## Sugar-Sweetened Beverage (SSB) Taxes: Facts and Responses to Myths and Industry Arguments

The Illinois Alliance to Prevent Obesity is convened and managed by the Illinois Public Health Institute.

### MYTHS | INDUSTRY ARGUMENTS | FACTS AND RESPONSES
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Tax won’t solve obesity. | There is no scientific evidence that a beverage tax will be effective in reducing obesity. Sample language used in testimony: “If we really want to have a significant effect on the state’s obesity rates, we need to look at comprehensive solutions that will have a meaningful and lasting impact on our citizens, not simplistic approaches targeting one portion of the items in our grocery cart for restrictions or taxation.” | • Economic modeling by researchers at the University of Illinois at Chicago shows a penny per-ounce tax on sugary drinks in IL can reduce the number of obese youth (ages 2-17) and adults (18 and over) by 9.3% and 5.2%, respectively. • An Illinois SSB tax could reduce diabetes incidence by 3,442; reduce health care costs of diabetes and obesity-related costs by $20.7 million and $150.8 million respectively. • Existing state excise taxes are not large enough to affect consumption. • Taxes worked with tobacco--consumption went down when prices went up. • Earmarking the funds for obesity prevention makes this a win-win policy. A penny per-ounce tax in Chicago would raise $127,596,000 in 2013.

The solution is education, not taxation. | Education, not taxation, is the key to reducing obesity and improving public health. | • Education alone doesn’t work. Despite decades of government efforts to educate Americans about healthful eating habits, obesity levels have continued to rise. It is difficult to imagine producing behavior change of this magnitude through education alone, even if government devoted massive resources to the task. • A Chicago excise tax on sugary drinks would raise $127,596,000 in 2013-- considerable revenue that could then be used to further the obesity-prevention efforts of the public health community.

Soda is not the cause of obesity. | There is no evidence that SSBs are to blame for obesity. They are too small a part of the total diet to have a meaningful impact. Sample language used in testimony: “Sales of regular soft drinks have declined year-over-year by 12 percent from ’00 to ‘09. Adult and childhood obesity rates continue to rise across the country during that same period, according to the [CDC].” | • There is strong scientific evidence that SSB consumption is directly linked to obesity and other related, and expensive, chronic illnesses such as type 2-diabetes and cardiovascular disease. • Sales of soda are down slightly, but sales of other SSBs have increased. Overall, consumption of sugary drinks are at an all-time high.
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| “Nanny State!” | The government should stay out of private behavior and not try to regulate what people eat or drink. | • The government’s role is to protect public health; it is already deeply involved in what we eat, from farm subsidies to setting nutritional standards for school meals.  
  • Government involvement in positive health initiatives can have wide ranging benefits.  
  o Major government interventions have been successful in improving and protecting the public’s health. Examples include smoking restrictions and tobacco taxes, air bags in automobiles, fluoridated water, and vaccinations. |
| SSB taxes will result in the loss of jobs. | Sample language used in testimony:  
  • “Our company employs and cares for over 115 hard-working individuals, and by extension, their families as well.”  
  • “Local jobs are at stake.”  
  • “The resulting unemployment rise, elevated welfare and assistance payouts, lower average incomes, and reductions in tax revenue hardly seem like a tactic in solving a budget crisis.”  
  • “A tax on beverages is a job killer.”  
  • “Now is no time to be taking away good-paying jobs with benefits.” | • Beverage companies have extensive product lines and will continue to need manufacturers, bottlers, distributors, and truckers to produce and deliver a wide variety of lower- and no-calorie beverages, along with SSBs.  
  • Beverage companies already manufacture, distribute and market many lower-calorie beverages, and thus are well positioned to increase the presence of these products in the marketplace.  
  • Beverage manufacturers can redirect their production to the manufacture and distribution of non-caloric beverages such as water and naturally sweetened products.  
  • An SSB tax will not keep people from buying low or no-calorie beverages.  
  • Even in a declining beverage market bottled water sales have increased steadily over the past several years, indicating that job opportunities are growing in the unsweetened beverage area.  
  • If the money is invested in building healthy places and infrastructure that promotes healthy lifestyles, a tax on SSBs has substantial potential to create jobs. |
| A calorie is just a calorie. | Sample language used in testimony:  
  “The American Association of Diabetes Educators notes that sugar is just another carbohydrate and can fit into a meal plan.” | • Calories in liquid form don’t make us feel full, or satiated. As a result, we don’t eat less solid food. Intake of these “liquid calories” is therefore strongly linked to weight gain.  
  • Soda is the single largest contributor of added sugar to Americans’ diets. These calories have no nutritional value.  
  • There is growing evidence that the human body metabolizes fructose in a way that is particularly harmful. If sugar is consumed in liquid form, the fructose and glucose go to the liver faster; the liver converts much of it to fat, which contributes to obesity, cardiovascular disease, and type 2-diabetes. |
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| Moderate diet and physical activity is the key. | It’s not about SSBs, it’s about diet and physical activity. Sample language used in testimony: “If … citizens want to get serious about obesity, we need to encourage a balanced diet with sensible consumption of all foods and beverages and promote more physical activity and exercise for all citizens.” | • More exercise will certainly help, but we also have to change the environment around us, which encourages constant consumption of sugary drinks by:  
  o Ubiquitous advertising  
  o Supersized drink portions  
  o Make SSBs available everywhere.  
  • The average person does not exercise enough to compensate for the number of calories being consumed in SSBs. For example, a 160-pound person would have to walk approximately:  
  o 3.3 miles to burn off a 240-calorie, 20-oz. soda  
  o 2.5 miles to burn off a 200-calorie, 32-oz. sports drink  
  o 4.6 miles to burn off a 370-calorie, 40-oz. (large) lemonade  
  o 4.5 miles to burn off a 360-calorie, 23-oz. sweetened tea. |
| It’s all about personal responsibility. | People who consume too many sugar-sweetened beverages know they risk becoming overweight. Everyone else shouldn’t have to bear the burden of their bad decisions. Sample language used in testimony: “Taxing sugary foods only defers blame and punishment away from the real culprits, attitude and education. It seeks to vilify specific foods and allows consumers to assume that they’re not accountable for their own health decisions.” | • Consumers, especially young ones, may not know the risks involved in over-consumption of sugar-sweetened beverages or calories. For example:  
  o People may not be aware that a 20-ounce bottle of Coca Cola has more than 15 teaspoons of sugar and 240 calories.  
  o Most people cannot estimate the number of calories they consume when they eat out. Even experienced nutritionists underestimate the numbers.  
  • SSBs are marketed extensively to children and adolescents.  
  o In 2010, manufacturers spent over $948 million to market SSBs in the U.S.  
  o Black and Hispanic youth are specifically targeted by this marketing. |
| Industry is part of the solution, not the problem. | “The beverage industry is taking bold action to do its part.” Sample language used in testimony:  
  • “PepsiCo has worked for decades now to expand our offerings of low calorie products and to help our consumers make healthier, more informed nutrition choices.”  
  • “To effectively confront the multi-faceted obesity issue, it will require all of us to work together in our respective roles as leaders of industry, government and the health community. The beverage industry supports education and other solutions that work, like our national School Beverage Guidelines and new calorie labeling initiative, Clear on Calories.” | • If the beverage industry really wanted to be part of the solution, they would:  
  o Stop marketing to children under 16  
  o Stop selling on K-12 school campuses and other places which children frequent, such as parks and zoos  
  o Stop marketing sports drinks as a healthy beverage alternative  
  o Put the number of teaspoons of sugar in each container on the label in a prominent place  
  o Reduce the amount of sugar in the drinks  
  o Make diet beverages cheaper than full-calorie ones |