



FACT SHEET BEVERAGE TAXES

Advancing the Moviegoing Experience

-  Movie theater owners laud efforts to improve the health of Americans, but taxing beverages is the wrong way to address the issue. If soft drinks are singled out today, it could be other consumer goods tomorrow. Targeting sugar-sweetened beverages as a way to combat the country's growing obesity crisis and shrink state budget gaps is misdirected and unfair. Singling out sweetened beverages for a punitive tax unfairly scapegoats these small contributors to total calories, and threatens to derail a more comprehensive search for solutions to obesity.
-  Obesity is a complex problem with no simple solution, but commonsense and science tells us that taxes do not make people healthier. According to the National Cancer Institute, all sugar-sweetened beverages account for only 7 percent of the calories in an average American's diet. That means Americans get 93 percent of their calories from other sources. Additionally, research conducted at George Mason University found that a 15-cent tax added to a 75-cent can of soda would result in an infinitesimal reduction in the Body Mass Index of an obese person from 40 to 39.98.
-  Former President Bill Clinton said a tax on soft drinks is not the way to fight childhood obesity, and urged lawmakers instead to focus on incentives for prevention and wellness, as well as initiatives that make a difference.
-  A tax on soft drinks and other sugar-sweetened beverages would be regressive, hitting those it seeks to help—middle- and low-income families. A soda tax hammers these people, who already pay sales taxes on beverages, most in need of relief in this troubled economy.
-  Strong public opposition has generally succeeded in pushing back these so-called “lifestyle taxes.” Lawmakers and voters in many states and cities have repealed food and beverage taxes. Recently, voter referendums in Maine, Rhode Island and Washington have overturned taxes on beverages. Additionally, various state governors have abandoned proposed tax on sodas after strong public opposition.
-  Beverage Digest found that sales of full-calorie sodas declined by nearly 12 percent from 2000 to 2009. During this same period, the Centers for Disease Control and Prevention reported that American obesity rates continued to rise. Furthermore, CDC found that the only two states with an excise tax on soda, West Virginia and Arkansas, rank among the 10 states with the highest obesity rates in the country.
-  There's another very practical reason why movie theaters are inappropriate venues for this public health initiative. A sweetened beverage tax only works—if it could work at all—if the price difference is communicated to patrons. Movie theaters, however, will simply raise the price of all beverages to account for the tax and not risk patron confusion and irritation over a difference between the price of full-calorie beverages and the price of diet beverages. Who wants to waste time explaining that one to patrons at a busy concessions stand?