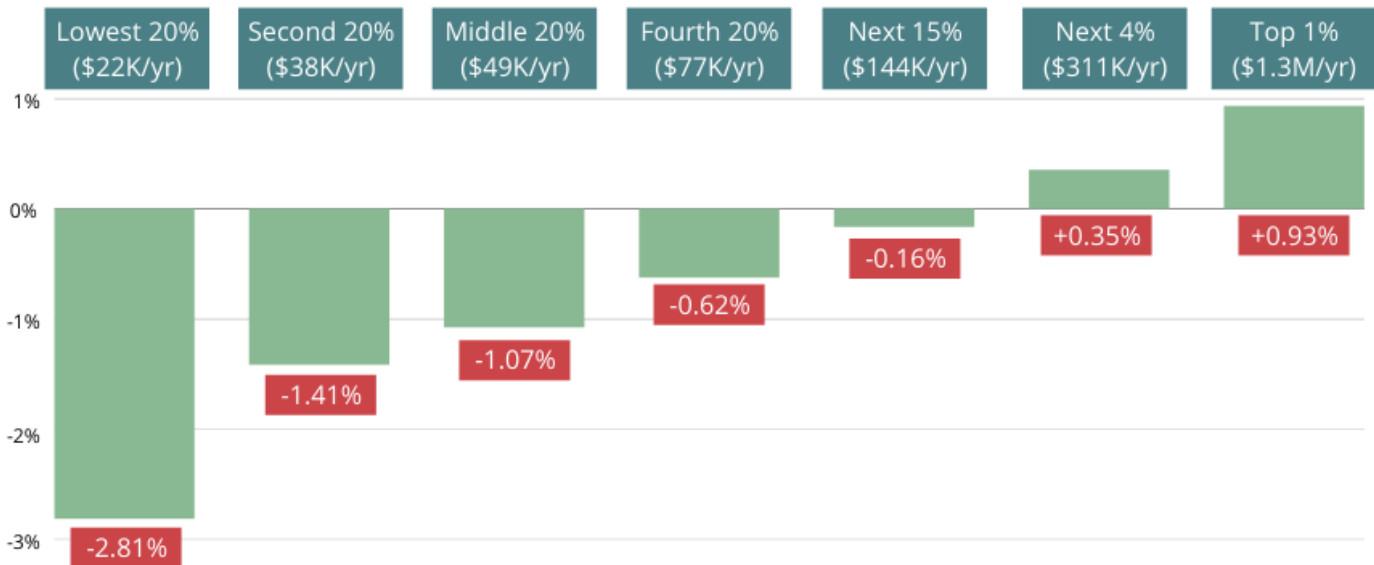
Jones, McClammy bills are revenue-neutral solutions to untax groceries

Alabama's state sales tax on groceries is a cruel tax on survival. It increases hunger and drives Alabamians deeper into poverty. It's time to end this regressive tax once and for all.

SB 43 by Sen. Andrew Jones, R-Centre, and a **forthcoming bill** by Rep. Penni McClammy, D-Montgomery, both would end the state grocery tax while protecting funding for public schools. The graph below shows how millions of Alabamians would benefit.

Most Alabamians would get a tax cut under the untax groceries bill

Estimated net tax change as a share of income if Alabama capped its federal income tax (FIT) deduction and eliminated its state sales tax on groceries



Sources: Institute on Taxation and Economy Policy, January 2022; Alabama Arise calculations based on USDA Cost of Food at Home at Three Levels, U.S. Average, December 2021. Grocery tax savings are based on USDA food costs for a family of four with two children ages 4-5 and 9-11 (using low-cost food plan for the bottom 40% of taxpayers, moderate-cost plan for the next 55% of taxpayers and liberal plan for the top 5%). Dollar amounts are the average income in each group. Calculations are based on capping the annual FIT deduction at \$4,000 for single and head of household filers and \$8,000 for married couples.



ALABAMA

Arise

ACTION

Untax Groceries Rally Tuesday,

March 15, 2022

12 - 1 p.m.

Alabama State House Steps, 11 South Union Street, Montgomery, AL 36130

Food should not be taxed. Join Arise members from across Alabama to support removing the state sales tax on groceries. Together we will rally to support legislation to untax food without hurting our education budget. Sack lunches will be provided. All supporters are welcome.



Register today at untaxgroceries.org.
#untaxgroceries



We will gather outside on the State House steps for this event starting at 11:45 a.m. In the case of inclement weather, we will gather inside the State House in Room 206. We request that participants wear masks both outdoors and indoors. Please register if possible to ensure we have enough materials.

For more information, call the Arise office at 800-832-9060.

