

## **Beverage Tax is a Money Grab:**

Last week the Philadelphia City Council approved a 1.5-cents-per-ounce tax on sugar-sweetened and diet beverages by a 13-4 vote, making Philadelphia the first major U.S. city to enact such a tax. The city will start collecting the tax in January of 2017.

Their definition of beverage includes any sweetened beverage, as well as those with sweeteners typically found in diet beverages. Beverages containing milk are excluded, but only if they contain 50 percent or more of milk-based ingredients. Beverages containing 50 percent or more of fruits or vegetables are also excluded.

### **In Connecticut during this past legislative session we defeated an Excise Tax on**

**Sugar Sweetened Beverages** – The bill would have imposed an excise tax on distributors in the amount of \$0.01 per ounce on sugar sweetened beverages.

Connecticut legislators said the money would be used to offset costs associated with treating obesity and active living opportunities in towns.

It is no secret that taxes on common grocery items are regressive, and both the Philadelphia and Connecticut versions unfairly single out beverages—including low- and no-calorie choices. There have been studies coming to various conclusions about soda taxes, but the bottom line is that they are not fair and, for the most part, they do not work. I am not suggesting that we should be taxing items high in sugar content, but I do wonder why Gatorade or Powerade would be taxed more than a package of Devil Dogs or Twinkies.

The real play is that the state of Connecticut or any other state for that matter, can raise revenue quickly in order to offset budget shortfalls or create new bureaucratic programs. Woodrow Wilson contemplated soft drink and beer taxes to offset WW1 trade deficits as far back as the early 1900's. Incredibly enough, a 70 year old sugar tax in Denmark has been altered recently because it has not proven to achieve public health objectives and hurt the profitability of local business. They abolished the tax on soft drinks as part of a series of measures intended to create jobs and boost the economy.

I do not deny that our nation and our state face a major public health crisis. People who are denied sugar in one form are likely to simply switch to another source. An active lifestyle with a balanced approach to diet, along with better understanding/availability of product ingredients, are what consumers deserve and should demand from manufacturers. Any government tax imposed on consumers should at least make sense from a policy perspective. I do not believe that any local, state or federal tax would

properly fund solutions along these lines. The theory that public health will be improved by taxing beverages is flawed: this feels more like a money grab.

In other news, CFA will honor Liz Chase Marino from Stop & Shop as the 2016 Person of the Year. The awards dinner will be held October 20<sup>th</sup> at the Mohegan Sun. Mark your calendars and we look forward to seeing you there.