



**DATE:** JANUARY 8, 2020

**TO:** PUBLIC WORKS COMMITTEE  
CITY OF MILWAUKEE

**FROM:** STEVE BAAS, SENIOR VICE PRESIDENT, GOVERNMENT AFFAIRS  
METROPOLITAN MILWAUKEE ASSOCIATION OF COMMERCE

**RE:** FOOD DELIVERY TAX

On behalf of the Metropolitan Milwaukee Association of Commerce (MMAC), I am writing to express our concern over the proposed tax on food delivery services. The speed at which this proposal has been forwarded and scheduled for public hearing has left a number of stakeholders unable to provide insight and input that might have informed the development of this proposal. Some specific concerns and questions we hope the committee will thoughtfully consider include:

**Equity** – It appears this ordinance would tax app based food delivery services like Grubhub, Doordash, UberEats, etc. but would not apply to traditional restaurant deliveries from places like pizza stores, Asian food restaurants, etc. If it is the ordinance’s intention to discriminate on the basis of technology, what is the rationale for that decision? If the concern is over the wear and tear on our roads caused by delivery vehicles, why hold one set of vehicles harmless while taxing another?

**Supporting Data** – Has the Council done any projection of how much money this ordinance is expected to raise in relation to the cost of road repair that money would go to? Is the tax sufficient to meet an actual infrastructure goal or is it merely symbolic and punitive?

**Brick and Mortar Restaurant Impacts** – Food delivery network services have opened entirely new markets to traditional sit-down, brick-and-mortar restaurants. In many ways, these services have allowed traditional restaurants to continue to compete in an increasingly on-demand and in-home hospitality marketplace. The potential costs to these restaurateurs and the impacts of the new tax on their business competitiveness should be thoughtfully considered before this ordinance is forwarded.

**Tax Level** – Food service delivery is already subject to several taxes. Sales tax is paid on purchases. Hospitality taxes are charged in some areas of the city. Further, gas tax is paid when delivery vehicles are fueled. Adding yet another layer of taxation on food purchases is overly burdensome on a service that is already heavily subjected to taxes.

Thank you for the opportunity to share our concerns on this proposal with you. In a rapidly-changing market where innovative services like these are in ever greater demand, we should not be putting policies like this one in place that give the clear impression that we are resistant to change.

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