



FOR IMMEDIATE RELEASE:

October 19, 2017

Local Business and Labor Leaders to Call on City Council to follow Chicago area's Lead and Repeal Destructive Beverage Tax

Contact: Anthony Campisi
(215) 735-6760

Anthony@Ceislermedia.com

Speaking before Philadelphia City Council's weekly session, local business and labor leaders called on councilmembers to follow the Cook County Board of Commissioners' lead and repeal the regressive and economically destructive beverage tax.

The press conference builds on the momentum generated by the Cook County Board of Commissioners' decision last week to repeal a similar Chicago-area beverage tax only two months after going into effect because the tax is hurting local businesses and costing local jobs.

Jeff Brown, whose company owns seven ShopRites and Fresh Grocers located in the city, said that four of his stores are now unprofitable because of the beverage tax.

"Collectively, our ShopRite stores in Philadelphia employ close to 3,200 associates," Brown said. "In my six ShopRite stores alone, sales are down an average of 15 percent storewide – and my beverage sales are down nearly 60 percent since the tax took effect in January. We all have less jobs, less opportunity because of this beverage tax. Let's not reverse 30 years of progress in ending food deserts in our city."

The beverage tax, Brown said, violates a social contract the supermarket industry entered into when it agreed to open up stores in low-income neighborhoods to tackle the pressing problem of a lack of access to fresh groceries.

The tax is now putting that initiative at risk and has forced Brown to drastically cut hours at his stores. More than 200 fewer people work at Brown's stores this year because of the tax.

At the same time, the tax is devastating the employees who bottle and deliver beverages – forcing the layoff of more than 150 workers, according to Danny Grace, Secretary-Treasurer of Teamsters Local 830.

"Family-sustaining blue collar jobs with competitive pay, health care benefits and pensions that have been driven out of our city because of this tax," Grace said. "The take-home pay of Local 830's commissioned drivers and sales people are down a staggering 50 percent. The take-home pay of our

union’s production workers, warehouse workers and drivers is down 15 percent. This tax has devastated our union.”

These family-sustaining blue collar jobs with competitive pay, health care benefits and pensions have been driven out of our city because of this tax.

Brown and Grace were joined by several small business owners who have also seen devastating impacts because of the tax.

Miguel Peralta moved to the United States from the Dominican Republic to build a better life for his family. He opened the Corner Food Market in North Philadelphia seven years ago.

“Since the soda tax was put in place in January, my total sales have fallen 30 percent – forcing me to lay off two employees in one of the poorest parts of the city,” Peralta said. “If councilmembers want to support immigrant business owners like me, they’ll get rid of this destructive tax.”

While the Ax the Philly Bev Tax Coalition supports programs like pre-K, members called on City Council to find sustainable ways of funding these initiatives that don’t involve raising taxes on working families – including by redirecting the more than \$50 million in new annual recurring revenue from commercial property reassessments.

The victory in the Chicago area is the second time in recent months beverage taxes were defeated.

Voters in Santa Fe, N.M., decisively rejected a similar levy in May after it was put to a vote.

And in Philadelphia, polls highlight that Philadelphia’s beverage tax is becoming even more unpopular over time.

Sixty-two percent of voters remain opposed to the tax – up from 59 percent in May.

The growing opposition comes even after former New York Mayor Michael Bloomberg spent more than \$2 million over the summer on a media blitz seeking to increase support for the tax.

###

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.