



FOR IMMEDIATE RELEASE

Contact: David Goldenberg
Office: (312) 768-4743; Mobile: (202) 277-7349
Email: david.goldenberg@resoluteconsulting.com

Can the Tax Statement on Temporary Restraining Order Blocking Cook County Beverage Tax from Going into Effect on July 1

(CHICAGO - June 30, 2017) - The Can the Tax Coalition issued the following statement in response to today's issuance of a temporary restraining order blocking the Cook County beverage tax from going into effect on July 1, 2017:

"While the Can the Tax Coalition is not a party to the lawsuit, we strongly support the judge's decision to delay implementation of Cook County's flawed and unfair beverage tax. Ultimately, we hope the court weighs the mounting evidence that this tax is unworkable and throws the law out.

"Cook County working families have spoken and now a judge has spoken. It's time for Commissioners to do the right thing and repeal this tax. They need to go in a new direction."

In recent weeks, Cook County's beverage tax been called ["steep"](#), ["illogical"](#), ["regressive"](#), ["implemented on false pretenses"](#), ["riddled with contradictions"](#), ["a bookkeeping nightmare for business owners"](#), ["nothing to do with obesity"](#), ["a disingenuous money grab"](#) and ["aimed at wallet, not waistline"](#).

The tax's implementation has been called ["a mess"](#) and ["not ready for prime time"](#), while causing ["great confusion because of a lack of transparency"](#). Business owners have warned the tax is ["going to be really rough on consumers and on jobs"](#) while Cook County residents ["are likely to take their grocery business elsewhere"](#) and the tax is ["going to hurt sales"](#).

Earlier this week, [hundreds of Cook County residents, retailers, restaurants, businesses and concerned citizens rallied](#) to call on the Cook County Board to repeal the beverage tax before it goes into effect.

-more-



FOR IMMEDIATE RELEASE: Can the Tax Statement on Temporary Restraining Order (cont.)

Background on the Cook County Beverage Tax

On July 1, the new Cook County Beverage Tax will increase prices on more than 1,000 different products. Juice drinks, sports drinks, flavored water, iced tea, pop and lemonade will all be taxed.

Under the new tax, Cook County residents will be paying significantly more when buying some of the most commonly purchased beverages. For example:

Item	Original Price**	New Cook County Beverage Tax	New Cost**	Increased cost due to Beverage Tax rate**
2-liter	\$0.99	\$0.67	\$1.66	67%
Gallon (juice, iced tea, etc.)	\$2.99	\$1.28	\$4.27	43%
Case of cans	\$7.99	\$2.88	\$10.87	36%
12-pack	\$4.99	\$1.44	\$6.43	29%

****Does not include the 3% City of Chicago soft drink tax or 10.25% State and Cook County sales tax**

The impact of Cook County’s beverage tax could be devastating, including an estimated 6,100 lost jobs, \$321 million in lost wages and \$1.3 billion in lost economic activity (Dunn & Associates, 2016).

Cook County’s development of regulations and guidance to administer the tax has been called “a mess” by the Chicagoland Chamber of Commerce and there are concerns about the transparency of the regulations and ability for businesses to comply by July 1. The county has admitted the tax is broken and made five major changes to the regulation between June 1 and June 20, leaving less than two week for Cook County retailers, restaurants and businesses to try and comply with and the new regulations. But there have been no public comments or review of the new regulations or County Board consideration of the significant changes.

A similar beverage tax went into effect in Philadelphia on Jan. 1, 2017. In just six short months, Philadelphia businesses, consumers and workers have experienced economic losses far greater than originally predicted, including:

- **Beverage sales plummeted as much as 50 percent** at some local groceries and local beverage distributors reported up to a **45 percent decline in sales. Sales increased at retail outlets just outside Philadelphia** city lines, though not enough to offset the decline in sales within the city. ([Bloomberg Markets, 2/17/17](#))

-more-



FOR IMMEDIATE RELEASE: Can the Tax Statement on Temporary Restraining Order (cont.)

- The **equivalent of more than 400 jobs have been lost** through layoffs and cutbacks in hours at local retailers, restaurants and manufacturers ([Bloomberg Markets, 2/17/17](#); [Philly.com, 3/1/17](#); [Philly.com, 4/28/17](#))
- Philadelphia’s Controller announced the city **inflated revenue projections from its beverage tax** and is **17% short of the city’s projections**, creating a “potential **multi-million dollar burden on the city...**” The city is \$20 million short of this year’s \$46 million goal with only two months left in the fiscal year ([“Controller Butkovitz Raises Concerns Over Beverage Tax Shortfalls,” 6/13/17](#)).

Given the negative impact the tax will have on Cook County residents, the county’s on-going changes to the tax’s regulations and enormous confusion that exists, the only logical conclusion to a regulation so fraught with problems is to repeal. The county board needs to explore other, more equitable means of closing the county’s budget gap.

The *Can the Tax* Coalition is working to inform and educate Cook County residents, consumers and businesses about the devastating impact the beverage tax will have if it goes into effect, and urge Cook County Board members to repeal the tax.

About the Can the Tax Campaign and Coalition

The *Can the Tax* coalition is an initiative of more than a dozen organizations in Cook County uniting to educate Cook County consumers, businesses and news media about the negative impact of the Cook County beverage tax on our local consumers and businesses. The Coalition will urge the Board of Cook County Commissioners to repeal the beverage tax to ensure Cook County residents have access to affordable consumer products and avoid the lost jobs and harm the tax will cause working families. Campaign activities are paid for by the American Beverage Association, a member of the *Can the Tax* campaign and coalition. To learn more, visit [StopTheCookCountyTax.com](#).

###