



SWEETENED BEVERAGE TAXES

POLICY POSITION

ISSUE:

As Congress worked on health care reform legislation in 2010, and state and local governments faced budget shortfalls, some in the public health community promoted a tax on sugar sweetened beverages as a solution. At the time, the federal-level proposal was an excise tax of 3 cents per 12 ounces on sugar sweetened beverages. A sugar sweetened beverage tax was not included in final federal legislation to fund health care reform.

In previous years, Congresswoman Rosa DeLauro has introduced the Sugar Sweetened Beverages Tax (SWEET) Act. The measure, aimed to institute a tax on sugar sweetened beverages of one cent per teaspoon of sugar or other caloric sweetener. The stated purpose of the act was to discourage excessive consumption of sugar sweetened beverages by increasing the price and creating a dedicated revenue source for programs and research related to obesity and diet related health risks.

Currently there are many municipal jurisdictions that levy additional sales taxes specific to sugar sweetened beverages. Of late, many states and local governments also have attempted to impose an additional tax on sweetened beverages, often proffering to link the taxes with obesity prevention programs or funding for obesity related health issues. Others have opted to implement bans or additional restrictions on the actual sale of sweetened beverages. Most recently, state legislation was defeated in California to place a health warning label on sugar sweetened beverages and Cook County, Illinois and Philadelphia, Pennsylvania have implemented sweetened beverage taxes.

As state and local governments look for additional methods to raise revenue as offset to budget deficits we anticipate an increase in the number of jurisdictions proposing a sweetened beverage tax. NAMA remains opposed and prepared to combat potential tax increases targeted at the convenience services industry. Taxes on sweetened beverages are both discriminatory and regressive, often placing a heavy burden on low and middle-income Americans. Such taxes will create new liabilities for the convenience services industry as well, which could result in loss of critical jobs and taxable revenue. Further, such taxes on beverages are not an effective way to encourage healthy lifestyles or to combat obesity among consumers.

NAMA POSITION:

- NAMA opposes any efforts at the federal, state or local level to levy targeted, excise taxes on sweetened beverages.
- NAMA will continue its mission to educate consumers on informed choices and nutrition through its' nationally-recognized "FitPick" program and industry efforts to offer additional "Better for You" options