



SEATTLE PROPOSES MASSIVE TAX ON SMALL BUSINESSES, LOW-INCOME FAMILIES

Beverage tax would disproportionately hit Seattle's most vulnerable residents and business people

SEATTLE, April 27, 2017 – Details released today about the city's proposed beverage tax reinforce concerns voiced by more than 150 small business owners and local labor leaders that the tax would cause significant economic harm.

According to a draft of the legislation released by Mayor Ed Murray's office, the proposed "Sweetened Beverage Tax" would assess a tax of 1.75 cents per ounce on a broad range of sugar-sweetened beverages – including energy and sports drinks, juice drinks, sweetened teas and ready-to-drink coffee drinks – as well as beverages with no sugar at all, and syrups used in many popular coffee drinks. The tax would not apply to 100-percent fruit juices or sweetened milk-based products, many of which contain as much or more calories from sugar.

Although 1.75 cents per ounce might not sound like much, the mayor's office estimates that the tax will raise \$23 million a year to fund "investments in education and food access" programs. But some estimates suggest that amount could actually be much higher, making the tax all the more harmful to the economic health of the small business community.

"This beverage tax is a business killer, especially a small business killer," said Gurdev Singh Mann, who has owned King's 76 in Seattle's Rainier Valley neighborhood since 1995. "Where does it stop? The city's spending is going through the roof. But instead of living within their budget, they just keep looking for who they can tax more."

Under the proposal, nearly every beverage in stores would see a sharp spike in costs, with more than 1,000 beverages affected and wholesale prices increasing an average of 60 percent. Here some examples of what consumers could pay:

- The price of a typical 99-cent 2-liter bottle of soda would jump \$2.17.
- A 12-pack of 12-ounce canned drinks could cost an extra \$2.52.
- A 10-pack of 6-ounce juice boxes would cost an extra \$1.05.

While the proposed tax will be levied at the distributor level, here's how it's expected to impact others:

- **Grocery stores** – Convenience stores and corner groceries have seen the cost to stock their shelves increase significantly while sales have decreased as customers simply do without or make their purchases at nearby stores outside the city limits.

- **Restaurants** – Restaurant owners who purchase syrup for fountain drinks in bulk will see their costs for these syrups jump significantly, more than doubling. In many cases, the cost of sweetened beverage could be more than the food customers order.
- **Espresso stands** – While milk-based drinks are exempted, customers who like to add a few pumps of 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, as could employees at local distributors.
- **Consumers** – Working-class 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.

Here's what others have to say about the proposed beverage tax:

- “I just don't get it. Why would our City Council want to proceed with a massive tax on our diverse small business community and our city's low-income families? There has to be a better way to raise revenue than hurting our most vulnerable residents and business people.” – **Lewis Rudd, Ezell's Famous Chicken**
- “This proposed tax would destroy well-paying jobs in the city. The Teamsters will not support a tax that will put hardworking middle-class Americans out of a job, no matter how well-intentioned the tax may be.” – **Teamsters Local 174 Secretary-Treasurer Rick Hicks**
- “It's a sad day that despite the efforts of local businesses to engage Mayor Murray and other city leaders, they're determined to move ahead with a tax that will substantially increase costs for local businesses and our customers.” – **Jennifer Cue, Jones Soda**
- “We are also uniquely affected because we provide a concentrate rather than bottles. It is not a finished product until it is mixed with water when dispensed. Since our product comes in 3 to 5 gallon containers which produce 18 to 30 gallons of finished product, this magnifies the tax, more than doubling the cost of the product to our customers. Plus there is already a state syrup tax, so this represents an additional tax on the same product.” – **Bob Bisordi, Natural Wave Beverages**

The City Council is expected to discuss the proposed beverage tax at its first meeting in May. 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.

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. For more information, visit www.keepseattlelivableforall.com.

For more information, or to speak to coalition members quoted in this release, contact:

Jack Evans, (425) 753-9563