



Marshall Klein
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To the Maryland House Ways
and Means Committee,

My Name is Marshall Klein and I am the President of Klein's ShopRites of Maryland. Together with my family we own and operate nine Supermarkets in Harford and Baltimore Counties as well as Baltimore City. We employ over 1300 associates in these communities and service more than 120,000 customers each week. Thank you for the opportunity to submit testimony on HB1469, which proposes a tax on sugar-sweetened beverages to fund school meal programs. While ensuring that all students have access to nutritious meals is a worthy goal, this proposal would impose yet another financial burden on Maryland families who are already struggling with the high cost of living while providing limited benefits in terms of public health.

Maryland is one of the most expensive states in the country, and policies like this contribute to that reality. At a time when food prices are already increasing due to inflation, supply chain disruptions, and other economic pressures, an additional tax on grocery items will only make it harder for consumers to stretch their shopping dollars. The people who will bear the brunt of this tax are the very individuals who can least afford it—working families, seniors on fixed incomes, and those who rely on careful budgeting to make ends meet. While proponents of this legislation purport that this tax is discretionary as customers can simply chose to purchase items that are not subject to is this is not entirely accurate. Typical grocery items such as orange juice, apple juice, boxed drinks and others all contain added sweeteners as redefined by this bill. The additional tax on these items will increase their cost by anywhere from 20-50%. For example, a 64oz container of apple juice typically sells in our stores for 1.99 a unit. After this proposal that item would increase to \$3.27 or 64%. Due to the cost of production the 100% juice version of this item is already more expensive and this bill solely serves to limit the purchasing choices of families in the State.

Additionally, as we have seen in other jurisdictions there is not significant public health benefit that can be directly attributed to a tax on sweetened beverages. In Philadelphia, where a beverage tax was passed in 2017. There have been no studies published that have linked this tax to an increase in public health. This tax has however led to significant job losses, store closures, and higher prices for consumers. Instead of delivering on its promises, the tax forced many businesses to scale back operations or relocate while consumers either cut back on purchases or traveled outside city limits to avoid the added cost. Rather than reduce consumption the tax simply shifted the purchases to areas that were not subject to the tax. This lead to an economic decline in the grocery sectors of the city, and increased the barriers to addressing the issues of food deserts. Maryland cannot afford to make the same mistake, especially when small businesses and grocers are already grappling with economic uncertainty.

Finally, this proposal fails to acknowledge the natural competitive forces that keep grocery prices in check. If lawmakers are concerned about food affordability, imposing new taxes is precisely the wrong approach. Consumers should not have to bear the cost of policies that ultimately do little more than increase their financial strain. Rather than creating new taxes that punish consumers, we urge this committee to consider alternative ways to support school meal programs without making it more expensive for Maryland families to put food on their tables. I strongly encourage you to oppose this bill and instead focus on solutions that alleviate, rather than exacerbate, the financial burdens faced by residents. Thank you for your time and consideration.

Sincerely,



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