

# City of Philadelphia



## Council of the City of Philadelphia Office of the Chief Clerk Room 402, City Hall Philadelphia

(Resolution No. 250028)

### RESOLUTION

Authorizing the Committee on Labor to Hold Hearings Exploring the Sugar-Sweetened Beverage Tax and its Impact on Philadelphia Businesses, Trades, and Consumers

WHEREAS, In 2017, the Council of the City of Philadelphia levied *The Sugar-Sweetened Beverage Tax (SBT)*, covering the distribution of sweetened beverages intended for resale in Philadelphia. This includes any non-alcoholic beverage that lists sugar or any other sweetener as an ingredient. The current tax amounts to \$0.015 per ounce of sweetened beverage, and requires Philadelphia consumers to pay, on average, an additional 32 percent for sweetened beverages; and

WHEREAS, Since the implementation of the *SBT* in 2017, PepsiCo reported an 80 to 100 employee layoff and 40 percent decrease in sales, Coca-Cola reported a 40-employee layoff and 32 percent decrease in sales, and the American Beverage Association reported a 1,192-employee layoff with a 29 percent decrease in sales; and

WHEREAS, Additionally, Philadelphia-area small businesses, including supermarkets, restaurants, and other retailers, have faced challenges in balancing profits and sales. A 2021 study found that within two years of the tax implementation, audits of independent food retail stores passed 137 percent of the tax onto consumers. Philadelphia supermarket owners have reported a 25 percent decline in business following the *SBT*'s passing, which they have linked to the closing of stores, most recently with a West Philadelphia ShopRite; and

WHEREAS, Teamsters Local 830, representing Philadelphia workers in the beverage industry, reported a 43 percent drop in Philadelphia sweetened beverage sales, while sweetened beverages within a five-mile radius of Philadelphia's border are up 20 percent; and

WHEREAS, Beverages affected by the *SBT* are most commonly affordable and readily accessible to low-income households. Those living in food deserts end up footing the bill while more well-off consumers leave the *SBT*'s purview to purchase beverages, and consequently their groceries, elsewhere; and

# City of Philadelphia

*RESOLUTION NO. 250028 continued*

WHEREAS, The goal of the *Sugar-Sweetened Beverage Tax* was to improve public health and fund vital programs. However, it is imperative that we reexamine the success and equitability of the *SBT*, especially its impact on the most vulnerable populations of Philadelphia; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, Hereby authorizes the Committee on Labor to hold hearings exploring *The Sugar-Sweetened Beverage Tax* and its impact on Philadelphia businesses, trades, and consumers.

# City of Philadelphia

*RESOLUTION NO. 250028 continued*

CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the twenty-third day of January, 2025.

Kenyatta Johnson  
PRESIDENT OF THE COUNCIL

Elizabeth McCollum  
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Harrity

Sponsored by: Councilmembers Council President Johnson, Councilmembers, Harrity, Landau, Lozada, Young, Brooks, O'Rourke, Driscoll, O'Neill and Bass