



FOR IMMEDIATE RELEASE:

SEPTEMBER 28, 2017

Philadelphia closes summer nearly 15 percent short in beverage collections
Continued collections failures come as Chicago area prepares to take up beverage tax repeal measure

Contact: Anthony Campisi
(215) 735-6760
Anthony@Ceislermedia.com

Even the summer barbecue season wasn't enough to salvage Philadelphia's failing beverage tax.

The city closed the summer season with August beverage tax revenues coming in nearly 15 percent short of projections – despite repeated promises by administration officials that beverage tax collections would improve.

Since the 1.5 cents per ounce tax went into effect in January, the city has never hit its projections of \$7.5 million a month – numbers that were promised to City Council and to Philadelphia voters. Tax collections were millions of dollars short of the revenue goal for the first six months of the tax and the shortfalls continue.

This has forced the mayor to repeatedly move the goalposts by regularly lowering the bar to make it seem like tax collections are meeting expectations.

August's final beverage tax revenues were virtually unchanged from July's, again falling \$1 million short of what is needed on a monthly basis to meet revenue projections.

"These numbers are just the latest sign that Mayor Kenney's destructive tax is not a sustainable source of revenue for the city," said Dave McCorkle, President Emeritus of the Pennsylvania Food Merchants Association, which represents supermarkets and convenience stores across the state. "This regressive tax has pushed Philadelphia families to shop in the suburbs, hurting local businesses and forcing the elimination of more than 200 unionized jobs in the city's supermarkets."

The news comes as officials in the Chicago area prepare to take up legislation to repeal a similar beverage tax that was imposed on local residents. The vote is set to occur mere months after the Cook County Board of Commissioners imposed a tax on the county, which includes Chicago, and follows an intense backlash from families, consumers and local businesses.

“Former New York Mayor Michael Bloomberg is running scared in Chicago and has spent more than \$2 million since June running commercials in Philadelphia trying to boost support for this failed public policy,” McCorkle said. “But Philadelphia families are too smart to be taken in by the Bloomberg-Kenney Nanny State agenda and resent being pawns in Bloomberg’s national ambitions. Bloomberg is an outsider who isn’t concerned at all about the people of Philadelphia who have lost their jobs as a result of this tax. And every day this tax continues, Mayor Kenney shows that he isn’t either.”

Numerous reports and studies show that Philadelphia’s tax is hurting local families and businesses even as it fails to collect that taxes city officials have promised.

A recent study by Saint Joseph’s University Professor John L. Stanton found that local supermarkets are losing more than \$300,000 a month each. And a study by City Controller Alan Butkovitz found that total supermarket sales of Jeff Brown’s ShopRites and Fresh Grocers located in Philadelphia fell 13 percent in the first six months of the year.

In addition, the tax has forced local bottlers to cut more than 150 positions, reducing the number of family-sustaining, blue collar, union jobs in a city with a poverty rate greater than 25 percent.

###

The Ax the Bev Tax Coalition is a partnership between Philadelphia families and businesses negatively impacted by the city’s new regressive beverage tax. For more information visit www.axthebevtax.com.