



February 26, 2025

The Honorable Mike Carroll
Pennsylvania Secretary of Transportation;
Chair, State Transportation Commission
Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Oppose package delivery tax proposed by the 2021 Pennsylvania Transportation Revenue Options Commission (TROC)

Dear Secretary Carroll and members of the State Transportation Commission:

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advancements – I write to urge you and your colleagues to **oppose the package delivery tax proposal** by the 2021 Pennsylvania Transportation Revenue Options Commission (TROC), which would levy a tax on retail deliveries throughout Pennsylvania.

This tax is unpopular with voters and would disproportionately burden Pennsylvania's most vulnerable members. It would also threaten the income of small businesses and the workers they employ while increasing emissions and damage to roadway infrastructure.

Delivery taxes are extremely unpopular in Pennsylvania

This year, 80% of Pennsylvania voters expressed opposition to retail delivery fees, and more than two-thirds stated that they would be less likely to vote for politicians who back such a tax.¹ These results are unsurprising, given the broad range of Pennsylvanians who rely on delivery services, with over half of voters using them. With inflation remaining high across the state,² including some of the steepest grocery prices in the nation,³ now is not the time to implement an unpopular and costly delivery tax.

Delivery taxes increase costs and threaten access to essential goods and services for marginalized communities

¹ See Morning Consult poll <https://progresschamber.org/wp-content/uploads/2025/01/Chamber-of-Progress-Delivery-Tax-Jan-2025-Memo-Pennsylvania.pdf>

² See WJAC <https://wjac.com/news/local/pennsylvania-faces-soaring-grocery-inflation-second-only-to-california>

³ See Congressional Joint Economic Committee Report, Pennsylvania <https://www.jec.senate.gov/cards/pa/>

Recent data highlights the growing reliance on delivery services nationwide and its impact on underserved communities. Between 2021 and 2022, 54 percent and 41 percent of adults surveyed nationwide reported they were likely to have frequently used an app to deliver food and groceries, respectively,⁴ and studies suggest the average order frequency for groceries will increase at a 12 percent annual rate over the next five years.⁵ In Pennsylvania, over 60% of residents have items delivered to their homes at least once a month.⁶

Delivery services are critical for families struggling to access essential household goods. Over 1.5 million Pennsylvanians face hunger and experience food insecurity,⁷ and nearly 1 in 9 people in the greater Philadelphia area live in a food desert.⁸ For these residents, grocery and meal delivery services increase options for healthy, nutritious food and other household essentials.

Additionally, 13.9% of Pennsylvanians live with a disability,⁹ many of whom struggle with shopping in person and depend on delivery services for prescriptions, groceries, and household goods.¹⁰ In fact, over a fourth of Pennsylvanian voters report using delivery services due to disability, injury, illness, or mobility issues, while more than a third say they know someone who regularly depends on delivery services for these reasons.¹¹ The imposition of delivery taxes can exacerbate challenges in accessing essential goods and services for people with disabilities, who often face additional financial burdens.¹²

A survey of Colorado residents found that the burden of a 27-cent delivery tax fell hardest on low-income families. Families earning less than \$75,000 spent 2.5 times as much on delivery taxes as families earning over \$200,000.¹³ Increasing the cost of deliveries of food and household goods would further burden 88% of Pennsylvanians,¹⁴

⁴ See Chamber of Progress

http://progresschamber.org/wp-content/uploads/2022/07/COP_Civic-Innovation_ANALYSIS.pdf

⁵ See Online grocery sales will increase at 12% annual rate over 5 years, report says

<https://www.grocerydive.com/news/online-grocery-sales-will-increase-at-12-annual-rate-over-5-years-report/641578>

⁶ See Morning Consult poll https://progresschamber.org/wp-content/uploads/2025/01/Chamber-of-Progress_Delivery-Tax_Jan-2025-Memo_Pennsylvania.pdf

⁷ See Feeding Pennsylvania https://www.feedingpa.org/about/#hunger_in_pennsylvania

⁸ See Philabundance <https://www.philabundance.org/map-the-meal-gap/#:~:text=Throughout%20the%20Philabundance%20service%20area,in%2011%20people%20in%202021.>

⁹ See University of New Hampshire, Institute on Disability <https://iodrrtc.sr.unh.edu/compendium/2023-state-report-for-county-level-data-prevalence/PA#:~:text=For%20the%20entire%20state%20of,people%20with%20disabilities%20is%2013.9%25.>

¹⁰ See Home delivery services serve up improved accessibility to food and more

<https://www.ameridisability.com/home-delivery-services-serve-up-improved-accessibility-to-food-and-more/>

¹¹ See Morning Consult poll https://progresschamber.org/wp-content/uploads/2025/01/Chamber-of-Progress_Delivery-Tax_Jan-2025-Memo_Pennsylvania.pdf

¹² See The National Disability Institute

<https://www.nationaldisabilityinstitute.org/wp-content/uploads/2018/12/finra-infographic.pdf>

¹³ See Chamber of Progress http://progresschamber.org/wp-content/uploads/2024/02/EY-Chamber-of-Progress_Colorado-delivery-fee-analysis-02-27-2024-FINAL.pdf

¹⁴ See Morning Consult poll https://progresschamber.org/wp-content/uploads/2025/01/Chamber-of-Progress_Delivery-Tax_Jan-2025-Memo_Pennsylvania.pdf

who report that delivery taxes increase financial burdens at a time when they are already struggling to manage rising costs of living.

Delivery taxes hurt small businesses and workers

Small businesses are the backbone of Pennsylvania's economy, comprising 99.6% of all businesses and employing almost half of the workforce.¹⁵ In 2024, Pennsylvania small businesses drove 82.7% of overall job growth.¹⁶ Imposing delivery taxes would threaten many of the small businesses and restaurants that depend on online marketplaces to reach customers. Orders made on those platforms would be subject to the tax, resulting in higher prices for Pennsylvania consumers.

When a similar tax was imposed in Colorado, many small businesses raised concerns about increased costs, and customers complained about increased prices.¹⁷ Such price increases would lead to a drop in demand, resulting in decreased business revenues and wages for delivery drivers. In Colorado, the delivery tax has caused an annual loss of \$17.1 million in wages for local workers, including restaurant employees, and puts over 61,000 jobs across various industries.¹⁸

Women,¹⁹ Gen Z, and millennials²⁰—many of whom are already struggling to make ends meet—are increasingly turning to delivery work as a way to offset rising costs and earn supplemental income. Delivery taxes disproportionately harm these workers, undermining their ability to support themselves and their families while contributing to the local economy.

Delivery taxes would also increase roadway usage and environmental damage

Delivery services, particularly retail and e-commerce deliveries, consolidate trips and use route-optimization technology, making them more efficient than multiple individual trips. Unnecessary delivery fees would discourage consumers from choosing delivery options and result in more individual trips to the store, putting more cars on the road and more emissions in the air. In Pennsylvania alone, the use of delivery services could reduce nearly 365 million fewer miles driven annually, reducing wear and tear on roadways and decreasing roadway emissions.²¹ Imposing a delivery tax would hinder the

¹⁵ See U.S. Small Business Administration <https://advocacy.sba.gov/wp-content/uploads/2024/11/Pennsylvania.pdf>

¹⁶ *Id.*

¹⁷ See New Colorado retail delivery fee causing issues for small businesses https://www.kktv.com/2022/07/07/new-colorado-retail-delivery-fee-causing-issues-small-businesses/?utm_source=dlvr.it&utm_medium=twitter

¹⁸ See The Negative Economic Impacts of Retail Delivery Fees <https://progresschamber.org/wp-content/uploads/2024/08/Retail-Delivery-Fees-White-Paper-Econ-Impact-CHOP.pdf>

¹⁹ See <https://about.doordash.com/en-us/news/a-majority-of-dashers-are-women-heres-why-they-choose-doordash>

²⁰ See 2024 Gen Z and Millennial Survey <https://www.deloitte.com/global/en/issues/work/content/genz-millennialsurvey.html>

²¹ See Efficiency and Emissions Impact of Last Mile Online Delivery in the U.S. <https://progresschamber.org/wp-content/uploads/2024/06/Chamber-of-Progress-Efficiency-and-Emissions-Impact-of-Last-Mile-Online-Delivery-in-the-US.pdf>

state's efforts to reduce greenhouse gas emissions by 26% by 2025 and 80% by 2050,²² as 57% of Pennsylvanians say they'd opt to drive to stores or restaurants instead if delivery fees were imposed.²³

Delivery services are critical in supporting marginalized communities and sustaining small businesses statewide. Tax policies should not jeopardize the benefits they provide to families and workers. As 86% of Pennsylvania voters believe that states should focus on closing tax loopholes to address budget shortfalls rather than introducing new fees, we strongly urge you to **oppose any delivery tax proposed in the Commonwealth.**

Sincerely,

A handwritten signature in black ink, appearing to read "Brianna January". The signature is fluid and cursive, with the first name being more prominent.

Brianna January
Director of State & Local Government Relations, Northeast US

²² See Pennsylvania Climate Action Plan <https://www.pa.gov/agencies/dep/residents/climate-change/pa-climate-action-plan.html>

²³ See Morning Consult poll <https://progresschamber.org/wp-content/uploads/2025/01/Chamber-of-Progress-Delivery-Tax-Jan-2025-Memo-Pennsylvania.pdf>