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June 7, 2016

Council President, Darrell L Clarke  
City Council of Philadelphia  
City Hall, Room 313  
Philadelphia, PA 19107-3290

Dear Council President Clarke,

We, the following pro-growth, pro-job, free-market advocates are asking you to oppose Mayor Jim Kenney's plan to impose a 3 cents-per-ounce tax on more than 1,000 beverages—the Philly Grocery Tax. The proposed Philadelphia-only tax will—as former Governor Ed Rendell made clear—unfairly hurt the city's poorest residents while its wealthiest citizens will be able to avoid the tax altogether.

Lower income families and individuals may not have access to larger supermarkets that offer a wider variety of less expensive options. Or they may not own cars that allow them to travel outside the city for their grocery shopping. Or they may not have access to safe, reliable public transportation.

The Grocery Tax will rob many families and individuals of precious dollars from their household budgets. Fewer jobs and less income will mean many parents will spend less time with their children. Keeping children from their parents and families—their first, best teachers—ironically undermines what the Mayor hopes to achieve through universal pre-K.

Families and children will suffer under the Kenney tax, as will single adults and young people living paycheck to paycheck. Jobs will flee, wages will stagnate, and Philly's poorest residents will suffer the most.

### **A tax on beverages is fundamentally unfair in two respects.**

- First, such a tax is regressive, betraying the principle of tax fairness. Mayor Kenney's tax will disproportionately harm low-income individuals, as they spend a larger portion of their income on consumer goods like soda, and may not have the means to travel outside the city to shop.
- Second, Mayor Kenney's tax is arbitrary. There are many types of goods and services that could have been Mayor Kenney's target, but the Mayor is



specifically targeting sugary beverages. Arbitrary taxation creates economic uncertainty, hurting job growth and wage increases.

Good tax policy should be pro-growth, simple, and fair. Mayor Kenney's proposed Grocery Tax is none of these things.

The Mayor's tax will hurt Philly's poorest residents by driving up grocery bills and forcing businesses and jobs to flee Philadelphia for the suburbs.

This unfair, unsustainable tax should be defeated. Our hope is that the Philadelphia City Council will reject Mayor Kenney's Grocery Tax.

Thank you,

Julie Gunlock – Senior Fellow, Independent Women's Voice  
Matt Brouillette – President, Commonwealth Foundation  
Pete Sepp – President, National Taxpayers Union  
Tom Giovanetti – President, Institute for Policy Innovation  
Greg Conko – Executive Director, Competitive Enterprise Institute  
David Williams – President, Taxpayers Protection Alliance  
Andrew Langer – President, Institute for Liberty  
George Landrith – President, Frontiers of Freedom  
Phil Kerpen – President, American Commitment  
Colin A. Hanna – President, Let Freedom Ring  
Thomas Schatz – President, Citizens Against Government Waste  
Jerry Rogers – President, Capitol Allies  
Deroy Murdock – National Review Online

