



Soda Sales Tax Testimony to House Ways and Means Committee
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(on behalf of AHA and ACS-CAN)

We would support a drink tax that would not *just* raise revenue but have a public health impact. A sales tax on soda isn't adequate. A sugar sweetened beverage excise tax is. Applying the state sales tax to soft drinks will not decrease consumption and therefore will have no impact on curbing the obesity rate.

Significantly raising the price of the product will likely have the most impact. Adding 6 cents to a soft drink via a sales tax isn't going to positively change anyone's behavior.

- **The price increase with a sales tax is not at the point of sale since it does not appear on the shelf but at the register. This means that the opportunity to choose a healthier beverage option has been lost.**
- A sales tax could actually encourage buying larger containers of soda because **a larger container is cheaper per ounce** since it is a flat tax. Large, cheap fountain drinks like Big Gulps would hardly be affected.
- Analyses of states that currently have a sales tax on soda (averaging at 3.5%) have **not** led to a noticeable drop in consumption.¹ However, studies have shown the rate of consumption is likely to decrease by 8% with an SSB excise tax.
- **Snap participants would also be excluded from paying the sales tax on soda.** And with no obesity prevention program funding, there is no deterrent or education to help them make healthier choices.
- A soda sales tax misses a number of drinks like energy and sports drinks, vitamin water and other sugar-added juices.
- The SSB excise tax proposal provides a disincentive to purchasing unhealthy drinks, and provides \$26 million to fund health care and healthy food subsidies for low-income Vermonters while funding anti-obesity initiatives to target a major driver of health care costs.
- **The sales tax would provide none of these benefits.**

¹ Powell, Lisa; Chriqui, Jamie, Chaloupka, Frank. Small Taxes on Soft Drinks Insufficient to Substantially Curb Soda Consumption Among Children. Rand Health, April 2010.