

SUGAR SWEETENED BEVERAGE EXCISE TAX PROPOSAL

March 28, 2016

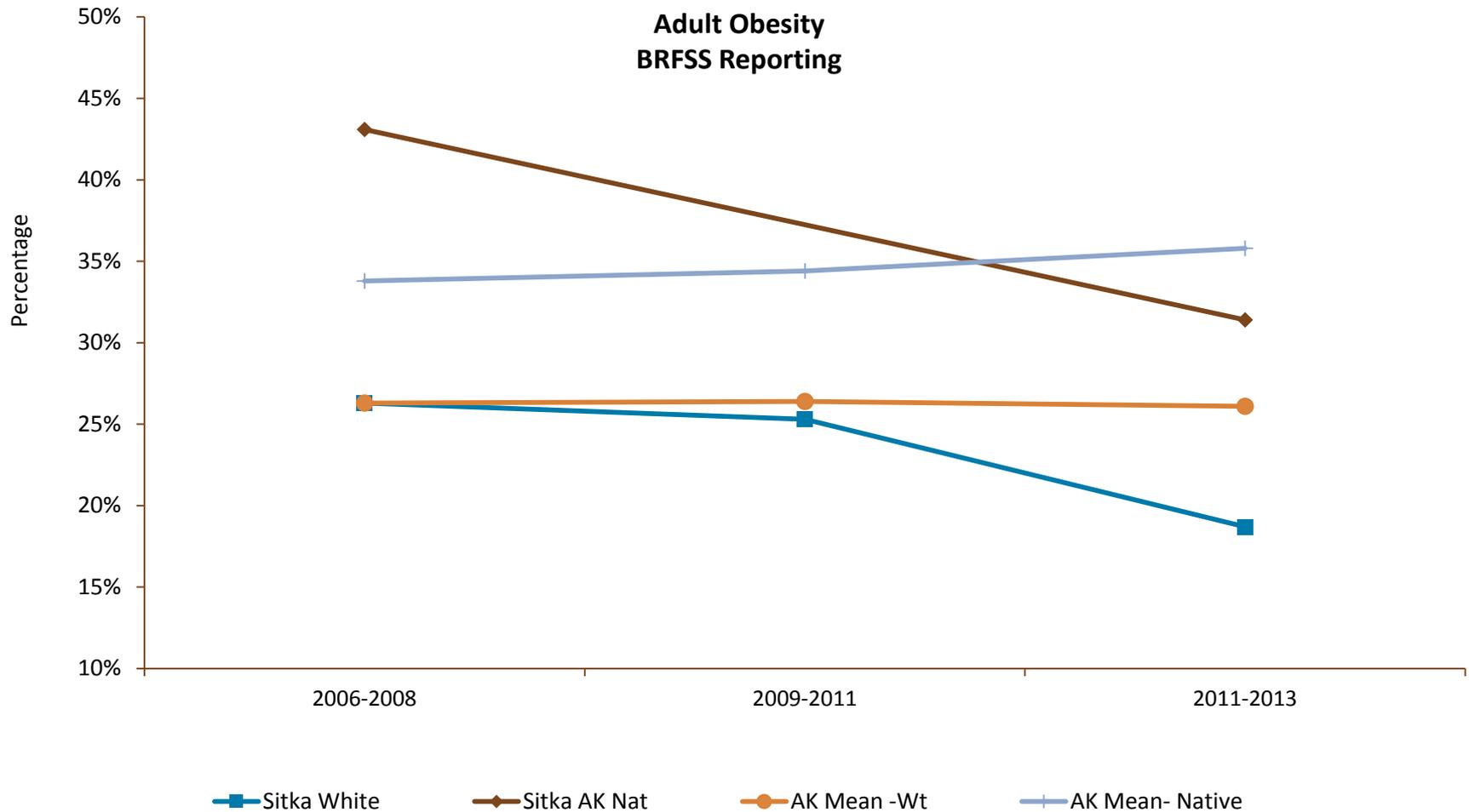


Impact of SSB Consumption

- Obesity
 - Obesity related diseases
- Type 2 diabetes
- Heart disease
- Tooth decay

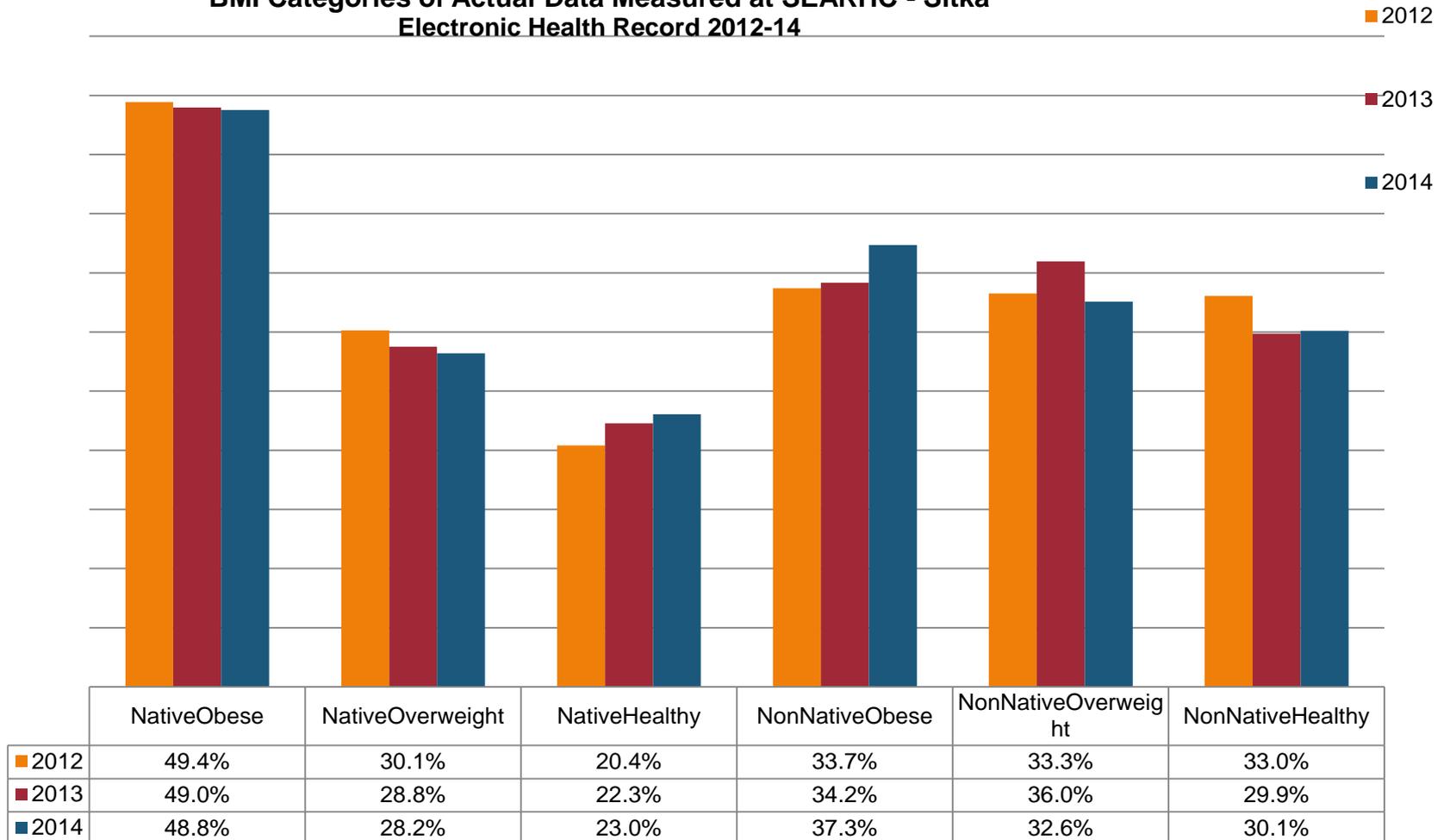


Obesity



Obesity

**BMI Categories of Actual Data Measured at SEARHC - Sitka
Electronic Health Record 2012-14**



Obesity

- YRBS: 30% of students in Sitka were overweight or obese compared to the state average of 26.1%

A 20-ounce soda could have as much sugar as 16 chocolate mini doughnuts.



You wouldn't eat that much sugar, so why drink it?

Choose a healthier option.
Drink water or low-fat milk.

Get the facts at playeveryday.alaska.gov.

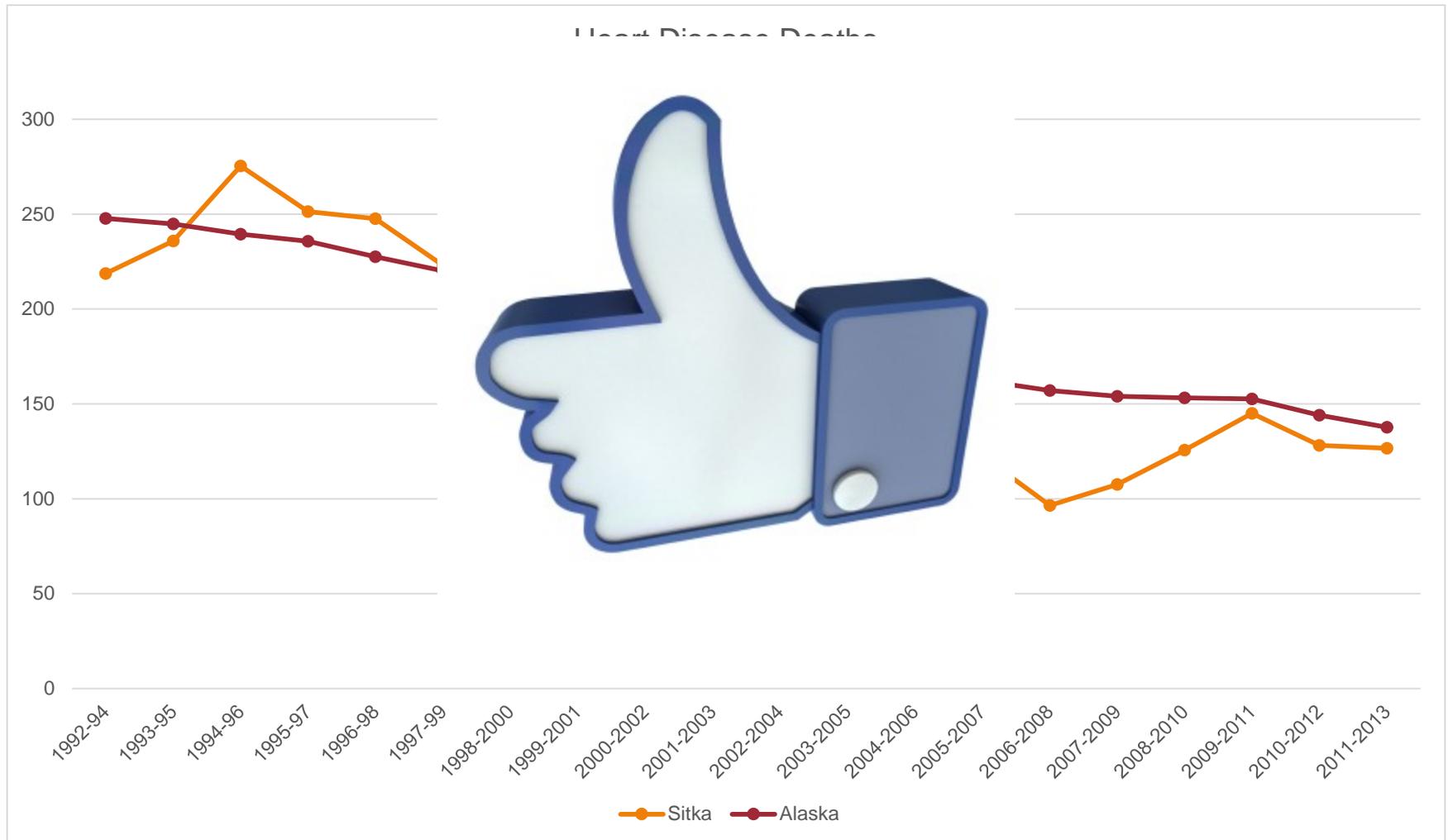




Diabetes Prevalence

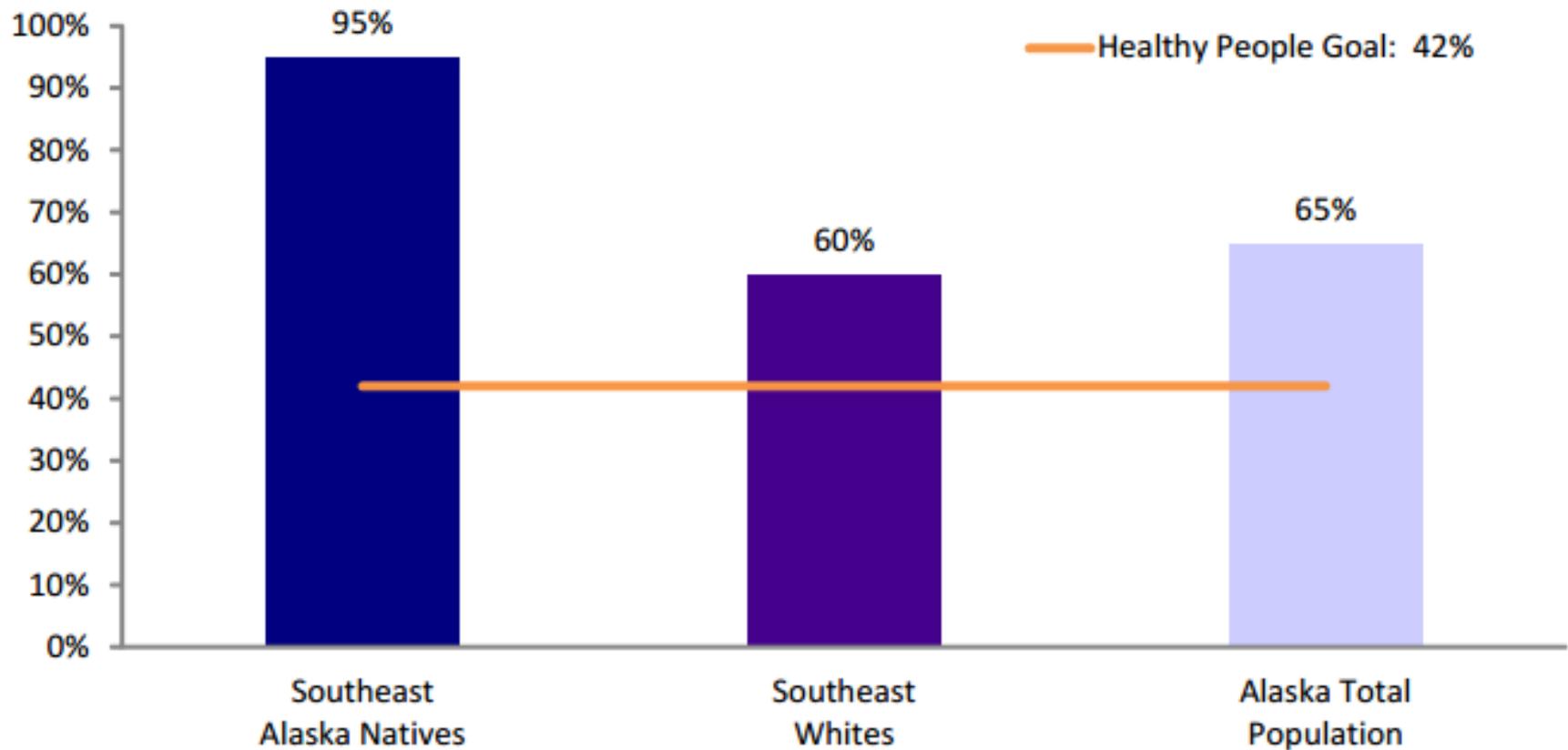
- 2004: 5.5%
- 2012: 7.4%
- 2007 age-adjusted prevalence of diabetes among Southeast Alaska Native people was 55 per 1,000 people and, among Alaska Native people statewide, it was 40 per 1,000 people
 - 118% increase from 1990-2007

Heart Disease



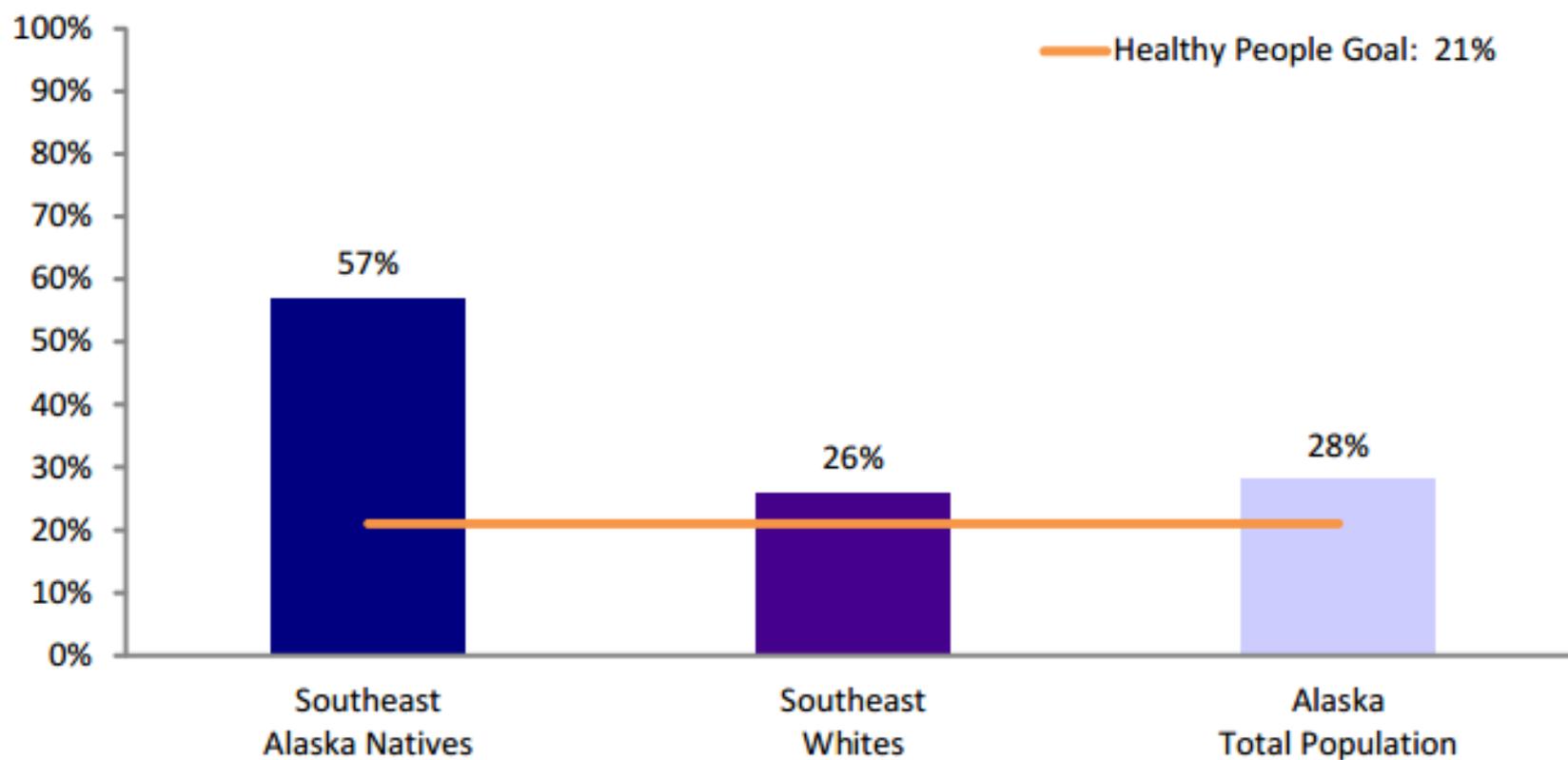
Tooth Decay

2004 Caries Experience for Third Graders in Southeast Alaska



Tooth Decay

2004 Untreated Caries Experience by for Third Graders in Southeast Alaska



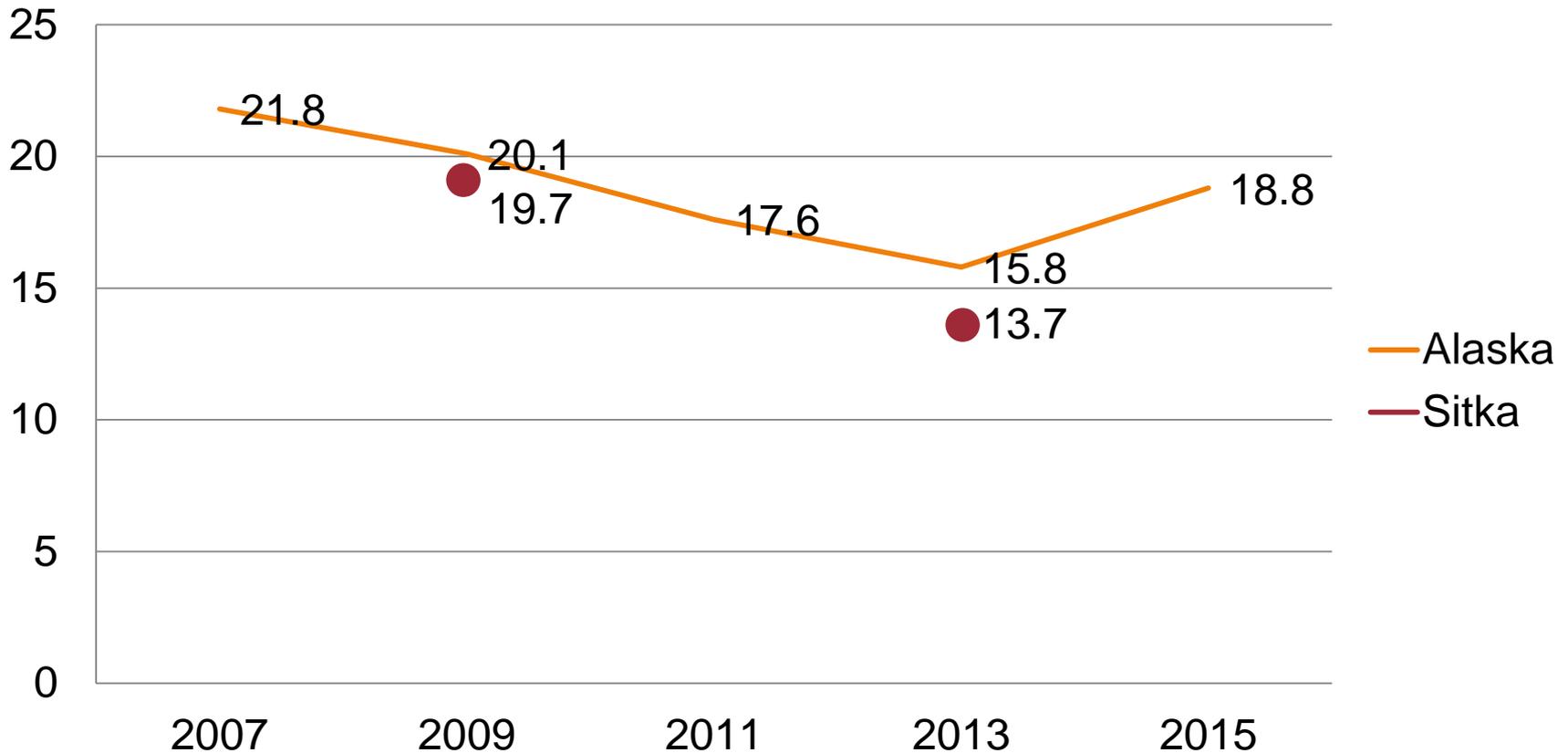


Consumption Trends

- SSB are responsible for at least 1/5 of weight gained in the past three decades

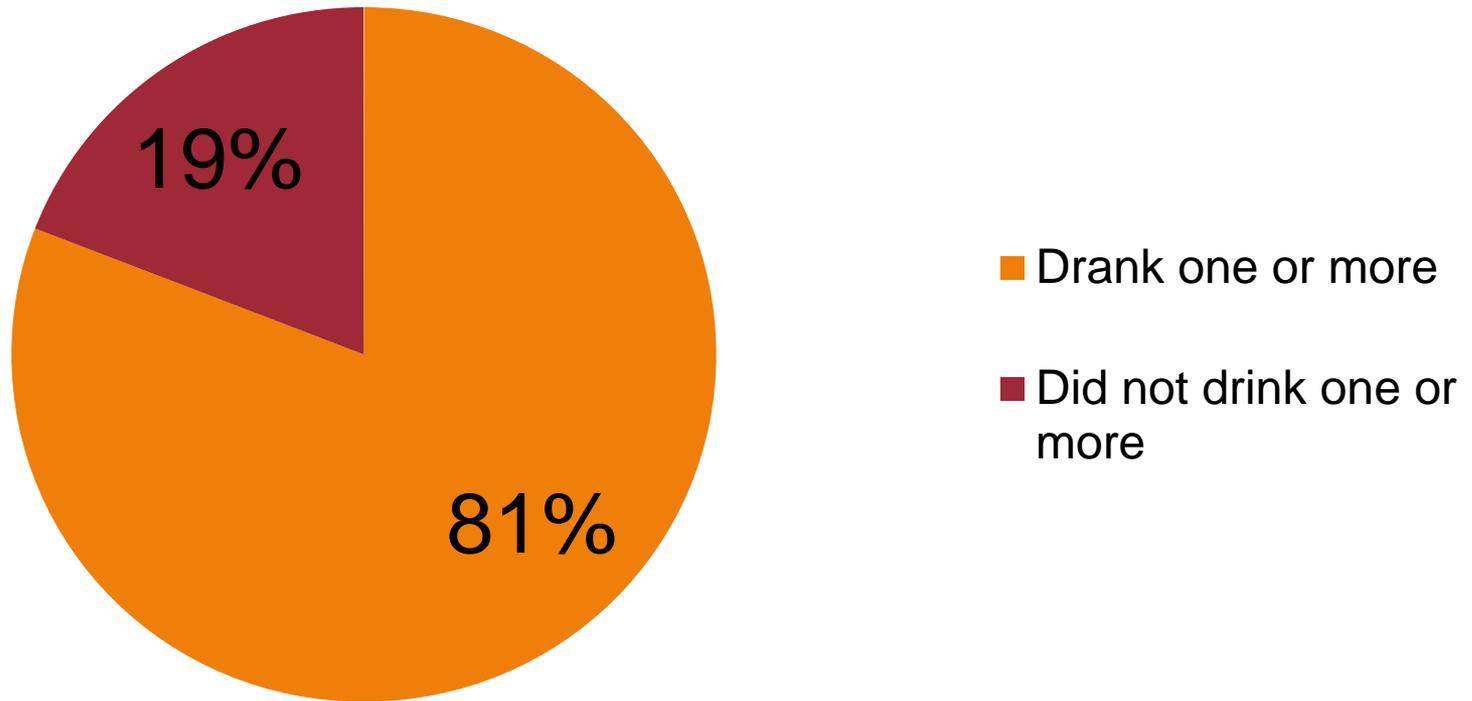
2013 Sitka YRBS

Drank soda one or more times per day during the past 7 days



2013 Sitka YRBS

Soda or sugar-sweetened beverage consumption in past 7 days





Healthcare costs

- Alaska's obesity-related Medicaid costs will be \$684 million annually by 2030 if obesity rates continue as predicted.

Consider:

individual

vs.

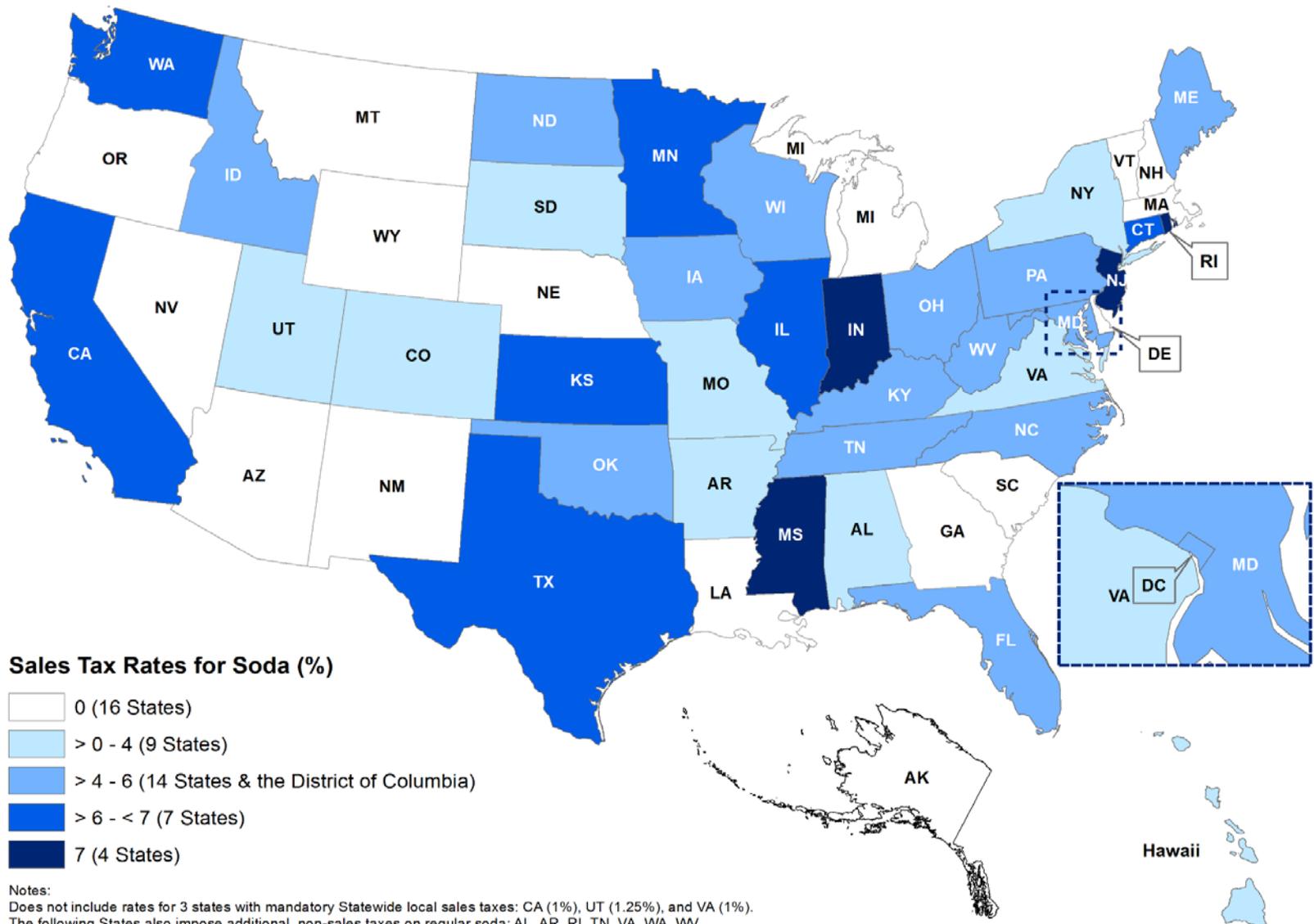
population level intervention

state

vs.

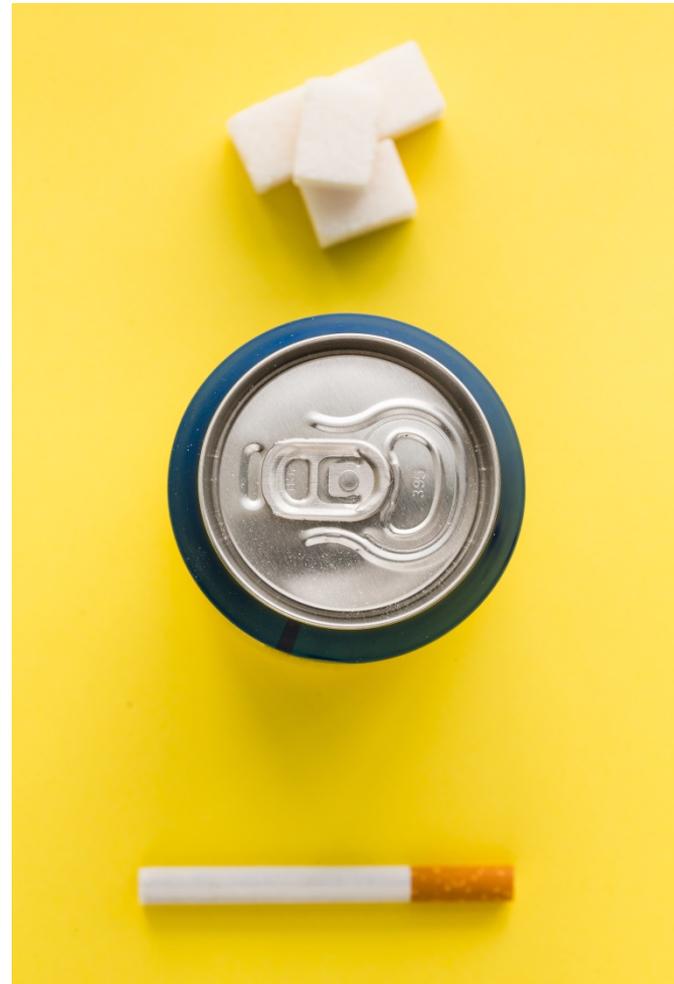
local intervention

States with Sales Taxes on Regular Soda (as of January 1, 2014)



Excise tax

1-cent per ounce
tax on the
distribution of
sugar-sweetened
beverages



Impact of Tobacco Taxes

- Store markups typically raise prices more than tax increase
- Higher taxes reduce consumption and prevalence, especially among youth
- When price increases, smokes rates decrease

Impact

- 50%-150% pass-through rate of a 1-cent-per-ounce excise tax is estimated to **reduce consumption by 10%-30%**
 - Pronounced among price sensitive individuals: youth and low-income individuals





Impact

- Estimated revenue \$475,000*

Successful examples:

- Berkeley
 - .47% average pass-through rate
- Mexico
 - ~1-1 pass-through rate
 - 6-12% reduction in consumption
 - **4% increase in sales of untaxed beverages**



Proposed taxed items:

Drinks with added caloric sweetener such as:

- Soda
- Fruit-flavored drinks
- Sports drinks
- Energy drinks
- Vitamin-enhanced water
- Presweetened tea and coffee
- Powdered drink mix
- Premade syrup (frozen/unfrozen)



Proposed exempted items:

- Infant and medical formulas
- Beverages sold for weight management or meal replacement
- Drinks with milk listed as the first ingredient
- 100% fruit and vegetable juice
- Alcohol
- Water
- Coffee or tea beverages with no added sweetener
- Beverages sweetened by non-caloric sweeteners





Things to consider

- Allocation of revenue:
 - 60% of Alaskan adults support/strongly support SSB tax if the tax supports childhood obesity prevention efforts

QUESTIONS?
COMMENTS?
