



Sugary Drink Tax In SF? Answers to Frequently Asked Questions

By Janna Cordeiro, MPH
Healthy Beverage Consultant

There's a lot going on right now in the public health world around decreasing consumption of sugary drinks! You've probably heard about Mexico's big push to tax sugary drinks and junk food or Telluride, Colorado's measure to tax sugary drinks that will be voted on next week. Now, San Francisco is joining the conversation!

This week, four of San Francisco's Supervisors announced their intention to put forth a ballot measure to require distributors of sugary drinks to pay a fee to mitigate the health impacts of sugary drinks. Supervisor Scott Wiener introduced a ballot measure that will impose an excise tax (commonly referred to by the media as a soda tax) on distributors of sugary beverages to create a sustainable funding stream for health, nutrition, physical activity, and food access programs aimed at youth. In addition, Supervisors Eric Mar, Malia Cohen, and John Avalos announced they would propose a similar measure in a few weeks. While the details of these ballot measures still need to be worked out and a consensus reached about the specifics of the approach and uses of the revenue, many folks will undoubtedly have a lot of questions.

Here's a start to answer some frequently asked questions:

Q. What is considered a sugary drink?

A. Any beverage with added sugar or other caloric sweeteners such as high fructose corn syrup, including soda, sports drinks, energy drinks, fruit drinks, sweetened teas and coffee drinks, and flavored/enhanced waters.

Q. What could a fee on distributors of sugary drinks accomplish?

A. The main goals are to reduce over-consumption of drinks with added sugar and raise revenue to support programs that create environments that promote healthier choices. This approach is no different than the very effective strategy of taxing tobacco and alcohol and utilizing the money to help reduce the negative health effects resulting from both.

Q. What is an excise tax and how is it different from a sales tax? How much could 2 cents an ounce on sugary drinks raise for San Francisco?

A. San Francisco Supervisors are proposing an excise tax that would require distributors of sugary drinks to pay the fee and would not be an additional tax at the cash register. An excise tax is imposed upon the distributors; a sales tax is paid directly by consumers at the cash register. It is estimated that 2cents per ounce on sugary drinks would raise over \$30 million a year for health promoting programs in San Francisco.



- Q.** What would the money be used for? Is this a special tax that would earmark the funds for specific programs? Wouldn't it just off-set money the City has already allocated for these programs?
- A.** For the revenue to be effective, it's important to make sure that the funds raised are earmarked for programs that educate, provide access to healthier choices, and make the healthier choice, the easy choice. Several San Francisco Supervisors are proposing a special tax that would earmark the funds for health, nutrition, food access, and physical activity programming. The ballot measure will protect current levels of City funding for these programs so the money will be used to develop, expand, or enhance these types of programs rather than just fill a city budget shortfall.
- Q.** Why single out sugary drinks? Aren't obesity and diabetes complicated health problems that can't be fixed by targeting just one thing?
- A.** No one is saying that sugary drinks are the only cause of obesity, diabetes and other chronic health problems; *BUT sugary drinks are a main contributor to these and other preventable chronic diseases.* In fact, sugary drinks are the main source of added sugar in our diets, adding almost 50% of all added sugars consumed by the average American each year. Targeting sugary drinks is part of a comprehensive public health strategy to encourage people to drink fewer sugary drinks and increase healthy drink consumption.
- Q.** San Franciscans are generally very healthy; do we really need a new tax to get people to make healthier choices?
- A.** Yes, generally San Francisco is healthier than other cities. However, like cities across the US, significant health disparities exist. Communities of color and low-income communities are disproportionately impacted by debilitating chronic diseases that are linked to sugary drink consumption. Revenue raised by requiring distributors to pay an excise tax for sugary drinks will provide support to continue and expand programs that educate SF residents, particularly low-income and youth of color, and provide opportunities for them to develop and maintain healthier choices.
- Q.** Shouldn't parents be more responsible for what their kids eat and drink?
- A.** Parents are important role models and are responsible for a lot of what their kids eat and drink, *BUT sugary drinks are everywhere and cheap (often cheaper than bottled water).* Kids need incentives to make healthy choices and disincentives for unhealthy choices. Further, aggressive target marketing to youth by the beverage industry puts parents at a distinct disadvantage. For example, when big name stars like Beyoncé, One Direction and Katy Perry all promote soda; parents know that education and parental influence alone will not discourage kids to buy a soda on their way home from school. Making sugary drinks more expensive and harder to get for youth will have a much bigger impact, as we saw when we began taxing tobacco.