



January 7, 2020

Milwaukee City Council Public Works Committee

RE: Proposed Ordinance 191476 (Dodd) – New taxation of 3rd Party Delivery Companies- OPPOSE

Dear Members of the Public Works Committee,

Internet Association (IA) respectfully OPPOSES proposed ordinance #191476 (Dodd), which would create a new \$.60 per delivery tax on third party delivery services. This new tax discriminatorily targets third-party delivery platform companies and will negatively impact small business in Milwaukee, including thousands of workers who choose to work as third-party delivery couriers.

IA represents more than 40 of the world's leading internet companies, and advances public policy solutions that foster innovation, promote economic growth, and empower people through the free and open internet.

Ordinance #191476 (Dodd) is a discriminatory tax targeting third-party delivery services that was introduced with no feedback from restaurants or industry on its impact. The tax is exclusive to third party delivery companies, which means it will adversely impact the many local restaurants who rely on delivery services from third parties and cannot afford their own delivery people. These local restaurants, many of them small businesses, could see a decrease in sales at a time when they need revenue most. The legislation additionally punishes the many Milwaukee residents who do not own cars, as well as families, the elderly and disabled individuals who may have difficulty driving to a restaurant and prefer the convenience of delivery.

Third-party delivery companies have helped to create more opportunities to generate income for Milwaukee residents. At their foundation, these platforms remove barriers and allow individuals to more efficiently use their time and earn income. This tax will likely lead to less demand which will negatively impact thousands of workers.

While this new tax revenue is intended to fund road improvements, there has been no study of how much revenue this new tax will generate and what additional impact third party delivery vehicles have on roads. In fact, many workers use bicycles and scooters as a means to make deliveries. This ordinance appears to be a solution in search of a problem.

For these reasons and more, Internet Association urges you to consider the impact this tax will have on small businesses, residents and workers in Milwaukee. We ask that you OPPOSE ordinance #191476 when it comes before you for a vote. Should you have any questions regarding our position, please feel free to contact me at Colleen@internetassociation.org or 773-425-8515. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Colleen Daley".

Colleen Daley
Director, State Government Affairs, Midwest