

Sugary drinks pose a health risk to kids.

Consuming sugary drinks—such as fruit drinks with added sugar, sports drinks, and soda—poses a real health risk to kids. Sugary drinks are the single leading source of added sugars in the U.S. diet¹ and are associated with an increased risk of type 2 diabetes and heart disease.² The American Heart Association recommends that children over the age of 2 have no more than one 8-ounce sugary drink a week. Yet children today are consuming as much as ten times that amount.³

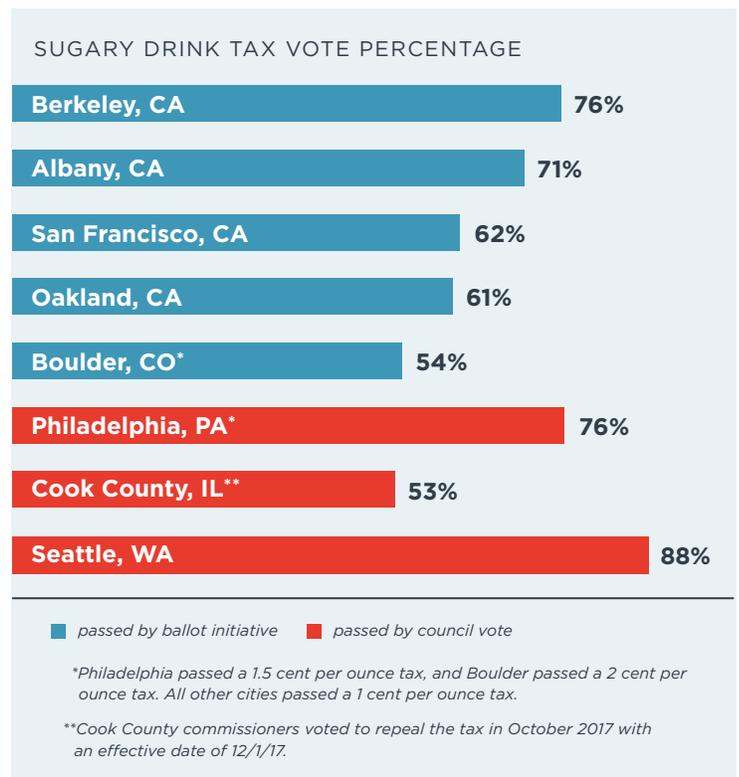
In the United States, the annual cost to treat obesity and related conditions in 2008 was \$147 billion.⁴

The United States spends at least \$147 billion per year treating preventable diseases like type 2 diabetes and heart disease.⁴ One study put the total cost to treat health conditions related to obesity—ranging from diabetes to Alzheimer’s—plus obesity’s impact on work attendance and productivity, at \$1.4 trillion annually.⁵

Sugary Drink Taxes Can Reduce Consumption.

A growing number of places have adopted sugary drink taxes—including San Francisco, Oakland, Albany, and Berkeley, California; Philadelphia, Pennsylvania; Boulder, Colorado; Seattle, Washington; and Navajo Nation. Several other countries—including Mexico, France, Ireland, Hungary and the United Kingdom—have all enacted sugary drinks taxes as well.

Current evaluations of the Berkeley⁶ and Mexico⁷ taxes show consumption of sugary drinks in these areas has declined since the taxes were implemented.



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Taxing by sugar content can reduce overall sugar consumption significantly.

All of the sugary drink taxes enacted to date in the U.S. have been based on volume—which means that drinks are taxed at the same rate regardless of sugar content, even though the sugar content in these drinks can vary widely.

Sugar Content of Sugar-Sweetened Beverages, 2014 Grams per eight-ounce serving

| | Minimum | Maximum | Mean |
|-----------------------|---------|---------|------|
| Regular soda | 8 | 48 | 29 |
| Fruit drinks | 1 | 57 | 22 |
| Sports drinks | 5 | 14 | 12 |
| Ready-to-drink tea | 5 | 28 | 15 |
| Energy drinks | 1 | 33 | 19 |
| Flavored water | 4 | 13 | 10 |
| Ready-to-drink coffee | 2 | 28 | 16 |

Source: Rudd Center for Food Policy and Obesity, 2014, Sugary Drink FACTS 2014; authors' calculations

A 2016 Urban Institute report shows that taxing drinks based on the amount of added sugar can drive down consumption of sugary drinks even more than taxes by volume.

A drink with more added sugars would have a higher per ounce tax than a drink with less added sugars

For example, a 2014 study from the Rudd Center for Food Policy & Obesity reported that an 8-ounce serving of a fruit drink can contain anywhere from 1 gram to 57 grams of added sugar. A tax based on sugar content would affect those beverages differently, whereas a tax based on drink size would treat them the same way.

There are many benefits to taxing drinks based on sugar content:

- ▶ In 2016, the Urban Institute estimated that a tax based on sugar content could reduce overall sugar consumption by 25 percent.⁸
- ▶ Cities and states can encourage healthier choices by placing greater taxes on high-sugar beverages and lower taxes on lower-sugar beverages.
- ▶ The beverage industry will have incentive to make healthier drinks, which could result in healthier options on the store shelf.
- ▶ Consumers will have more choices at different price points. They can choose drinks with less added sugar at a lower price.
- ▶ A more significant decline in sugary drink consumption may yield a greater reduction in chronic diseases like heart disease and diabetes over time—helping people live longer and healthier lives, reducing health care costs for families and businesses, and strengthening state and local economies.

The American Heart Association is recommending three or four tiers: drinks with little or no sugar aren't taxed at all, drinks with moderate sugar are subject a smaller tax rates, and drinks with a lot of sugar are subject to a higher tax rate.



*Per 12 ounces.

**The second tier may be divided into two separate tiers (7.5 to <15 and 15 to <30) for a total of four tiers.

Sources

¹ https://health.gov/dietaryguidelines/2015/resources/2015-2020_Dietary_Guidelines.pdf

² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2862465/>

³ <http://circ.ahajournals.org/content/early/2016/08/22/CIR.0000000000000439>

⁴ <http://circ.ahajournals.org/content/circulationaha/early/2017/01/25/CIR.0000000000000485.full.pdf>

⁵ <http://assets1b.milkeninstitute.org/assets/Publication/ResearchReport/PDF/Weighing-Down-America-WEB.pdf>

⁶ <http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2016.303362>

⁷ <http://www.bmj.com/content/352/bmj.h6704>

⁸ <http://www.urban.org/sites/default/files/publication/86541/2001024-the-pros-and-cons-of-taxing-sweetened-beverages-based-on-sugar-content.pdf>

