SENATE THIRD READING
SB 1151 (Cervantes)
As Amended April 29, 2026
Majority vote

SUMMARY

Adds "infant formula" to the definition of "food products" exempt from taxation under the Sales and Use Tax (SUT) Law.

Major Provisions

1) Expands the existing definition of "food products" exempt from SUT to include "infant formula" as defined in Health and Safety Code Section 114094.5.

2) Provides that the statutory inclusion of infant formula is declaratory of existing law.

3) Takes immediate effect as a tax levy.

COMMENTS

1) *What would this bill do*? This bill would add "infant formula" to the definition of "food products" exempt from taxation under the SUT Law, and would provide that this addition is declaratory of existing law.

2) *Is this bill necessary*? Existing law already provides that milk and milk products are included within the definition of exempt food products under the SUT Law. In addition, the California Department of Tax and Fee Administration (CDTFA) has clarified through its regulatory authority that baby food is a food product for human consumption and has issued SUT annotations noting that baby formula and non-dairy formulas also qualify as food products exempt from taxation. As such, it is not readily clear to Committee staff what this bill is attempting to achieve. Moreover, to the extent greater definitional clarity is required, the Legislature may wish to consider whether this task would be better undertaken by CDTFA via its regulatory process.

According to the Author

The author has provided the following statement in support of this bill:

> SB 1151 would codify the infant formula sales tax exemption, ensuring that we continue to lower costs for parents purchasing formula, baby food, and related products. SB 1151 would tax-exempt the gross receipts from the sale in this state, and the storage, use, or other consumption in this state, of infant formula, to codify that infant formula is a food product. SB 1151 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.

Arguments in Support

None on file

Arguments in Opposition

None on file

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

1) No General Fund revenue loss, as the 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.

VOTES

SENATE FLOOR: 35-0-5
YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Padilla, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Valladares, Wahab, Weber Pierson, Wiener
ABS, ABST OR NV: Blakespear, Niello, Pérez, Reyes, Umberg

ASM REVENUE AND TAXATION: 6-0-1
YES: Gipson, Carrillo, DeMaio, McKinnor, Quirk-Silva, Michelle Rodriguez
ABS, ABST OR NV: Sanchez

ASM APPROPRIATIONS: 11-0-4
YES: Wicks, Hoover, Arambula, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Solache, Ta
ABS, ABST OR NV: Calderon, Pellerin, Sharp-Collins, Tangipa

UPDATED

VERSION: April 29, 2026

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