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## **New Campaign Calls Attention to Damage Caused by Philly Beverage Tax**

*Local consumers encouraged to let City Council hear that the tax hurts*

The Pennsylvania Food Merchants Association – in partnership with Philadelphia supermarkets, local bottlers and beverage companies, neighborhood stores, restaurants and movie theaters – launched a new grassroots campaign called “Ax the Bev Tax” to highlight how the Philadelphia Beverage Tax is hurting working families, local businesses and workers in the city and to help empower citizens to make their voices heard to their City Council members.

The new 1.5 cents per ounce beverage tax went into effect Jan. 1, 2017, despite the opposition of a majority of Philadelphians. The regressive tax hike has caused prices to skyrocket on more than 3,000 popular beverages, including juices, teas, sports drinks and low-calorie and diet options. The cost for a 2-liter has gone up \$1.01, a 12-pack has gone up \$2.16 and a 6-pack of diet green tea that used to cost \$4.99 now costs \$8.03.

Since the implementation of the tax, consumers have significantly reduced their purchases of beverages within the city given the higher price at the shelf and many consumers have left the city and are now purchasing them, as well as other items on their shopping lists, outside the city limits.

A groundswell of grassroots opposition to the tax has been building as working families struggle to afford the tax and local businesses and workers suffer as a result.

- “This is a tax on the working class,” said Dennis Fink, owner of Fink’s Hoagies in Northeast Philadelphia. “Most of my customers don’t have a lot of money and I’m hearing from them every day that this tax is sticking it to them where it hurts the most. We try to keep our prices low because we know the families who eat here have to pinch every penny, but this tax is more than our customers can afford.”
- “Hard-working Philadelphians are angry that this regressive new tax is drastically raising prices on thousands of common beverages and making it even harder to afford to live in the city,” said David McCorkle, president and CEO of the Pennsylvania Food Merchants Association, which represents hundreds of retailers across Philadelphia. “Our members are being crushed by this tax, with family-owned corner stores and supermarkets seeing steep declines in sales. This tax is driving sales outside of Philadelphia and threatening valuable community anchors that provide jobs and groceries in urban areas. The ‘Ax the Bev Tax’ campaign will ensure Philadelphia families know the truth about this destructive tax and will empower them to make their voices heard.”

The Philadelphia Beverage Tax has caused many middle class families to begin shopping in the suburbs, causing a major blow to Philadelphia-based businesses and leaving the burden of the tax to fall most heavily on working families who aren't able to leave the city.

- “This tax threatens the progress we have made in improving access to groceries in Philadelphia’s working and lower-income communities,” said Jeff Brown, president and CEO of Brown’s Super Stores Inc., which operates six supermarkets in the region. “Since this tax has gone into effect, stores in Philadelphia have seen steep declines in sales. This tax makes it much more difficult to continue opening supermarkets in food deserts.”
- “This tax has been devastating on stores like ours, which operate in neighborhoods that are very close to the suburbs,” said Sean McMenemy, president of McMenemy Family ShopRites, which owns two supermarkets in the Far Northeast. “Since the tax was put into effect, our customers have started shopping outside the city. This campaign will help us get the message out about the damage this tax is inflicting on Philadelphia families and businesses.”

As predicted this tax is also threatening family sustaining-jobs and incomes. City leaders owe it to Philadelphians to find a more equitable way to fund important programs like pre-K and other initiatives without causing so much hurt to working families and small businesses across the city.

- “Our business is challenging enough, and now this tax has caused the price of syrup to almost double,” said Andy Pincus, who owns Carbonator Rental Service, a Southwest Philadelphia company that sells syrup and carbon dioxide and rents beverage equipment to area restaurants. “Since the tax, my sales in the city have plummeted, and I’m afraid I may have to lay off some of my employees.”
- “This tax is having a devastating impact on our employees, customers and the communities they serve,” said local bottler Bob Brockway, president of Canada Dry Delaware Valley Corp. “No one wants tell a hardworking mom or dad whose paycheck is supporting their family that their income is being cut or even worse, their job is going away. Pre-k is important for our city, but there has got to be a better way to fund it without hurting so many people.”

Pain caused by the beverage tax is being felt by local businesses across the city from restaurants to movie theaters.

- “Philadelphia, a city known for its distinct cuisine from Philly cheese steaks to authentic Italian, has been experiencing an ongoing restaurant renaissance,” said John Longstreet, president and CEO of the Pennsylvania Restaurant and Lodging Association, which represents over 300 establishments in Philadelphia. “Restaurants operate on low margins and this tax has hurt thousands of them by making it even more difficult to provide the service and experience the citizens and visitors of Philadelphia deserve and expect. This new education campaign will highlight the pain felt by diners and restaurants because of this tax.”
- “Most of our ticket revenue goes to Hollywood studios,” said Gina DiSanto, president of the National Association of Theater Owners of Pennsylvania. “We rely on concession sales for profitability and this tax is making it even more difficult to operate in the city and provide entertainment to Philadelphia families.”

Educational materials will begin appearing in Philadelphia businesses negatively impacted by the tax, including supermarkets, neighborhood corner stores, movie theaters and local restaurants. The “Ax the

Bev Tax” campaign is supported by the Pennsylvania Food Merchants Association and local Philadelphia bottlers with the American Beverage Association. For information more visit [www.axthebevtax.com](http://www.axthebevtax.com).

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*Ax the Bev Tax is a broad coalition of concerned citizens, business owners, restaurants, movie theaters, and community organizations actively opposing Philadelphia’s 1.5 cents-per-ounce beverage tax.*