

Legislation Text

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Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," by adding a new Chapter 19-3600, entitled "Sugar-Sweetened Beverage Tax," under certain terms and conditions.
THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Title 19 of The Philadelphia Code is amended to read as follows:

TITLE 19. FINANCE, TAXES AND COLLECTIONS.

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CHAPTER 19-3600. SUGAR-SWEETENED BEVERAGE TAX.

§ 19-3601. *Definitions.*

In this Chapter, the following words and phrases shall have the meanings given to them in this Section, unless the context clearly indicates otherwise:

(1) Sugar-sweetened beverage. Any non-alcoholic beverage which lists any form of sugar, including high fructose corn syrup, as a listed ingredient; or which is prepared at the point of sale by mixing water with any syrup which lists any form of sugar, including high fructose corn syrup, as a listed ingredient; except that sugar-sweetened beverages shall not include baby formula. Sugar-sweetened beverages include, but are not limited to, soda; non-100%-fruit drinks; sports drinks; flavored water; energy drinks; and pre-sweetened tea. Sugar-sweetened beverages do not include unsweetened drinks to which a purchaser can add, or can request that a seller add, sugar, at the point of sale. The Department of Public Health is authorized to promulgate regulations to clarify the inclusion or exclusion of particular products.

§ 19-3602. *Imposition and Rate of the Sugar-Sweetened Beverage Tax.*

(1) There is hereby imposed a tax on the privilege of selling at retail any sugar-sweetened beverage, including but not limited to sales of pre-packaged beverages, sales of fountain beverages, sales at restaurants, and sales from vending machines.

(2) The rate of tax shall be two cents (\$.02) per ounce sold of pre-packaged beverage; and 18 cents (\$.18) per ounce of syrup used for sales of fountain drinks; all subject to the following adjustments:

(a) The rate for each calendar year (or such other accounting year allowed by the Department) commencing on or after January 1, 2011, shall be certified by the Department to the Chief Clerk of Council no later than the immediately preceding December 15. The Department shall calculate the rate by multiplying the then-current rate by the CPI Multiplier. The CPI Multiplier shall equal the ratio of the most recently published Consumer Price Index for All Urban Consumers (CPI-U) All Items Index, Philadelphia, Pennsylvania, United

States Department of Labor, Bureau of Labor Statistics (“CPI”), on December 15 to the most-recently published CPI on the immediately preceding December 15. The rate shall be expressed in dollars per ounce, rounded to the nearest one-ten-thousandth of a dollar (four decimal places).

(3) For administrative convenience, a retail seller of sugar-sweetened beverages may claim a presumption that the amount of sugar-sweetened beverages or syrup purchased by the retailer for resale equals the amount sold at retail.

§ 19-3603. Payment of Tax.

(1) Every retail seller of sugar sweetened beverages shall submit annually, or on such other schedule as the Department shall determine by regulation, a return and payment, in such form as the Department shall provide.

SECTION 2. This Ordinance shall be effective July 1, 2010, and shall apply in addition to any other applicable tax, including any tax under Chapter 19-2600 of The Philadelphia Code.

Explanation:

Italics indicate new matter added.