

February 14, 2023

Joint Committee on Taxation
100 State House Station
Augusta, Maine 04333-0002

Re: Instacart's Support for LD 287 / HP 185

Esteemed members of the Joint Committee on Taxation,

I am writing on behalf of Instacart to express our support for the aforementioned bills. Instacart is a grocery technology company that facilitates online shopping, delivery, and pickup services from brick-and-mortar stores across North America. In Maine, Instacart partners with over 20 retailers across more than 300 locations¹, helping them grow their businesses, serve their customers, and support their local communities.

While many are familiar with Instacart as a grocery delivery platform, we're committed to expanding access to *all* essential goods, including diapers. We've seen firsthand that online delivery can help people access the fresh food and essential items they need while saving time, managing their budgets, and eliminating transportation and mobility barriers. Because of this, we strive to leverage our technology and policy work to support sound policies such as this sales tax exemption for diapers to empower more individuals and families to have affordable and equitable access to household essentials.

By way of example, in the middle of the pandemic, Instacart pivoted quickly to meet the needs of some of the country's most vulnerable populations. We were proud to launch EBT SNAP on the Instacart platform and are now the largest online SNAP platform, offering the payment option in 49 states across over 9,000 stores. In Maine, we offer SNAP online ordering and delivery from over 120 locations.

Last year, Instacart worked behind the scenes to support families amid the infant formula shortage. We rolled out shopper guides to aid in identifying the best products and replacements, expanded our search functions to locate available formula more easily, and implemented purchase limits to ensure as many families as possible could access the formula they needed.

To further our commitment, we recently launched Instacart Health, a sweeping new initiative leveraging Instacart's products, platform, partnerships and policy advocacy to expand access to nutritious food and essentials. As part of Instacart Health, for example, we have committed to launching Temporary Assistance for Needy Families (TANF) benefits as a payment option on the platform this year. This will provide working and middle-class families who have been impacted by rising costs of inflation with another option to purchase essential items, including baby diapers. This is another way we are leveraging technology to help families access what they need most.

We applaud the leadership in this bill, as it acknowledges the financial burdens borne by parents and caretakers of young children, and serves as a vehicle to reduce regressive taxation policies and improve the health of our families and communities. According to the [Center on Budget and Policy Priorities](#), sales taxes deepen income and racial inequalities, as households with lower incomes pay disproportionately more of their income in sales taxes - in some cases almost eight times as much compared to high-income households.

This legislation will support many Mainers with young children and we offer our full support. We thank the committee members for their thoughtful review of our testimony and look forward to continuing to work with the legislature to ensure everyone has access to the groceries and household essentials they need.

Sincerely,

Thomas McNeil
Thomas McNeil
Head of Government Affairs, East Coast

¹ as of Q4 2022