

Taxes on Sugar Sweetened Beverages

Kelly D. Brownell



Agenda

Why taxes, and why SSBs?

National and world landscape

Evaluations of impact

The future

Why Focus on SSBs?

- Single greatest source of added sugar
- Completely empty calories
- Poor calorie compensation
- Sugar and the brain
- Gratuitous addition of caffeine
- Targeting of vulnerable populations
- Rock solid proof of harm

Sugary drinks cause chronic diseases

2 sodas/day for just 2 weeks:

↑ LDL cholesterol & triglycerides by 20%.

2 sodas/day for 6 months:

↑ Visceral fat, fatty liver disease.

1 soda/day:

↑ Risk of overweight/obesity by 55% (children).

↑ Risk of diabetes by 26%.

↑ Heart disease by almost 1/3.

↑ Risk of stroke by 22%.

↑ Risk of tooth decay by 30% (adults).



The NEW ENGLAND JOURNAL of MEDICINE

Perspective
APRIL 30, 2009

Ounces of Prevention — The Public Policy Case for Taxes on Sugared Beverages

Kelly D. Brownell, Ph.D., and Thomas R. Frieden, M.D., M.P.H.

Sugar, rum, and tobacco are commodities which are nowhere necessities of life, which are become objects of almost universal consumption, and which are therefore extremely proper subjects of taxation.

Adam Smith, *The Wealth of Nations*, 1776

creasing consumption increases risk for obesity and diabetes; the strongest effects are seen in studies with the best methods (e.g., longitudinal and interventional vs. correlational studies); and interventional studies show that re-

HEALTH POLICY REPORT

The Public Health and Economic Benefits of Taxing Sugar-Sweetened Beverages

Kelly D. Brownell, Ph.D., Thomas Farley, M.D., M.P.H., Walter C. Willett, M.D., Dr.P.H.,
Barry M. Popkin, Ph.D., Frank J. Chaloupka, Ph.D., Joseph W. Thompson, M.D., M.P.H.,
and David S. Ludwig, M.D., Ph.D.

The consumption of sugar-sweetened beverages has been linked to risks for obesity, diabetes, and heart disease¹⁻³; therefore, a compelling case can be made for the need for reduced consumption of these beverages. Sugar-sweetened beverages are beverages that contain added, naturally derived caloric sweeteners such as sucrose (table sugar), high-fructose corn syrup, or fruit-juice concentrates, all of which have similar metabolic effects.

The relationship between the consumption of sugar-sweetened beverages and body weight has been examined in many cross-sectional and longitudinal studies and has been summarized in systematic reviews.^{1,2} A meta-analysis showed positive associations between the intake of sugar-sweetened beverages and body weight — associations that were stronger in longitudinal studies than in cross-sectional studies and in studies that were not funded by the beverage industry

Structure

Excise tax

\geq one penny per ounce

Designated revenue

**Where Are
There
SSB Taxes?**

World Tax Picture

Taxes Passed

Mexico

France

Chile

13 Pacific Island Nations

United Kingdom

Close

Colombia

South Africa

Brazil

Local Sugary Drink Taxes across the United States



**How Much
Revenue
Can Be Generated?**



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REVENUE CALCULATOR FOR SUGARY DRINK TAXES

Year: 2017 

State: --Select--  --or-- City: --Select-- 

Tax Per Ounce: 1  cent(s) (0.50 to 3.00 cents)

Pass Through: 100  % (50-100)

www.uconnruddcenter.org/revenue-calculator-for-sugar-sweetened-beverage-taxes

Soda Tax Revenues for California

Sugary Drink Type	Gallons Sold	Annual Tax Revenues
Carbonated Soft Drinks	363,368,167	\$465,111,253
Fruit Drinks	115,952,588	\$148,419,313
Sports Drinks	125,467,577	\$160,598,499
Ready-to-Drink Tea	118,714,023	\$151,953,949
Energy Drinks	115,652,452	\$148,035,139
Enhanced Water	14,396,947	\$18,428,092
Ready-to-Drink Coffee	24,326,991	\$31,138,548
Sugary Drink TOTAL	877,878,745	\$1,123,684,793

Sample Annual State Revenues

	\$.01/oz (norm)	\$.015/oz (Phila)	\$.0175/oz (Seattle)
Arizona	\$300 m	\$388 m	\$417 m
Illinois	\$608 m	\$781 m	\$834 m
Massachusetts	\$273 m	\$352 m	\$377 m
North Carolina	\$458 m	\$588 m	\$629 m

**Do The
Taxes Work?**

Beverage purchases from stores in Mexico under the excise tax on sugar sweetened beverages: observational study

M Arantxa Colchero,¹ Barry M Popkin,² Juan A Rivera,³ Shu Wen Ng²

BMJ, 2015

In Mexico, Evidence Of Sustained Consumer Response Two Years After Implementing A Sugar-Sweetened Beverage Tax

M. Arantxa Colchero¹, Juan Rivera-Dommarco², Barry M. Popkin³ and Shu Wen Ng^{4,*}

Health Affairs, 2017

Higher Retail Prices of Sugar-Sweetened Beverages 3 Months After Implementation of an Excise Tax in Berkeley, California

| Jennifer Falbe, ScD, MPH, Nadia Rojas, MPH, Anna H. Grummon, BA, and Kristine A. Madsen, MD, MPH

Am J Public Health, 2015

Impact of the Berkeley Excise Tax on Sugar-Sweetened Beverage Consumption

Jennifer Falbe, ScD, MPH, Hannah R. Thompson, PhD, MPH, Christina M. Becker, BA, Nadia Rojas, MPH, Charles E. McCulloch, PhD, and Kristine A. Madsen, MD, MPH

Am J Public Health, 2016

Counter Arguments

Regressive

Jobs

Will not reduce obesity

Regressive

- Obesity/diabetes are regressive
- Revenues can be progressive
- Australia study – largest benefits to those most vulnerable

Jobs

- Modeling research projects small *increase* in jobs
- Berkeley – 15% increase in food sector revenues

Will not reduce obesity

- Research shows otherwise

Philadelphia Mayor Jim Kenney



"What we're looking to do is to take some of that profit, to put it back into the neighborhoods that have been their biggest customers, to improve the lives and opportunities for the people who live there."

Virtues

Immediate impact

Very low cost

Revenue generation

Evaluations are positive

The Future

Increased tax levels?

Graduated taxes?

Tax on sugar overall?

Other taxes?

Resources

Healthy Food America

www.healthyfoodamerica.org/

American Heart Association

www.heart.org/idc/groups/ahaecc-public/@wcm/@global/documents/downloadable/ucm_490766.pdf

Rudd Center

<http://www.uconnruddcenter.org/sugary-drinks-tax-information>