

December 5, 2016

Dear Members of the West Philadelphia Business Community,

I hope this letter finds you well and in the process of preparing to enjoy this holiday season with your loved ones and family members. I am reaching out to you about an important update that will affect every business in the City of Philadelphia that sells sugary beverages.

As most of you are aware, the Philadelphia City Council approved and signed into law, the Philadelphia Sweetened Beverage Tax (SBT) in early June of this year. The new regulation imposes a 1.5 cent tax per ounce on all sweetened beverages. This includes, but is not limited to, diet and regular sodas, sport drinks, energy drinks, presweetened coffee and teas, and non-alcoholic cocktail mixers.

This tax will become effective on the first day of 2017 (January 1, 2017) and there are some important steps that your business needs to take to make sure you are compliant with the new regulations.

Firstly, you need to understand whether your business is a dealer or distributor of sweetened beverages as defined by the City. Distributors are wholesale businesses that sell beverages to stores or other institutions. Dealers sell beverages directly to customers/consumers.

The Sweetened Beverage Tax can affect distributors and dealers. Starting January 1<sup>st</sup>, all **dealers** (businesses that sell sweetened beverages directly to consumers) will be required to purchase their beverages from **distributors** that have already agreed they will pay the tax.

If you are a dealer, please check this resource to information set up by the Department of Revenue to explain your process:

<http://www.phillybevtax.com/Dealers/What-Do-Dealers-Need-To-Do>. Starting January 1<sup>st</sup>, you will be able to see a list of approved distributors that have agreed to pay the tax. The easiest thing for a dealer business to do, is to buy your sweetened beverages from one of the listed distributors. If you do, no further action is needed in on your part to be compliant in the law.

If you, as a dealer chooses not to use one of the approved suppliers listed, **you will be responsible for registering and paying the soda tax each year**. These dealers must make an account and register via this



## PARTICIPATING ASSOCIATIONS

Lancaster Avenue 21<sup>st</sup>  
Century Business  
Association

Business Association of  
West Parkside

Baltimore Avenue Business  
Association

60<sup>th</sup> Street West Market  
Business Association

American Association of  
Blacks in Energy -  
Philadelphia Chapter

portal on the Philadelphia website, agreeing that they will be responsible for paying the tax:  
<http://secure.phila.gov/revenue/beveragetax/>

If you are a distributor, please see this link for the process of registering with the City of Philadelphia: <http://www.phillybevtax.com/Distributors/What-Do-Distributors-Need-To-Do>.

**Please note that any failure to comply with the new regulations can result in additional penalties by the City of Philadelphia and will be treated as tax evasion.**

The City has also provided marketing materials to businesses to explain the soda tax to your consumers. Please view the following link:

<http://www.phillybevtax.com/Dealers/Marketing-Materials>

If you have any questions at any time, please contact the Philadelphia Department of Revenue at [revenue@phila.gov](mailto:revenue@phila.gov) or call 215-686-6600.

I wish you and your families a safe holiday and Happy New Year,

Jabari

**Jabari K. Jones**

President

West Philadelphia Corridor Collaborative