Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1151 (Cervantes) – As Amended April 29, 2026

Policy Committee: Revenue and Taxation Vote: 6 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill explicitly adds "infant formula" to the list of food products exempt from taxation under the Sales and Use Tax (SUT) Law.

This bill specifies that the addition does not constitute a change in, but is declaratory of, existing law.

FISCAL EFFECT:

1) No General Fund revenue loss, as the Department of Tax and Fee Administration (CDTFA) has already clarified through its regulatory authority that baby formula and non-dairy formulas qualify as food products exempt from SUT.

2) Minor and absorbable costs to CDTFA to update related informational materials.

COMMENTS:

1) **Purpose.** According to the author, this bill "would codify the infant formula sales tax exemption" and "seeks to recognize infant formula as an essential item under the law, as a declaratory act, ensuring that financial burdens and supporting family stability and health are not imperiled."

2) **Infant Formula.** Existing law imposes SUT on the sale or use of tangible personal property, but provides an exemption for the sale or use of food products for human consumption and includes a list of various food and drink items. Notably, the list includes an exemption for milk and milk products. CDTFA has clarified through its regulatory authority and issued annotations that baby formula is a food product for human consumption exempt from taxation. This bill adds infant formula to the statutory list of exempted food products.

Analysis Prepared by: Irene Ho / APPR. / (916) 319-2081