



Assemblywoman Lorena Gonzalez, 80th Assembly District

AB 66: Extension of the Sales Tax Exemption for Diapers

IN BRIEF

AB 66 would extend the sunset in the Revenue and Taxation Code to exempt diapers designed for infants, toddlers, and children from sales taxes an additional five years.

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 essential to the health and hygiene of young children, diapers are not considered a basic medical necessity. According to the National Diaper Bank Network, one in three U.S. families cannot afford enough diapers to keep their baby clean, dry, and healthy.

Workforce Impacts: The inability to purchase sufficient diapers means that many low-income parents might have to miss a day of 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 to 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 childcare 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.

Diaper Need is an Increasingly Recognized Issue:

A survey led by NYU researchers found 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.⁴

On January 1, 2020, California joined eight states have a sales tax exemption for diapers (Connecticut, Massachusetts, Minnesota, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont⁵). However, the sales tax exemption for children's diapers in CA expires in 2021.

THE SOLUTION

AB 66 will extend the sales tax sunset on diapers an additional five years (until the end of 2026), which will provide families a long-term relief that will:

- **Keep dollars in the pockets of families:** Parents will be able to save approximately \$100 and can buy a month's worth of diapers 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 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.

In addition, an extension will provide businesses, consumers, and local governments predictability.

SUPPORT

Baby2Baby
 National Diaper Bank Network
 The Honest Company
 Western Center on Law and Poverty
 California Grocers Association
 California Health+ Advocates
 National Association of Social Workers – CA Chapter
 The Junior League of California State Public Affairs
 Committee and the Junior League of Riverside
 Feeding San Diego
 Planned Parenthood Affiliates for California

FOR MORE INFORMATION

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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 Berkeley Center for Labor Research and Education, *Economic Impacts of Early Care and Education in California*, 2011. http://laborcenter.berkeley.edu/pdf/2011/child_care_report0811.pdf

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.

⁴ Dr. Raver, C. et al., "Huggies Every Little Bottom Study: Diaper need in the U.S. and Canada" (2010).

⁵ <https://nationaldiaperbanknetwork.org/advocacy/state-issues/state-sales-tax/>