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Sugar-Sweetened Beverage Taxes: A Political Battle

We are more obese as a nation than we have ever been, despite significant research and media focused on the obesity epidemic over the past two decades. Sugar-sweetened beverage (SSB) taxes, one topic in the spotlight, have repeatedly been shown to reduce SSB purchasing,[1] including in Cook County, Illinois, where taxed beverage sales declined by more than 20% during its tax.[2] Between 2015 and 2017, eight jurisdictions in the United States enacted SSB taxes. However, in the three years since, no new taxes have been enacted and four states have preempted any new local SSB taxes, including California (home to four local SSB taxes) and Washington. What has stymied the important progress we were making?

In this issue of *AJPH*, Chriqui et al. (p. xxx) describe lessons learned from Cook County's one cent per ounce sweetened beverage tax, the only "failed" tax among those recently passed in the United States, repealed only five months after its implementation. Using key informant interviews and document analysis, Chriqui et al. highlight two strategy mistakes: (1) public health advocates treating the tax as a public health campaign rather than a political campaign, and (2) the lack of a clear message on the tax's purpose. Exacerbating these strategic missteps were local issues, including tax fatigue and laws precluding levying taxes on distributors, which forced Cook County to tax consumers directly. Whether because of strategy missteps or local issues, all three major Chicago, Illinois–area newspapers ran editorials opposing the tax, and tax implementation did not go smoothly, further undermining support for the tax. Although the findings of Chriqui et al. reflect the local context, Cook County's experience is highly relevant to the nation in understanding how we can regain momentum for common sense legislation like SSB taxes.

A POLITICAL BATTLE

Perhaps the most important lesson from the work of Chriqui et al. is that soda taxes are a "political battle" and must be treated as such. The coalition in support of the tax in Cook County was outspent and out-organized by antitax coalitions led and funded by the American Beverage Association. Although public health has been the major voice behind SSB taxes, it is important—and may currently be more feasible than before—to expand our coalition. At its core, the battle over SSB taxes pits health against corporate profits—and corporations, which have far deeper pockets than public health, have been winning most of the battles of late. However, the imminent danger of the SARS-CoV-2 virus has reframed our conversations on health, at least for the present. Although an appropriate national response to COVID-19 was delayed out of concerns for the economy, ultimately the United States put health over profits.

The pandemic has heightened society's valuing of the field of public health and appreciation of the critical role of preventive strategies. As a result, public health may be able to engage a broader coalition in fighting other preventable but deadly diseases, perhaps even obesity and diabetes. Reaching out to health insurance companies and large employers, who pay a large fraction of health insurance costs, could pay off. Advocacy organizations focused on climate and the environment might also be supporters, given the potential environmental footprint of SSBs related to packaging, water use, and sugar manufacturing. Now is the time for outreach to a diverse pool of potential partners.

A PUBLIC HEALTH FRAME

The results of Chriqui et al. also demonstrate that the public health frame—or the packaging of our ideas—around SSB taxes should be the goal of improving our nation's health. Cook County was plagued by inconsistent and conflicting messaging regarding the purpose of its beverage tax. Although health benefits were mentioned, the primary intent of Cook County's beverage tax was to raise revenues to fill budget deficits. Previous research has shown that public support is higher when policymakers specify how tax funds will be used and make clear how the public will benefit.[3] The successful SSB taxes in the United States have an explicit focus on improving health and health equity, investing tax revenues in health programs, or using revenues to support healthy policies, systems, and environments.[1]

WHO PAYS THE TAX?

Another key message for any new SSB legislation is about who actually pays the tax and why. Cook County's tax was unique in the United States as the only local sales tax on SSBs paid directly by consumers. In other jurisdictions, beverage taxes are excise taxes that are paid by distributors. As is the case with taxes on tobacco and alcohol distributors, excise taxes reflect local government actions to ensure public safety and health; enacting an SSB excise tax reflects an administration's effort to combat obesity and diabetes. Sales taxes, on the other hand, impose no burden on the makers of SSBs; not only are they paid directly by the consumer, they are largely ineffective in reducing consumption.

Sales taxes do not lead to a higher shelf price, so are less salient when consumers are deciding whether to put soda into their shopping cart; additionally, they tend to be small. For example, sales taxes on soft drinks in Maine and Ohio, where 5.5% and 5.0% taxes, respectively, were added at the register, had no effect on sales.[4] By contrast, a similarly sized excise tax in Washington State, which led to a 6% increase in shelf prices, was associated with a 5% decline in soft drink sales.[5] Although Chriqui et al. explain that Cook County used a sales tax because of existing restrictions, the tax size (equivalent to a 26% price increase) was five times larger than those in Maine and Ohio and led to a 21% net decline in sales while it was in place.[2]

FOCUS ON HEALTH

Although excise taxes increase the cost of doing business for SSB manufacturers, and thereby lead to higher SSB prices and reduced consumption,[1] it remains important to frame SSB taxes as a remedy to SSB-related disease and the tax revenues as a source of funding for health promotion. By contrast, highlighting taxes as a means of reducing SSB consumption plays into the beverage industry’s faulty but repeated claims that excise taxes restrict personal choice.[3] Further, focusing on individual behaviors aligns with industry’s talking points about personal responsibility; such talking points minimize the role inequitable environments across economic strata, including SSB advertising, play in shaping individual behaviors.[1]

NEXT STEPS

Although Cook County’s tax failed, it does pose an elegant natural experiment that could augment the science on SSB taxes, if the repeal’s effect is consistent with evidence from Washington State and Denmark. During Washington’s 2010 soft drink tax, which increased prices by 6%, sales declined by 5%; the tax was repealed after only five months (with a beverage industry–sponsored ballot initiative) and sales immediately rebounded.[5] During Denmark’s SSB tax (implemented in 2012), which increased prices by 11%, SSB consumption declined by 13%; immediately after the tax’s repeal in 2014, consumption increased by 31%.[6] It will be interesting to see whether sweetened beverage sales similarly rebounded in Cook County after the tax repeal. If so, there is compelling reason to expand SSB taxes, which appear to be the sole means of holding the beverage industry accountable, compelling it to set prices that reflect the health hazards of its products. We just need to find the right partners to fight the political battle alongside public health.

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Disclosure of Conflicts of Interest

The author has no conflicts of interest to declare.

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