



AB 717: Sales Tax Exemption for Diapers

IN BRIEF

AB 717 would amend the Revenue and Taxation Code to exempt diapers for use by infants and toddlers from sales or use taxes.

THE PROBLEM

The cost of living in California continues to rise, especially for low-income families. Everyday necessities of life, such as diapers, are expensive. Diapers cost anywhere from \$72 to \$100 per child every month¹ or more, depending on a family's location. Despite being a necessity to the health and hygiene of young children, diapers are excluded through state and federal assistance programs for families.

Workforce Impacts

The inability to purchase sufficient diapers means that many low-income parents are unable to go to work or school. The overwhelming majority of child care programs, a critical resource in our economy for working families, require parents to provide anywhere from 5-10 diapers per day. When low-income Californians cannot afford the number of diapers required, the cost of diapers creates a barrier between parents and gainful employment.

Not being part of the workforce would prevent many parents from becoming financially self-sufficient perpetuating an environment of poverty and reliance on public assistance.

Missing child care due to diaper need is also a loss for the child themselves and for California's future workforce. The ability to participate in early education more than doubles a child's likelihood to go on to higher education.²

Public Health Impacts

It is documented that families living month-to-month and struggling with necessary expenses are put in the position of changing their children's diapers less often than needed due to a lack of diaper supply.³

This creates unhealthy consequences for the un-diapered child, family and the public, including potentially increased medical costs for the family and use of publicly subsidized health care.

¹ Low estimate: Dr. Raver, C. et al., "Huggies Every Little Bottom Study: Diaper need in the U.S. and Canada" (2010). And, <http://www.babycenter.com/baby-cost-calculator>. High estimate: <http://nationaldiaperbanknetwork.org/diapergap.html>

² UC Berkley Center for Labor Research and Education, *Economic Impacts of Early Care and Education in California*, 2011. Via the NationalDiaperBankNetwork.org

³ Smith MV., Kruse A., Weir A., Goldblum J. "Diaper Need and Its Impact on Child Health." *Pediatrics* 2013; *Vol. 132 No. 2 253-259*. Published online July 29, 2013.

Diaper Need

Diaper need is an increasingly recognized issue.

- There are six states which do not charge sales tax on diapers: Massachusetts, Minnesota, New Jersey, New York, Pennsylvania, and Vermont.⁴
- Immediately following our announced proposal to exempt diapers from sales tax was announced in January, Connecticut legislators followed suite with similar legislation of their own.
- 95% of Americans strongly agree that clean diapers are a basic need for children, and 97% agree that clean diapers are as important as shelter and food.⁵

THE SOLUTION

Providing an exemption for sales and purchases of baby diapers in California is part of the solution. This exemption could save families approximately \$100 (or, one month's worth of diapers) per child every year.

KEY GOALS

AB 717 would address health and workforce issues in three primary ways:

- **Keep dollars in the pockets of families:** Parents will be able to buy a month's worth of diapers, healthier products for their children, or reallocate funds to other needs with their tax savings.
- **Keep babies and the public healthy:** Dirty diapers can cause painful diaper rash, skin infection, blisters, and urinary tract infections. They can also spread viruses and bacteria in public places.
- **Ensure early education participation:** Increased affordability of diapers will help ensure that children stay in daycare and parents stay in work or school, contributing to the long-term financial self-sufficiency of Californians.

FOR MORE INFORMATION

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⁴ <https://diaperbanknetwork.wordpress.com/2012/06/29/does-your-state-charge-sales-tax-on-diapers>

⁵ Dr. Raver, C. et al., "Huggies Every Little Bottom Study: Diaper need in the U.S. and Canada" (2010).