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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,

Grover Norquist – President, Americans for Tax Reform

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

