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COOK COUNTY RETAILERS CHEER REPEAL OF SODA TAX THAT SPURRED CLASS-ACTION LAWSUITS

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Cook County, Illinois has repealed its sweetened beverage tax, just two months after the unpopular ordinance was implemented. As we previously reported, Cook County was among a number of localities across the country to pass sugary drink tax laws, including the following:

- Berkeley in December 2015;
- Albany, California in December 2016;
- Philadelphia in January 2017;
- and Oakland, California; Boulder, Colorado; and Cook County, Illinois in July 2017.

Cook County consumers objected, however, to paying an additional 68 cents for a two-liter soft drink or an extra 72 cents for a six-pack. Retailers complained the tax was driving consumers to neighboring jurisdictions to avoid the tax.

The sweetened beverage tax also triggered numerous lawsuits, some of which are still playing out in court. The Illinois Retail Merchants Association sued the county to get the tax thrown out days before it was to take effect. The court granted a restraining order to keep the tax from being imposed. Later, however, the court allowed the tax to move forward. The merchants appealed that decision.

And law firms filed at least a dozen consumer class actions against retailers and fast food chains that failed to properly calculate the tax on retail sales. For example, one plaintiff sued a retailer for allegedly wrongly charging the tax on unsweetened sparkling water. The case, which seeks class-action status, is still pending.

For questions or more information, contact the author, Charles Lin, at Charles.Lin@bryancave.com or (949) 223-7145, or any member of the Retail team.

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