



March 24, 2009

## **An Open Letter to Governor Beebe: Veto the Milk Tax (HB 1451)!**

Dear Governor Beebe:

On behalf of the more than 3,000 Arkansas members of the National Taxpayers Union (NTU), I urge you to veto HB 1451 should it be approved by the Legislature. Such an arbitrary and regressive tax hike on dairy products is bad policy, and it reverses much of the good achieved by the grocery tax cut you signed into law last week. In addition, the scheme would be imposed in the midst of a serious recession that is hitting your citizens with tough times.

This tax increase brings with it a number of unintended consequences. Its impact will be especially felt by low-income families, since food purchases make up a larger part of their household budgets (which you noted when you signed the grocery tax cut last week). Because a large number of food products contain milk, prices at the supermarket will rise accordingly. This tax will also encourage Arkansans to opt for other beverages to avoid the milk tax. Because of the nutritional value of milk, such a policy could very well encourage consumption of less healthy alternatives simply out of financial considerations.

Most importantly, however, a tax increase of any kind could not be a worse idea in this economic climate. Farmers, retailers, and families will all feel the pinch as their cost burdens rise. Unfortunately, this particular hike affects the poor and health-conscious most adversely.

I urge you to stand up for Arkansas taxpayers and reject this onerous tax increase. HB 1451 is bad news for Arkansas families who are already struggling to make ends meet.

Sincerely,

Joshua Culling  
State Government Affairs Manager

CC: General Assembly