



COALITION URGES SEATTLE CITY COUNCIL TO REJECT BEVERAGE TAX

Regressive tax on sweetened drinks would hit local businesses and working families the hardest

SEATTLE, May 3, 2017 – Representatives of Seattle’s small businesses and working families gathered at City Hall today for the first public hearing on a proposed “sweetened beverage tax,” which they said would damage the economic health of the city’s most vulnerable communities.

The hearing, which was held by the City Council’s Standing Committee on Affordable Housing, Neighborhoods & Finance, comes a day after voters in Santa Fe, New Mexico, overwhelmingly rejected a similar tax on sugar-sweetened beverages.

“Many of my customers work hard but struggle to make ends meet,” said Husik Harutyunyan, owner of Z Food Mart. “If my customers no longer can afford to buy what they want at my store, how will I be able to pay my bills and my other expenses?”

Daniel Kim, executive director of the Korean American Grocers Association of Washington, agreed. “As small businesses already struggling with an excessive amount of taxes, fees and regulations, we are deeply concerned about Mayor Murray’s proposed tax on beverages, and the harmful consequences it will undoubtedly have on Seattle’s working class.”

The proposed tax would assess 1.75 cents per ounce on more than 1,000 sugar-sweetened beverages – including energy and sports drinks, juice drinks, sweetened teas and ready-to-drink coffees – as well as beverages with no sugar at all, and syrups used in coffee drinks.

A tax of 1.75 cents per ounce adds up. For example, the cost of a 12-pack of 12-ounce canned drinks would increase \$2.52 under the proposal, while a 10-pack of 6-ounce juice boxes would increase \$1.05. And the price of a typical 2-liter bottle of soda would more than double, jumping from 99 cents to \$2.17.

According to the Mayor’s Office, the proposed tax would generate \$23 million of revenue, which it says is needed to close the education gap and for nutrition assistance programs. However, local media have reported that the city is “awash in cash” with a large revenue surplus, even as the mayor and the city council seek to impose other new taxes.

Because the tax is regressive in nature, it will disproportionately hit working-class and low-income families. It also jeopardizes local workers with jobs in the grocery and beverage industries.

“This tax will impact literally thousands of good paying jobs in Seattle, from people working on the manufacturing line at a local distributor, to the people who deliver these products to stores and ultimately put

them on the shelf,” said Pete Lamb, business agent for Teamsters 174. “We simply cannot and will not support this tax.”

Here’s who the tax would impact:

- **Consumers** – Families living on already tight budgets are hit the hardest by the regressive tax since groceries make up a larger percentage of their budgets than those of families with higher incomes.
- **Grocery stores** – Convenience stores and corner groceries will see the cost to stock their shelves increase significantly. They also will see sales decrease as customers choose to do without or shift their shopping to nearby stores outside the city limits.
- **Restaurants** – Restaurant owners who purchase syrup for fountain drinks in bulk will see costs for these syrups jump significantly, more than doubling. In some cases, the cost of sweetened beverages could be more than the food customers order.
- **Coffee shops** – While milk-based drinks are exempted, customers who like to add flavored syrup to their espresso beverages will pay more, hitting independent espresso stands particularly hard.
- **Employees** – Employees of small businesses that are already struggling to keep up with additional costs could face reduced hours or even job losses.

About Keep Seattle Livable for All

Keep Seattle Livable for All is a coalition of more than 150 concerned citizens, businesses and community organizations actively opposing new taxes on everyday items like juice drinks, diet beverages, sodas, teas, sports drinks and ready-to-drink coffee beverages. We’re taking a stand because Seattle citizens can’t afford to pay even more at grocery stores, convenience stores and restaurants. To learn more about the proposed tax and how to add your voice to those who already have expressed their concerns about it, visit www.keepseattlelivableforall.com.

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