

Sugary Drink Taxes



Why Are Sugary Drink Taxes a Cancer Issue?

Approximately 20 percent of all cancers are caused by poor diet, physical inactivity, excess weight and excess alcohol consumption.¹ In fact, excess weight is clearly associated with an increased risk of developing at least 13 cancers, including cancers of the breast (postmenopausal), colon and rectum, uterus, kidney, pancreas, ovary, liver, gastric cardia, gall bladder, and thyroid, and adenocarcinoma of the esophagus, meningioma and multiple myeloma.²

Sugary drinks, also known as sugar-sweetened beverages, which includes regular soda, fruit drinks, sports drinks, energy drinks, sweet teas, and any other non-alcoholic beverages with added caloric sweeteners, are the leading source of added sugar and one of the leading sources of calories in Americans' diets.³ Research has shown that both children and adults who consume greater amounts of sugary beverages gain more weight,^{4,5} increasing the risk for obesity-related cancers. [For more information about sugary beverages and cancer, read our fact sheet.](#)

Existing evidence supports taxing sugary drinks as a strategy to reduce their consumption, thereby reducing excess weight and cancer risk. **That is why ACS CAN supports measures to increase the price of sugary drinks when designed in a way to maximize health impact.**

How Should Sugary Drink Taxes Be Structured for Maximum Health Impact?

Overall, ACS CAN supports measures to increase the price of sugary drinks when designed in a way to maximize health benefits. This section outlines ACS CAN's criteria for support for sugary drink taxes.

Type of Tax

Sugary drink taxes should be excise taxes. An excise tax is applied based on the volume, rather than the price, of the beverage. This reduces value-based pricing, where larger package sizes are cheaper on a per-ounce basis, encouraging people to purchase larger package sizes. In addition, excise taxes are built into the price of a beverage, ensuring customers see the impact of the tax increase when making their purchase decisions.

While the tax may be applied at either the retailer or distributor level, it should be designed in a way that is likely to increase the price of the beverage for the consumer.

Amount of Tax Increase

The amount of the sugary beverage tax increase must be large enough to impact consumption. ACS CAN advocates for a tax increase of at least one – and ideally two – cents per ounce, the amount needed to produce a 20 percent increase in price. The larger the amount of the tax increase, the more likely it will result in a real price increase for the consumer.

Beverages to Which the Tax Should Apply

Excise taxes should apply to all sugary drinks, including regular soda, energy drinks, sports drinks, sweet teas, and any other non-alcoholic drinks with added caloric sweeteners that have at least 15 calories per 12 ounces. Taxes should also apply to syrups and powders used to make sugary drinks.

In contrast to sugary drinks, which provide excess calories without any nutrients, “diet” beverages sweetened with non-caloric sweeteners or small amounts of added sugar do not add significant amounts of calories to the diet and therefore should not be taxed. Additionally, the *American Cancer Society Guidelines on Nutrition and Physical Activity for Cancer Prevention* state, “there is no proof that non-nutritive sweeteners or sugar substitutes, at the level consumed in human diets, cause cancer.”⁶ Given the lack of evidence demonstrating that diet drinks cause harm, we recommend exempting drinks sweetened exclusively with non-nutritive sweeteners and other low- and no-calorie drinks from the tax. Milk, 100 percent juice and medically necessary foods can also be exempted from sugary drink taxes.

From a public health standpoint, the desired behavior change resulting from a tax on sugary drinks is to decrease consumption of sugary beverages, reducing the risk of obesity and related cancers. If drinks sweetened with both caloric and non-caloric sweeteners are taxed, consumers will not shift behavior to choose the option with less or no sugar. An analysis by Healthy Food America found that when both types of beverages are taxed, sugary drink consumption declines less than when only sugary drinks are taxed.⁷

Use of the Tax Revenue

To amplify the public health impact of a sugary drink tax, ACS CAN advocates designating a substantial portion of the revenue to efforts to reduce and prevent obesity and to other public health and health care programs. Funds can be used for obesity prevention, public health, research on effective interventions, evaluation of the impact of the sugary drink tax, improved physical education programming and facilities, fitness equipment for schools and the community, opportunities for active transportation such as complete streets, safe routes to schools, or shared-use agreements, and other health care initiatives.

Evaluation

It is important that a firm commitment be in place for an independent evaluation of the tax increase, including its impact on revenue, sugary drink and added sugar consumption, total calorie intake and other health outcomes.

ACS CAN’s Position

ACS CAN supports well-designed sugary drink taxes as part of a broader strategy to reduce cancers caused by poor diet, physical inactivity and excess weight and as a way to increase the evidence base about the effectiveness of these taxes and specific policy designs. We will consider each tax proposal on a case-by-case basis to assess its health impact and alignment with our criteria for support. In addition to sugary drink taxes, ACS CAN also supports other evidence-based policies to reduce the consumption of sugary drinks and improve the overall nutritional quality of the American diet, including adding an excise tax on sugary drinks, removing sugary drinks as the default option for kids’ restaurant meals, removing sugary drinks from government-owned vending machines and cafeterias, adding information about added sugars to nutrition labels, and providing alternatives to sugary drinks in schools.

- ¹ U.S. Department of Health and Human Services and U.S. Department of Agriculture. *Dietary Guidelines for Americans, 2015-2010*. January 2016. Available at <http://health.gov/dietaryguidelines/2015/guidelines/>.
- ² Lauby-Secretan B, Scoccianti C, Loomis D, et al. Body Fatness and Cancer – Viewpoint of the IARC Working Group. *N Engl J Med* 2016; 375: 8.
- ³ U.S. Department of Health and Human Services and U.S. Department of Agriculture. Figure 2-9: Average Intakes of Added Sugars as a Percent of Calories per Day by Age-Sex Group, in Comparison to the Dietary Guidelines Maximum Limit of Less Than 10 Percent of Calories. *Dietary Guidelines for Americans, 2015-2010*. Available at <http://health.gov/dietaryguidelines/2015/guidelines/chapter-2/a-closer-look-at-current-intakes-and-recommended-shifts/>. Accessed July 17, 2016.
- ⁴ Mozaffarian D, Hao T, Rimm EB, Willett WC, Hu FB. Changes in diet and lifestyle and long-term weight gain in women and men. *N Engl J Med*. 2011;364:2392-404.
- ⁵ Malik VS, Pan A, Willett WC, and Hu FB. Sugar-sweetened beverages and weight gain in children and adults: a systematic review and meta-analysis. *Am J Clin Nutr*. 2013 Oct; 98(4): 1084–1102.
- ⁶ Kushi LH, Doyle C, McCullough M, et al. American Cancer Society Guidelines on Nutrition and Physical Activity for Cancer Prevention. *CA Cancer J Clin* 2012; 62:30–67.
- ⁷ Healthy Food America. *Diet Beverages: To tax or not?* https://d3n8a8pro7vhm.cloudfront.net/healthyfoodamerica/pages/274/attachments/original/1485885864/DietBeverages_totaxornotJan2017_linked.pdf?1485885864. Accessed May 2017.