



April 17, 2018

The Honorable Mark Mustio
Pennsylvania House of Representatives
416 Irvis Office Building
Harrisburg, PA 17120

Dear Representative Mustio,

On behalf of National Taxpayers Union (NTU) and our members across Pennsylvania, I write to express our support for House Bill (HB) 2241, which prohibits targeted tax increases on individual products at the local level. This legislation serves as a first-rate example of responsible tax policy. Far too often politicians use the power of taxation to punish consumption of certain types of food or beverages that are enjoyed by consumers. Should this legislation be enacted, it will preserve consumer choice and be an invaluable taxpayer protection.

Some localities in Pennsylvania and around the country have advocated for taxes on specific goods as a cash cow to bail out their fiscal errors or to finance new government spending. In Philadelphia, for example, their sweetened beverage tax is particularly harmful to those with limited means. Such taxes are regressive as they disproportionately impact lower-income families who spend a greater portion of their income on consumer goods. Worst of all, there is little evidence proving that beverage taxes lead to better health outcomes as users simply shift their consumption to sugar-filled snacks instead.

Taxes, particularly targeted ones, create distortions in the economy that harm businesses in the community, especially “mom-and-pop” shops. An Oxford Economics study found Philadelphia’s sugary beverage tax [responsible](#) for 1,200 job losses and \$80 million in reduced GDP. Many stores that are facing vastly reduced revenue are cutting back their staff or slashing worker hours in order to keep costs manageable. Your legislation to reverse this tax hike will cause a rebound effect in Philadelphia and lead to greater employment opportunities and boost GDP growth.

HB 2241 presents Pennsylvania with a unique opportunity to once and for all take the threat of taxes off the table for certain grocery products. Its enactment will serve as an invaluable consumer and taxpayer protection not just from beverage taxes, but any new tax on meat, snacks, or any other product that politicians want to tax next. NTU is pleased to endorse this bipartisan legislation and will work to ensure its swift passage into law.

Sincerely,

Thomas Aiello
Policy and Government Affairs Associate