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Chicago families and local businesses say good-bye to destructive beverage tax
Philadelphia Retailers, Small Business Owners Call on City Council to Repeal Tax
Now

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Chicago-area families said good-bye to their destructive beverage tax today, when a repeal of the hated levy finally went into effect.

The Cook County Board of Commissioners voted overwhelmingly in October to repeal the Chicago-area beverage tax just two months after it went into effect. The swift about-face followed widespread voter and consumer outrage.

Today's news came just days after the Kenney administration reported its second lowest monthly beverage collection figures since Philadelphia's tax went into effect in January – falling nearly 20 percent below projections and coming in \$1 million over the previous month. The city has never met its full collections target and is on track to end the year millions of dollars below its projections, further highlighting that this tax is not a sustainable source of revenue.

"It's time for Philadelphia's elected officials to learn the lesson of Cook County," said Dave McCorkle, President Emeritus of the Pennsylvania Food Merchants Association, which represents supermarkets and convenience stores across the state. "While families and local businesses in Chicago are finally getting the relief they need, here in Philadelphia local supermarkets are still bearing the brunt of a tax that is even higher than the Chicago rate and is costing them a crushing \$300,000 month, according to a study conducted by Saint Joseph's University Professor John Stanton. Our elected officials need to listen to the will of the people and repeal a tax that is hurting the Philadelphia economy and costing jobs."

Recent polling highlights 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 Cook County Board of Commissioners changed course followed intense pressure from a broad coalition of local businesses, labor leaders and families, who oppose the tax because it dramatically raised prices and caused shoppers to leave the county to buy groceries – hurting local businesses.

Tax opponents in Cook County frequently cited the tax's devastating impact on Philadelphia, where our 1.5 cents per ounce levy on thousands of beverages has cost hundreds of family-sustaining, union jobs at local bottling plants, among Teamsters and at local supermarkets that provide important employment opportunities in some of the poorest sections of Philadelphia.

A recent editorial from the Chicago Tribune hailed the repeal, noting that the Cook County commissioners were able to balance its budget without the regressive new tax – despite hysterical doomsday predictions from tax supporters.

“They heard from their constituents, loud and clear. They were reminded whom they work for, and they won't soon forget,” The Tribune wrote. “After voters put their foot down, the county figured out how to balance its budget anyway. That's the real taxpayer triumph.”

The Cook County repeal news is the latest victory for families and local businesses across the country, who have been successfully fighting back against a series of discriminatory tax proposals that cost local jobs and hurt local businesses.

Voters in Santa Fe, N.M., decisively rejected a similar levy in May after it was put to a vote. Santa Fe Mayor Javier Gonzales, who was previously contemplating a gubernatorial run and was viewed as a rising star in state politics, opted against seeking a second term as mayor following a strong backlash against the tax.

In Philadelphia, local ShopRite and Fresh Grocer owner Jeff Brown has been forced reduced the workforce at his stores by more than 200 employees. In addition, local bottlers have been forced to reduce their workforces by about 150 employees as sales have plummeted in the city. And families who own restaurants and corner stores across the city have been forced to lay off employees or reduce hours as they struggle to survive the tax's aftermath.

“This tax is having a disproportionate impact on supermarkets located in some of Philadelphia's poorest communities,” McCorkle said. “The city should be pursuing policies that grow jobs and lift families out of poverty – not ones that make it more difficult for local businesses to succeed. We support the programs this tax is supposedly paying for, but the city must find a better way to pay for them.”

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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.