

What is the Philadelphia Beverage Tax?

- Starting on January 1, 2017, the city will impose a 1.5-cents-per-ounce tax on the distribution of sweetened beverages, as well as syrups and concentrates used to make sweetened drinks.

What is considered a sweetened beverage?

- Any nonalcoholic beverage, syrup, or other concentrate that is used to prepare a beverage and that lists any of the following as an ingredient:
 - Any form of caloric sugar-based sweetener, including but not limited to sucrose, glucose, and high-fructose corn syrup.
 - Any form of sugar substitute, including stevia, aspartame, sucralose, neotame, acesulfame potassium (Ace-K), saccharin, and advantame.

Examples:

- Soda (regular and diet)
- Non-100%-fruit drinks
- Sports drinks
- Sweetened waters
- Energy drinks
- Presweetened coffees and teas
- Nonalcoholic beverages intended to be mixed into alcoholic drinks

What isn't considered a sweetened beverage?

- Baby formulas
- Medical foods and beverages that meet the definition of a medical food
- Products that are more than 50% milk
- Any product that, by volume, is more than 50% fresh fruit or vegetables (or a combination of the two) at the time of retail sale, like smoothies
- Any syrup or concentrate that the purchaser can add or request the seller to add to the drink

SUMMARY OF REGULATIONS

Who needs to pay?

- Distributors of sweetened beverages pay the tax. A distributor is any person or entity that distributes sweetened beverages wholesale to a dealer.
- A dealer is any person who sells sweetened beverages at retail locations such as delis, restaurants, schools, and grocery stores. Legally, a dealer must purchase from a registered distributor. If they do not, they must register to pay the tax themselves—or face fines and penalties.

When does the tax go into effect?

- On January 1, 2017, distributors are subject to the tax, and dealers will be required to purchase from registered distributors.

Where will the money go?

- Philly Bev Tax revenue will be used to fund pre-K schooling, community schools, recreation centers, libraries, and parks. For more information on how you can benefit from these programs, please visit the city's website, phila.gov.

Additional detailed information on the Philly Bev Tax for distributors and dealers is available at the PhillyBevTax.com website.

