



House Republicans introduce legislation to repeal Cook County pop tax

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CHICAGO - State Reps. Michael McAuliffe (R-Chicago), Christine Winger (R-Bloomington), Peter Breen (R-Lombard), Grant Wehrli (R-Naperville), and Keith Wheeler (R-Oswego) today introduced legislation, House Bill 4082, to immediately repeal the one-cent-per-ounce Cook County Sweetened Beverage Tax. The tax, which went into effect on August 2, will result in Cook County consumers having to pay on average 67 percent more for a 2-liter of pop, 43 percent more for a gallon of juice drink or sweetened iced tea, and 29 percent more for a 12-pack.

“This pop tax is a repeated example of another financial burden being imposed upon the people of Cook County. The vetting of this measure was short-sighted and irresponsible as roll-outs of similar pop taxes in other cities have proven to be not effective and even harmful to the local economy,” stated Rep. McAuliffe. “I spent this past weekend in my district and the feedback against this tax was overwhelmingly negative. The taxpayers are understandably frustrated and there is a lot of confusion.”

“Longstanding small businesses that have been pivotal in the community are going to suffer, especially when residents can walk less than a mile to a different store in a county that isn’t affected by the tax to buy their goods,” said Rep. Winger. “Residents will choose a different store over one they have gone to for years to avoid paying this. I have heard first-hand the severity this tax has already had in its first two weeks. Some say sales have already dropped 80% on certain products.”

Specifically, House Bill 4082 would prevent any home rule county from imposing a tax on sweetened beverages based on volume sold. It applies to any county ordinance adopted on or before the effective date of the bill, repealing the existing Cook County ordinance.

“On the heels of being hit with a 32% income tax hike, the residents of Cook County were immediately saddled with a costly tax on sweetened beverages,” said Rep. Breen.

“It's time for government to live within its means and quit turning to taxpayers for more of their hard-earned money. Through this legislation, the Cook County beverage tax will be repealed, and a law will be in place to prohibit any similar taxes in other Illinois counties.”

“Democrats not only want you to keep ‘drinking the Koolaid’, they want you to pay more for the privilege,” said Rep. Wehrli. “This tax hits families directly in their wallets. It could also cost us some of the thousands of good jobs the soft drink industry provides Illinois families. It’s no surprise that nearly 87% of Cook County residents oppose this tax, and we stand with them.”

“The pop tax is crushing small and family-owned retailers in Cook County, the very men and women who are the backbone of our local and state economy,” Rep. Wheeler said. “Cook County politicians cannot hide from the fact that their tax-and-spend policies continue to fail the working families and job creators in every community from Lake-Cook Road to the Indiana state line.”

The City of Philadelphia recently enacted a similar, 1.5-cent-an-ounce tax on sweetened beverages to pay for universal preschool. Following the implementation of the tax, beverage sales fell by as much as 50 percent and more than 400 jobs were lost. Additionally, actual beverage tax collections for the first six months are \$6.9 million below the city’s estimate of \$46.2 million.

The impact on Cook County is expected to be even more devastating. An economic analysis in 2016 found that the beverage tax, which Cook County estimates to provide \$67.5 million in new revenue in 2017 and \$200.6 million in 2018, could result in a loss of 6,100 jobs, \$321 million in lost wages and \$1.3 billion in lost economic activity. There have already been a number of complaints and lawsuits as retailers struggle to comply with the implementation of the tax.

Last week, the U.S. Department of Agriculture recently notified Cook County that portions of the tax were illegal and that the state could stand to lose more than \$86 million in federal funding if the problems are not resolved.

Additionally, the Illinois Liquor Control Commission has voiced its concerns with Cook County as well, stating that the new tax “may lead to practices that violate the Illinois Liquor Control Act.”