

Soda tax lawsuit alleges Jewel wrongfully taxed consumers paying with food stamps



The parent of Jewel-Osco was sued Friday for allegedly applying Cook County's new sweetened-beverage tax to purchases made with federal food stamps, transactions that are supposed to be exempt from the penny-per-ounce tax. (Terrence Antonio James/Chicago Tribune)

By **Becky Yerak**
Chicago Tribune

AUGUST 18, 2017, 5:42 PM

The parent of Jewel-Osco was sued Friday for allegedly applying Cook County's new sweetened-beverage tax to purchases made with federal [food stamps](#), transactions that are supposed to be exempt from the penny-per-ounce tax.

Annie Morales and Antonia Morales sued Albertsons in Cook County Circuit Court, alleging that on Sunday they bought lemonade through the Supplemental Nutrition Assistance Program and were charged the tax.

Each of the four bottles of lemonade they bought is subject to a Cook County sweetened beverage tax of 67 cents, for a total tax of \$2.68, but because they paid for the lemonade with food stamps, they shouldn't have been charged the sweetened beverage tax, the lawsuit says.

Snafus related to the sweetened beverage tax and food stamps might become less common in the future.

On Thursday, Cook County officials said they've solved a problem with the sweetened beverage tax that put roughly \$87 million in funding used to run the federal food stamp program in Illinois at risk of being withheld.

The county's regulation originally gave stores that hadn't been able to program point-of-sale systems not to tax those purchases the option of charging the tax and then issuing a refund.

But the [U.S. Department of Agriculture's](#) Food and Nutrition Services, which oversees the food stamp program, warned state officials last week that allowing refunds ran afoul of rules barring retailers from charging SNAP recipients the tax at any time.

The county solved the issue by striking language permitting refunds from the regulation, which "will ensure ongoing access of SNAP benefits for eligible Illinois households," county spokesman Frank Shuftan said Thursday.

Albertsons had no immediate comment.

Also Friday, Subway joined Walgreens and 7-Eleven on a list of retailers that have been sued for taxing unsweetened beverages. Another retailer, Circle K, has been sued over its application of the tax.

byerak@chicagotribune.com

Twitter @beckyyerak

Copyright © 2017, Chicago Tribune

This article is related to: [Supplemental Nutrition Assistance Program, U.S. Department of Agriculture](#)