Sugary Drink Tax: A State-Level Strategy to Improve Public Health

Sugar-Sweetened Beverages (SSB):
Sugary drinks, also called Sugar-Sweetened Beverages (SSB), include soda, fruit-ades, fruit drinks, sports and energy drinks and are defined as “liquids that are sweetened with various forms of sugars that add calories.” Taxing these types of beverages can improve public health in two ways: disincentivizing consumers from purchasing calorie-dense beverages, and increasing funds for public health initiatives.

34 states have enacted SSB sales tax measures. Many of these states use the tax revenue to support nutrition or obesity prevention initiatives.

Excise taxes, the most effective kind of tax for influencing beverage decisions, are levied per unit volume of SSB or added caloric sweetener and are imposed at the distributor level. Excise taxes are easily collected and readily noticed by the consumer at the point of decision. For example, a 35% increase in prices of SSB has been shown to decrease sales by an initial 26% and 18% long-term, ultimately leading to decreased consumption. In Mexico, a nationwide soda excise tax led to decreased soda consumption by 10% in the first three months and a 7% increase in consumption of water, milk, and other unsweetened beverages.

“Taxing [Sugar-Sweetened Beverages] is still considered by many public health experts and policymakers to be one of the best strategies to improve the nation’s nutrition, raise revenue for health programs, and recover the medical and insurance costs of treating diet-related diseases.”

Why Louisiana Needs a Sugar-Sweetened Beverage Tax:
Louisiana’s Overall Health Rank, based on America’s Health Rankings: 48th
Louisiana ranks in the top 5 for obesity in the United States - one in three people are obese.
Residents of Louisiana drink almost 160 million gallons of SSB each year.
SSBs are easy to access at corner and convenience stores, even by children.
There is currently limited access to healthy beverage options especially in areas of Louisiana classified as “food deserts.”
Disincentivizing purchases of SSBs might incentivize corner store owners to stock healthier beverage options.

The Health Impacts:

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<tr>
<th>Children</th>
<th>Adults</th>
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<td>With each additional SSB consumed per day, the risk of obesity increases by 60% among children.</td>
<td>Drinking SSB regularly is associated with:</td>
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<td>Increased consumption of fructose and added sugar is associated with:</td>
<td>• Cardiovascular disease, stroke, and hypertension</td>
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<td>• Hypertension and tooth decay in adolescents</td>
<td>• Increased risk for Type 2 Diabetes, weight gain, and obesity</td>
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<td>• Inadequate intake of crucial nutrients such as Calcium, Vitamin A, and Iron</td>
<td>Health issues disproportionately affect low-income, male, non-Hispanic black, and poorly educated populations as they are more likely to consume at least one SSB per day.</td>
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**Next Steps for Louisiana:**

Louisiana can adopt a tax on sugar-sweetened beverages and designate money earned from this tax to public health programs.

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**- The Impact -**

**Strengths**
- A tax on SSBs would raise funds to be earmarked for nutrition and health initiatives throughout Louisiana.
- Measures that tax SSBs can discourage consumption of unhealthy beverages through increased prices.
- The change in beverage prices could result in increased demand for healthier beverage options.
- Government and policymakers can convey their concern about public health and nutrition.

**Barriers**
- Opposition from beverage and food retail industry.
- Beverage industry may be able to absorb cost of added tax or measures, leading to no change.
- A tax on SSBs may be difficult to implement at local level.
- May need educational component, which could require public or private funds.

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**References**


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**Additional research briefs on Louisiana Public Health Strategies can be found at prc.tulane.edu/publications**

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The Prevention Research Center at Tulane University is a member of the Prevention Research Centers Program, supported by the Centers for Disease Control and Prevention, under cooperative agreement #U48-DP-005050.