

**Arizona Public Health Association (AzPHA)
Resolution Form**

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1. a. Summary and Statement of the Problem

Tax on Sugar-Sweetened Beverages (SSB)

Centers for Disease Control and Prevention recently identified 24 recommended community strategies to use in reversing the obesity epidemic in the United States. Strategy #10 is “*Communities should discourage consumption of sugar-sweetened beverages*”.¹

b. Background of the Issue

Approximately two thirds of U.S. Adults and one fifth of U.S. children are obese or overweight. In Arizona, 61.1% of adults and 25.9% of high school students are overweight or obese. In the Arizona WIC program, nearly a third (30.2%) of children 2-5 are at-risk of overweight or overweight.²

Americans spend \$147 billion a year on medical expenditures related to obesity, with significant costs paid for with Medicare and Medicaid dollars.³ While obesity should be addressed through a wide variety of actions, one action should be to levy a tax on soft drinks to recoup some of the costs incurred by the government from the consumption of these drinks, as well as to discourage consumption.

A meta-analysis of 88 studies published in the American Journal of Public Health, found a clear association of soft drink intake with increased energy intake and body weight. Lower intakes of milk, calcium, and other nutrients along with an increased risk of several medical problems such as diabetes were also associated with higher levels of soft drink intake.⁴

An additional health issue with soft drink intake is dental disease. Among children, aged 1 through 5 years, consumption of sugar sweetened carbonated soft drinks was associated with an 80 – 100% increased risk of dental caries.^{5,6} Dental caries is the most common chronic disease of childhood and when left untreated may interfere with a child’s ability to chew, speak and smile. In Arizona, 59.4% of children, kindergarten through third grade (N = 13,138), were adversely affected by dental caries. Of these, 31.1% had untreated decay.⁷

Research shows that increases in taxes on cigarettes and other tobacco products is the single most effective policy approach to reducing tobacco use. While there are significant differences between tobacco and intake of sugar sweetened beverages, many state and local governments are considering taxing sugar-sweetened beverages to generate revenue, decrease intake of unhealthy beverages, and to promote public health.⁸

Implementing an excise tax on sugar-sweetened beverages in Arizona would have an immediate impact and generate much-needed revenue to fund health promotion and education programs targeting the obesity epidemic.

2. Statement of the Desired Action

Institute an excise tax on sugar-sweetened beverages in Arizona.

3. Which other groups, organizations support or oppose your position?

Oppose:

- Anti tax groups
- Beverage industry
- Business groups
- Schools
- Soda Retailers

Support:

Organizations Supporting Federal Sugar-Sweetened Beverage Tax:

- America Walks
- American Academy of Pediatrics District II, New York State
- American Public Health Association
- American Society of Bariatric Physicians
- Black Women’s Health Imperative
- California Center for Public Health Advocacy
- California Dental Association
- California Pan-Ethnic Health Network
- Center for Science in the Public Interest*
- Central California Regional Obesity Prevention Program
- Citizens’ Committee for Children of New York, Inc.
- Consumers Union
- Fitness Forward
- Greater Philadelphia Coalition Against Hunger
- Health Promotion Council of Southeastern Pennsylvania

Organizations Supporting Federal Sugar-Sweetened Beverage Tax (continued):

- Healthy Monday Campaign
- Mailman School of Public Health
- Columbia University
- Institute for America's Health
- Montana Dietetic Association
- New York Coalition for Healthy School Food
- New York State Healthy Eating and Physical Activity Alliance
- Oral Health America
- Partnership for Prevention
- Physician's Committee for Responsible Medicine
- Policy and Legislative Committee of the Public Health Association of New York City
- Prevention Institute
- Shape Up America!
- Trust for America's Health

4. Describe the relationship of this issue to current AzPHA Legislative Priorities.

An excise tax on sugar-sweetened beverages is consistent with the Arizona Public Health Association legislative priority of:

Supporting and protecting healthy environments, including safe water, clean air, urban planning and tobacco-free lifestyles.

Depending on how the revenues from the tax were utilized, the tax could also support this Arizona Public Health Association legislative priority:

Supporting and protecting public health budgets and infrastructure to meet the needs of Arizona's growing population.

5. Do you see this as an issue for legislation? Yes

If so, has legislation already been initiated? Not in Arizona.

By Whom? Federal level by the American Public Health Association and other organizations

If not an issue for legislation, have other groups initiated action on this subject? Forty states have small taxes on sugared beverages and snack foods. The states of Maine and New York have proposed large taxes on sugared beverages in the past year.⁹ The American Public Health Association and other groups have expressed support for a soft drink tax at the federal level.

6. Financial and Public Health Analysis

The Yale University Rudd Center for Food Policy and Obesity provides a calculator to use in estimating estimated revenues from taxes on sugar-sweetened beverages. The calculator was developed in collaboration with Frank J. Chaloupka, Ph.D., Professor of Economics at the University of Illinois at Chicago and can be found at: <http://www.yaleruddcenter.org/sodatax.aspx>. Using the Rudd Center Calculator, an excise tax of 1-2 cents per ounce of sugar-sweetened beverages would provide between \$319,853,764 and \$450,755,376 annually in Arizona.

It is estimated that a penny-per-ounce excise tax could reduce consumption of sugar-sweetened beverages by more than 10%. Polls have shown support for such a proposal increases if revenues will be used to prevent childhood obesity through media campaigns, facilities and programs for physical activity, and healthier food in schools.⁹ Currently six states (Alabama, Arkansas, Rhode Island, Tennessee, Washington, and West Virginia) have excise taxes on sugar sweetened beverages.⁸

In 2009, state funding for community nutrition services in rural counties was discontinued and federal funding from the Centers for Disease Control and Prevention was not renewed for nutrition and physical activity programs. An excise tax on sugar-sweetened beverages is an important tool to assist communities in working to support healthy eating and active living.

Table 1. Estimate of yearly revenue that could be raised with a 1 cent per ounce excise tax on Sugar-Sweetened Beverages in Arizona

Drink Type	Gallons	Tax Revenues
Regular Soft Drinks	130,171,372	\$166,619,356
Fruit Beverages	71,268,029	\$91,223,077
Sports Drinks	22,716,468	\$29,077,079
Ready-to-Drink Tea - Nondiet	9,153,516	\$11,716,500
Flavored Water	9,424,358	\$12,063,178
Energy Drinks	6,216,907	\$7,957,641
Ready-to-Drink Coffee	935,104	\$1,196,933
Total sugar-sweetened beverages	249,885,754	\$319,853,764

Table 1. Estimate of yearly revenue that could be raised with a 2 cent per ounce excise tax on Sugar-Sweetened Beverages in Arizona

Drink Type	Gallons	Tax Revenues
Regular Soft Drinks	82,836,327	\$212,060,997
Fruit Beverages	56,522,920	\$144,698,675
Sports Drinks	15,542,847	\$39,789,688
Ready-to-Drink Tea - Nondiet	7,745,283	\$19,827,924
Flavored Water	6,794,305	\$17,393,421
Energy Drinks	5,759,220	\$14,743,603
Ready-to-Drink Coffee	875,417	\$2,241,068
Total sugar-sweetened beverages	176,076,319	\$450,755,376

Use of the Revenue

Earmark the revenue for new public health nutrition and physical activity initiatives.

Examples of these initiatives could include:

- statewide, comprehensive obesity prevention programs;
- subsidies of fresh fruits and vegetables in schools and communities and for food stamp recipients;
- funding for schools to meet national physical education time standards;
- programs to encourage appropriate maternal weight during pregnancy
- social marketing campaigns to counteract the marketing strategies used by food industries to advertise soft drinks and snacks to children;
- incentives to attract supermarkets to low-income neighborhoods;
- farm-to-school grants;
- fully subsidize breakfast and lunch for low-income students;
- incentive programs to improve all foods sold on school grounds;
- safe routes to schools;
- improvements to the built environment for increased physical activity.¹⁰

7. Would you and your group be willing to:

Write letters? Yes

Prepare testimony? Yes

Present testimony? Yes

Speak to other groups about this? Yes

Prepare a Position Paper for the Arizona Public Health Association for review and approval? Yes

References

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