



NEW YORK STATE SENATOR

Diane J. Savino

Senator Savino Says "No" to Regressive Beverage Tax

DIANE J. SAVINO March 12, 2010



STATEN ISLAND, N.Y. – State Sen. Diane J. Savino (D-Staten Island) today led a rally against Governor Paterson’s proposed tax on soft drinks and other beverages.

The Senator was joined by key members of the Staten Island delegation, including: Sen. Andrew Lanza, Lou Tobacco and Matthew Titone.

“Looking at ways to curb spending, by increasing the spending of working families in order to fill their hunger for revenue.

“The beverage tax is nothing more than a money grab. Instead of revisiting our regressive tax policies and wasteful spending, which have gotten us into the predicament we are in, this proposal is simply another way of increasing revenue on the backs of working families,” said Senator Diane J. Savino.

Savino’s comments came during a rally at the Coca-Cola Sales and Distribution Facility at 400 Western Avenue in Staten Island. She and her colleagues in the State Legislature told more than 130 workers that they would work together to defeat the proposal, which could raise prices on certain beverages by more than 50 percent.

Senator Lanza said, “The soda tax is a fat lie having nothing to do with health and everything to do with making grocery store shopping even more expensive for Staten Island families barely making ends meet as it is.”

Assembly Member Tobacco said, “In these difficult economic times, the last thing hardworking Staten Island families need is to be hit with another tax from Albany. In addition to placing another burden on families, the soda tax will also hurt private-sector businesses, which are struggling to retain and create jobs.”

Assembly Member Titone said, "Although one intention of the tax is supposedly to fight obesity, we all know of a famous road that's paved with good intentions. The reality is this flawed policy will not have the desired health effects, it will nickel-and-dime working families, and it will hurt jobs here on Staten Island."

Dayra Azcona, Regional Sales Manager for Coca-Cola Enterprises, said, “We thank Senator Savino and her colleagues for understanding the dire consequences of this tax hike and for promising to fight it in Albany.”

John O'Neil of Teamsters Local 812, said, "To single out the soft drink industry for a tax is a costly mistake. In these tough economic times, New York cannot afford to bleed anymore middle-class jobs."

Rene Patterson, Legislative Chair of the New York Association of Convenience Stores, said, "A 50 percent tax on beverages will place our member stores at a tremendous disadvantage with stores in non-taxing jurisdictions. We will lose sales and jobs as a result."

Nelson Eusebio, Chairman of New Yorkers Against Unfair Taxes, said, "New Yorkers struggling to make ends meet in this economy shouldn't bear the burden of fixing the Governor's budget problems. Thankfully, Sen. Savino and her colleagues understand this and are working on our behalf."

Savino's warning regarding a significant "cross border effect" is borne out by a study by an Albany-based think tank. Capital Hill Research Center found that the 24 New York counties near a state border or non-taxing jurisdiction would be hardest hit by job losses.

The report said a major price differential will encourage consumers to travel across borders to purchase tax-free soft drinks. The report was done last year in response to Governor's Paterson's proposed 18 percent surcharge on soda. This year, Governor Paterson proposed a much broader tax that could raise prices by 50 percent or more on a wide variety of beverages, including soda, iced tea, fruit drinks, sports drinks, and any other non-dairy beverage except diet or very low or no calorie drinks. Given the higher level of taxation and its application to a wider range of products, the job loss and economic harm is expected to be much greater.

Between the proposed beverage tax, state sales tax and the new bottle bill, prices for some beverages could be nearly twice as high in New York as New Jersey.

Jerry Cesaro, Senior Vice President for Sales and Marketing for Key Food Stores Cooperative, said, "This new beverage tax, which comes on top of existing taxes and fees, will place our member stores at a tremendous disadvantage with stores in non-taxing jurisdictions. We will lose sales and jobs as a result."

"The beverage tax is an economic plan for New Jersey and will not reduce consumption of sodas or other beverages. Staten Islanders will simply add this to the long list of items they can buy cheaply over the bridge, negatively impacting local jobs and businesses," said Senator Diane J. Savino

###