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Cook County Commissioners vote to repeal Chicago-area beverage tax
Philadelphia Retailers, Small Business Owners Call on City Council to Do the Same

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Following widespread voter and consumer outrage, the Cook County Board of Commissioners voted overwhelmingly today to repeal a Chicago-area beverage tax that went into effect just two months ago.

The decision to repeal Cook County's tax is just the latest victory for families and local businesses across the country, who have been fighting back against discriminatory tax proposals that cost local jobs.

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.

Cook County's dramatic decision to repeal its beverage tax came as Cook County commissioners head into a contentious local election where their past support of the beverage tax has become a major campaign issue.

The course change followed intense pressure from a broad coalition of local businesses, labor leaders and families, who oppose the tax because it is dramatically raising prices and causing shoppers to leave the county to buy groceries. They also feared the tax would result in the same devastating impacts to jobs, small businesses and working families Philadelphia has experienced as a result of the 1.5 cent per ounce tax on beverages passed by City Council in the summer of 2016.

Local editorial boards, including the Chicago Tribune and the Chicago Sun-Times, also excoriated the regressive tax as a money grab on the backs of low-income families and called on the county commission to do a better job of managing the budget instead of resorting to an unfair tax.

"I'm listening to what the people have said," Cook County Commissioner Dennis Deer told the Chicago Tribune, noting the immense public outcry against the tax. "It was consistent, so why continue to wait? The people have spoken."

Philadelphia's tax is even larger than the Cook County 1 cent per ounce tax. Both taxes were imposed on large metropolitan areas with high levels of poverty – despite strong opposition from local residents and are being backed outside interests, including former New York Mayor Michael Bloomberg.

“Philadelphia's elected leaders should 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. “Cook County voters forced their elected leaders to roll back a regressive tax that was decimating local businesses and threatening family-sustaining union jobs. Beverage taxes are bad public policy, which is why they're being rejected across the country. It's time for Philadelphia's elected officials to listen to their constituents and do the same thing.”

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

“These poll numbers highlight that Philadelphia voters don't believe outsiders like Michael Bloomberg,” said McCorkle. “They know that their friends, neighbors and family members are struggling with job losses because of the tax and are paying more at the supermarket checkout line.”

Nearly 70 percent of Philadelphia voters said they would vote to replace city councilmembers who supported a beverage tax.

The Ax the Philly Bev Tax coalition agrees that the programs Mayor Kenney claims money from the beverage tax is needed for are important, but these programs need to be funded in a fair manner and not with a discriminatory tax that disproportionately impacts low-income residents and has caused large-scale job losses.

Almost 60 percent of Philadelphia voters said they planned to shop in the suburbs because of the tax – matching numerous studies showing that supermarkets in the city are losing sales.

Local supermarkets have reduced their workforces by more than 200 employees in response. In addition, local bottlers have been forced to reduce their workforces by about 150 employees as sales have plummeted in the city.

The tax has also devastated local corner store owners, who have been forced to lay off workers and have seen steep declines in sales thanks to the tax.

“I came to this country from the Dominican Republic in 1997 to build a better life for my family,” said Maribel Valdez, who owns the Bonsall Grocery in the Strawberry Mansion section of North Philadelphia. “But since this tax went into effect, my sales have fallen by more than 30 percent. I've had to lay off two employees. This tax is hurting my family and needs to stop.”

Yoelbi Torres, who owns the Kailey Grocery store in Oxford Circle, agreed.

“I opened my store five years ago to build a better life for my family,” he said. “But my sales have dropped 40 percent since the tax went into effect in January, and I've had to lay off a worker. This tax is affecting sales of all items in my store, and City Council needs to repeal it.”

A copy of the recent poll conducted by David Binder, a pollster for President Obama, and commissioned by American Beverage Association, is attached.

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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.