

SUGAR-SWEETENED BEVERAGE EXCISE TAX IN UNINCORPORATED AREAS OF LOS ANGELES COUNTY

This brief summarizes a CalFresh Healthy Living-CHOICES Project Learning Collaborative Partnership model of a \$0.02-per-ounce volume excise tax on sugar-sweetened beverages (SSBs) in unincorporated Los Angeles County. The tax, which would be administered by the county, aims to reduce consumption of SSBs.

The Issue

There are marked differences in SSB consumption in Los Angeles County by race, ethnicity, income, and geography.¹ These patterns likely reflect the impact of targeted advertising^{2,3,4} and retail marketing of SSBs⁵ and SSBs being more available, affordable, and appealing than water.^{6,7}

Approximately one in three (35.1%) adults in Los Angeles County consumed at least one SSB on an average day in 2023. Black (39.6%) and Latinx (47.2%) adults have nearly double the rate of SSB consumption when compared to White (21.1%) and Asian (23.3%) adults.¹ Similar patterns exist among children, with Black and Latinx youth consuming more SSBs than their White and Asian peers.¹

Excess consumption of added sugars contributes to health issues such as excess weight gain, dental decay, and an increased risk of cardiovascular disease, hypertension, and type 2 diabetes.^{8,9} Taxing SSBs reduces purchases and improves health, particularly for groups with higher consumption rates, offering a way to mitigate health impacts.¹⁰

About a Sugar-Sweetened Beverage Excise Tax

We modeled a \$0.02 SSB excise tax for unincorporated Los Angeles County (population 1.06 million). The tax would be administered by the County of Los Angeles Treasurer and Tax Collector for local bottlers, distributors and manufacturers. The tax applies to beverages with added caloric sweeteners, including powders and syrups. Beverages with fewer than 25 calories per eight ounces, milk products, 100% juice, and artificially-sweetened beverages would be exempt. The cost of the tax would be passed on to consumers. Implementation efforts include processing tax statements, conducting communication campaigns, and auditing, with industry and businesses preparing statements for audits using private accountants.

Comparing Costs and Outcomes

CHOICES cost-effectiveness analysis compared the costs and outcomes over a 10-year time horizon (2025-2034) of implementing a \$0.02-per-ounce volume excise tax on SSBs with the costs and outcomes associated with not implementing the excise tax.

A \$0.02-per-ounce SSB excise tax in unincorporated Los Angeles County would lead to health benefits and generate revenue, resulting in:



74
FEWER SSB SERVINGS
per person in the first year



90,400
FEWER DECAYED, MISSING, OR FILLED TEETH
over 10 years (19,500 for children; 70,900 for adults)



\$154M
SAVINGS IN HEALTH CARE COSTS
over 10 years



\$48.7M
IN PROJECTED REVENUE
in the first year
(*\$4.27M in policy implementation costs over 10 years*)

Conclusions and Implications

Turning Revenue into Real-World Change

\$15 million represents the annual cost to support a network of diverse partners, including early childhood education organizations, school districts, Federally Qualified Health Centers, and community-based organizations that work to improve food and nutrition security.

An SSB tax in unincorporated Los Angeles County could significantly improve the health and well-being of residents and be cost saving. With a 10-year implementation cost of just \$4.27 million, an estimated \$154 million in health care costs could be saved over the same period—meaning nearly \$36 in savings for every dollar invested.

Beyond health care cost savings, this tax could generate approximately \$48.7 million in revenue in its first year (likely range: \$30.7 - \$56.6 million). This revenue could be used to support public health programs at a time when federal funding is uncertain. A sustainable funding stream could maintain and expand vital services that address chronic disease and promote community wellness.

The tax is a direct investment in the long-term health of our communities. It is projected to reach 1.25 million people over 10 years, with an average reduction of 74 sugary drinks consumed per person in the first year. Black (91 fewer sugary drinks) and Latinx (84 fewer sugary drinks) communities would experience the largest decrease in consumption. This reduction in consumption could prevent an estimated 90,400 decayed, missing, or filled teeth over 10 years, and prevent 7,750 cases of obesity in 2034, which are tangible improvements in both quality of life and health outcomes for residents.

Furthermore, this tax promotes health for all. By directing the revenue to communities most impacted by health risks due to higher SSB consumption, this tax would be a win for public health. This approach aligns economic incentives with public health goals, creating a healthier future for all County residents.



Citation

Vos K, Caldwell J, Sklyar L, Shah D, Kuo T, Gacutan-Galang J, Beccarelli M, Evans LW, Pugliese J, Gouck J, Barrett JL, McCulloch SM, Garrone ME, Cradock AL. *Sugar-Sweetened Beverage Excise Tax in Unincorporated Areas of Los Angeles County* {Issue Brief}. Los Angeles County Department of Public Health, Los Angeles, CA, and the CalFresh Healthy Living-Childhood Obesity Intervention Cost-Effectiveness Study (CHOICES) Learning Collaborative Partnership; December 2025. For more information, please visit choicesproject.org.

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