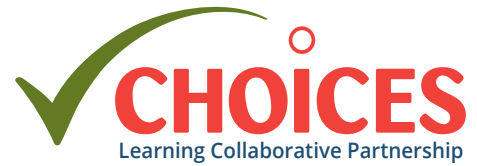


Washington Sugar-Sweetened Beverages (SSB) Tax:

Researching an Intervention to Create the Healthiest Next Generation



This brief provides a summary of the CHOICES Learning Collaborative Partnership simulation model of a \$0.02-per-ounce state excise tax on sugar-sweetened beverages (SSB). The tax, which would be administered by the Washington State Department of Revenue (DOR), aims to reduce consumption of calorie-dense, nutrient-poor beverages.

The Issue

Although SSB consumption has declined in recent years, children and adults in the United States consume twice as many calories from SSBs compared to 30 years ago.¹⁻³ Research has linked SSB consumption to excess weight gain, diabetes, and cardiovascular disease. SSB consumption may increase the risk of developing chronic diseases via effects on body mass index (BMI) and other mechanisms.⁴⁻⁵ The Dietary Guidelines for Americans, 2015,⁶ recommends reduced SSB intake to help manage body weight. Drawing upon the success of tobacco taxation and decades of economic research, public health experts have called for higher taxes on unhealthy foods and beverages.⁷⁻¹⁰ In 2009, the Institute of Medicine recommended that local governments implement tax strategies to reduce consumption of “calorie-dense, nutrient-poor foods,” emphasizing SSBs as an appropriate target for taxation.¹¹

About the SSB Tax

In this model, the state excise tax would apply to bottlers and distributors and be passed on directly to consumers in full as part of the price of the product. The tax would apply to all beverages with added caloric sweeteners but not to 100 percent juices, milk products, or artificially sweetened beverages. The \$0.02-per-ounce excise tax would increase SSB prices in the state of Washington by 24.4 percent. Implementation would require the state DOR to communicate the tax to bottlers and process tax statements; it would require businesses to prepare tax statements for state audits using private tax accountants.

Comparing Costs and Outcomes

CHOICES cost-effectiveness analysis compared the costs and outcomes of the SSB excise tax over 10 years with costs and outcomes associated with not implementing the tax.

Implementing a state \$0.02-per-ounce sweetened beverage tax in Washington is an investment in the future. By the end of 2025:



51,700 CASES OF CHILDHOOD & ADULT OBESITY

prevented in 2025.

\$484

MILLION IN HEALTH CARE COSTS SAVED



1,180 DEATHS PREVENTED

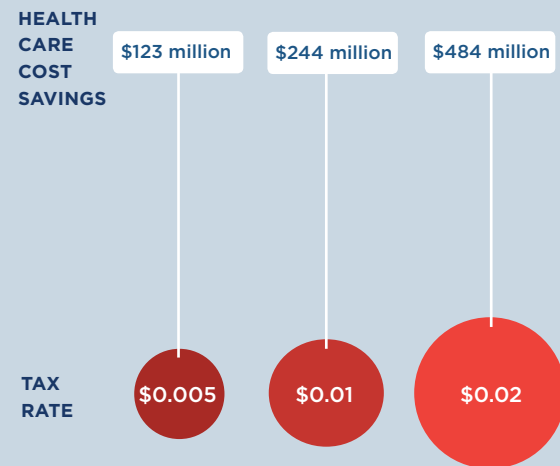
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Conclusions and Implications

According to this model analysis, a \$0.02-per-ounce sweetened beverage tax on SSBs in Washington would reach all residents of the state and prevent 8,380 cases of childhood obesity and 43,300 cases of adult obesity in 2025. The tax would also prevent deaths while reducing future health care costs. Lower tax rates such as \$0.01 or \$0.005 per ounce would have less of an impact on health and health care cost savings.

In other locations that have looked at this issue, there are concerns about the impact of the tax on low-income households. This analysis indicates that households will spend less on SSBs after the tax takes effect, therefore increasing income for other purchases. In addition, greater health benefits will accrue to low-income consumers, who on average consume more SSBs than higher-income consumers. The same is true for certain racial and ethnic groups. Thus, disparities in obesity outcomes should decline following implementation of the proposed tax. In addition, revenue from the SSB tax could be reinvested in low-income communities.

FUTURE HEALTH CARE COST SAVINGS BY TAX RATE, PER OUNCE

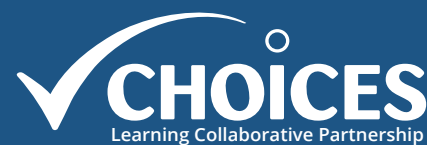


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This issue brief was developed at the Harvard T.H. Chan School of Public Health in collaboration with the Washington State Department of Health through participation in the Childhood Obesity Intervention Cost-Effectiveness Study (CHOICES) Learning Collaborative Partnership. This brief is intended for educational use only. For more information, please visit: <http://www.doh.wa.gov/CommunityandEnvironment/HealthiestNextGeneration/CHOICES>



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