Taxing By Sugar Content: Template Op-Ed

Here are the facts on sugary drinks.

We know that consumption of fruit drinks with added sugar, sports drinks, energy drinks and soda poses a real health risk to kids. These drinks are the leading source of added sugars in the American diet and are associated with an increased risk of obesity, type 2 diabetes and heart disease.

We know that kids are drinking too many of them. The American Heart Association (AHA) recommends that kids over the age of 2 have no more than one 8-ounce sugary drink a week. Yet kids today are consuming as much as ten times that amount.

We know that this over-consumption is taking a toll on our healthcare system and the economy. Costs to treat obesity and related conditions run as high as $1.4 trillion annually. Diabetes alone accounts for approximately $245 billion in medical costs and lost productivity annually.

And we know that this is a significant issue right in X community. [insert local data, if available]

As we look to reduce the consumption of sugary drinks, communities across the nation are pursuing a variety of approaches [OR insert local examples, if applicable], such as removing sugary drinks from restaurant kids’ meals, making sure only healthy options are offered in early child care settings, and encouraging companies to market their healthier products. That’s a good thing—we need an all-hands-on-deck approach.

One recent strategy showing real promise across the nation is taxation. A growing number of places have adopted taxes on sugary drinks— including San Francisco, Oakland, Albany, and Berkeley, California; Philadelphia, Pennsylvania; Boulder, Colorado; Seattle, Washington; and Navajo Nation.

These taxes raise much needed revenue for important priorities, such as nutrition programs, pre-k expansion, school construction, parks, and public safety initiatives. Early research also shows that they are effective at reducing consumption—for example, a recent study found that soda sales in Berkeley dropped by 21 percent in low-income neighborhoods during the first four months of implementation. In Mexico, a one peso per liter sugary drink tax was implemented in 2014. A 2017 study found that over the first two years of the tax, there was a 7.6 percent reduction in purchases of taxed beverages and a 21 percent increase in purchases of untaxed drinks like bottled water.

All of these taxes have been based on volume—meaning drinks with five grams of added sugars or 50 grams are taxed at the same per ounce rate. The early returns are certainly positive, but new research from the Urban Institute has revealed that a different type of structure could be even more effective: a sugary drink tax based on the amount of sugar a drink contains.

Under this structure, a drink with more added sugars would be taxed at a higher level per ounce than a drink with less added sugars. Similar to the volume-based approach, consumers would see the price difference of each drink right on the shelf.

According to the AHA, which supports sugary drinks taxes broadly, a tax by sugar content is the “ideal” approach. AHA recommends three simple tiers: drinks with little or no added sugars not taxed at all, drinks with moderate amounts subject to a smaller tax rate, and drinks with higher amounts subject to a higher tax rate.

Taking this step would benefit X community in a number of ways. Research shows that a tax based on sugar content could reduce overall sugar consumption by 25 percent—even higher than a volume-based approach. A lower tax rate on drinks with moderate amounts of added sugars would encourage consumers to make healthier choices, and would give low-income consumers in particular more opportunity to save money. In turn, the beverage industry would have incentive to make healthier drinks that are subject to a lower tax burden, or none at all.

Perhaps most significantly, a decline in sugary drink consumption will eventually reduce chronic disease rates—helping people live longer and healthier lives, reducing health care costs for families and businesses, and strengthening our local, state, and national economy.

A sugary drink tax based on sugar content would be a win for kids, a win for families, a win for businesses, a win for the economy, and a win for better health. Let’s make it happen right here in X community.