

# A CALIFORNIA SUGAR-SWEETENED BEVERAGE TAX

WHAT COULD IT MEAN FOR YOUR COMMUNITY?



A 2-cent per ounce sugar-sweetened beverage (SSB) tax is a win-win policy. It would raise significant revenue and, if invested in prevention programs, keep Californians healthy, reduce diabetes and obesity, lower our state's long-term health care costs, and improve Californians' quality of life.

## A SIMPLE, EFFECTIVE POLICY



Taxes on unhealthy sodas, sports drinks, juice drinks, and sweetened teas are widely supported by voters in California and have passed at the ballot box in **Berkeley, Oakland, San Francisco and Albany**. Additionally, Philadelphia, Seattle, Boulder, and 42 nations—representing more than 2 billion people—have also adopted SSB taxes.



The most recent proposal for California would levy a **2-cent per ounce tax** on sugar-sweetened beverages sold statewide. If approved by voters or legislators, this small investment would **raise an estimated \$1.7 billion<sup>1</sup>** in its first year. If passed by the Legislature, \$700 million of those dollars would go to education.<sup>2</sup>



Numerous studies have proven the effectiveness of an SSB tax, which is estimated to yield a decline in consumption equal to ten gallons each year per capita.<sup>3</sup> Research in Berkeley found a 10 to 21 percent decline in consumption in its first year,<sup>4</sup> and 44 percent by the third year.<sup>5</sup> In Philadelphia—under a higher tax rate—**sales of taxed drinks fell by 27 to 51 percent**.<sup>6</sup> Both cities saw a corresponding **16<sup>7</sup> to 63<sup>8</sup> percent increase in water consumption**. Overall beverage sales did not decline, water sales went up, and employment in the food and beverage sector stayed strong.<sup>9</sup>



If the 2-cent sugar-sweetened beverage tax was implemented across California, it would **reduce health care costs by at least \$5 billion over ten years**.<sup>10</sup>

## DELIVERING POSITIVE COMMUNITY IMPACT

Pairing the positive health effects of reducing consumption with a significant reinvestment of revenue in health promotion, disease prevention and health equity would magnify the benefits of a sugar-sweetened beverage tax, helping to grow the economy, create new community infrastructure, strengthen our schools, and improve our quality of life.

**At \$1.7 billion<sup>11</sup> in annual revenue, an SSB tax would offer countless opportunities to invest in community health. Here are just two possible scenarios representing roughly what could be accomplished in the first year:**

### 1) RAISING HEALTHY CHILDREN

- ✓ Remove lead water service lines<sup>12</sup> and install new water fountains in all 10,473 public schools;<sup>13</sup>
- ✓ Provide salad bars for every cafeteria;<sup>14</sup>
- ✓ Build playgrounds<sup>15</sup> or install gym equipment on every campus;<sup>16</sup> and
- ✓ Hire a professional school nurse for every school.<sup>17</sup>



### 2) BUILDING HEALTHY COMMUNITIES

- ✓ Construct 4,000 miles of bike paths and walking trails across California;<sup>18</sup>
- ✓ Build 100 senior centers statewide;<sup>19</sup>
- ✓ Provide Meals on Wheels for 200,000 older and disabled adults;<sup>20</sup> and
- ✓ Create 100 community parks in low-income communities.<sup>21</sup>



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Data sources available at: [WWW.CA-ALLIANCEFORPREVENTIONFUNDING.ORG/DATA-SOURCES](http://WWW.CA-ALLIANCEFORPREVENTIONFUNDING.ORG/DATA-SOURCES). Icons by the Noun Project. July 2019.

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