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Vermont needs to take significant steps to address obesity but a sales tax on water and soft drinks moves us in the wrong direction.

Excise tax is needed to curb consumption

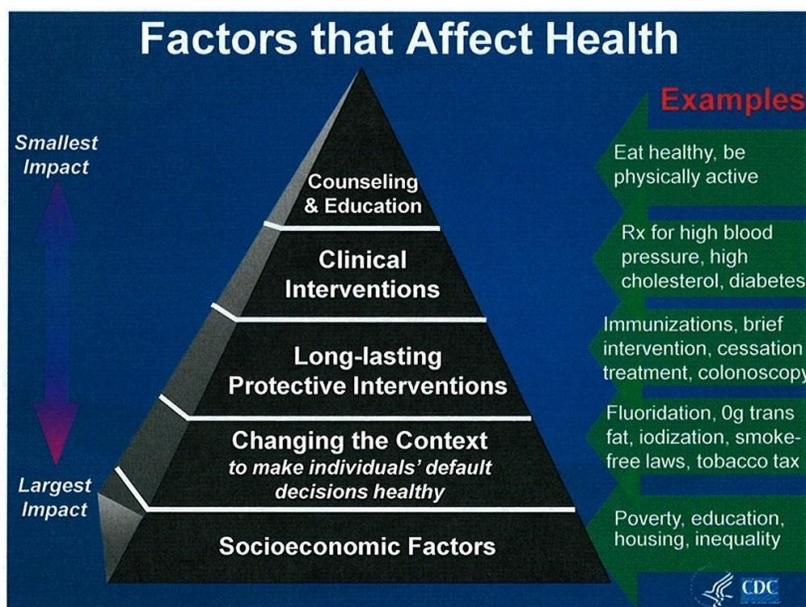
Science has shown us over and over again that price increases on consumer products need to be significant to curb purchasing and consumption.

As I noted yesterday in my testimony on the tobacco excise tax, a 10% increase in the total sales price is needed to have a public health benefit as it would decrease adult smoking by 3-5% and youth smoking by 7%.

The same is true with sugary drinks. A review of 160 studies related to the price elasticity of demand for major food categories found that consumers of sugar-added drinks respond to price changes such that a 10% increase in price should reduce consumption by approximately 8%-10%.

Vermont's positive experience with the cigarette tax has demonstrated that excise taxes can work in reducing consumption of unhealthy products. Since 1995, Vermont increased its cigarette tax multiple times, from 20 cents per pack in early 1995 to \$2.75 per pack currently. The result has been both a significant drop in youth smoking from 33% to 13% and a substantial increase in revenues (currently over \$70 million a year) for the state.

The Centers for Disease Control's health impact pyramid shows that excise taxes change behavior because they help to make the healthy choice the easy choice.



A sales tax is only seen on the receipt after the sale, not at the shelf where the consumer makes the decision to purchase.

The experience of 39 other states that have sales taxes on sugary drinks has taught us that sales taxes do not reduce consumption of high-calorie sugar-loaded drinks lacking in nutritional value.

A meaningful excise tax on sugary drinks is necessary to help reduce the unhealthy levels of consumption that are fueling the obesity epidemic and increasing chronic diseases that are costing Vermont \$202 million annually.

No barriers should be placed on drinking water

WATER IS THE BEST BEVERAGE FOR HEALTH

Water is the only liquid nutrient that is essential for body hydration. While it is clear that water is necessary to keep the body functioning, it can also play a major role in improving our overall health by lowering the risk for chronic disease and decreasing obesity rates.

Childhood overweight and obesity rates have tripled, and now nearly one in three children is overweight or obese. This puts our youth at risk for serious health problems such as cardiovascular disease, hypertension, type 2 diabetes, and stroke. One contributing factor is the over-consumption of sugar-sweetened beverages (SSBs) rather than healthy alternatives such as water.

One-half of the U.S. population aged 2 and older consumes SSBs on a given day; one-quarter of them drinking up to 200 calories in liquid sugar, and another 20% drinking more than 560 calories from SSBs – the equivalent of more than four 12-ounce cans of soda.

In fact, children and adolescents take in between 10% and 15% of their total daily calories from SSBs. However, replacing SSBs with water could cut up to 235 calories per day from the average American child's diet.

In order to improve our children's health, we must change the environment to encourage better nutrition in our communities.

Water should be both accessible and more affordable so that kids and families reach for it first whenever they are thirsty.

We should never allow there to be a barrier whether it be real or perceived to make water more costly. Children and families should not have to pay taxes on bottled water when they buy it at school, in corner and grocery stores, or in public places. Water should always be the most affordable drink option.

Given this, we urge you to reconsider taxing water at any level.