
Topics Covered: Sugar-Sweetened Beverages

Outcome: Very Favorable

Issue
The issue in this case was whether a tax imposed by the City of Philadelphia on the wholesale distribution of sugar-sweetened beverages (SSBs) is valid.

AMA Interest
The AMA believes SSBs are a burden on public health, and the public should be educated about the dangers they impose. The AMA supports taxes on SSBs.

Case Summary
The Philadelphia Beverage Tax (PBT) imposes a tax of 1.5 cents per ounce on the wholesale distribution of SSBs. Several beverage groups, including the American Beverage Association, the Pennsylvania Beverage Association and the Pennsylvania Food Merchants Association, challenged the PBT as unlawful. They alleged that state and federal laws preempt Philadelphia’s right to impose the PBT. They also alleged that the PBT violates a provision of the Pennsylvania Constitution which requires that taxes must be “uniform.” The trial court dismissed the complaint in its entirety and upheld the tax as a valid exercise of the City’s authority.

The plaintiffs appealed the dismissal order to the Commonwealth Court of Pennsylvania. On June 14, 2017, the Commonwealth Court affirmed.

Litigation Center Involvement
The Litigation Center and numerous other health care organizations (led by the American Heart Association) filed an amicus brief to support the trial court ruling. The brief pointed out the harmful health effects of SSBs.

Pennsylvania Commonwealth Court brief