


[Tax Preparation](#)

Local Certified Public Accountant Silver Spring and Vienna offices  
[www.cs.tanleycpa.com](http://www.cs.tanleycpa.com)

## Soda Tax Ideas Grow Among Local Governments

 By [Tori Okner](#) | March 8th, 2010 [Comments](#)

The notion of a soda tax has taken on new importance over the last few weeks as local governments increasingly consider the proposition- the term is loosely used to encompass any tax on sweetened beverages, both to be paid by the consumer and the producer. This week, [Philadelphia](#) Mayor Michael Nutter put forth his 2011 budget proposal, including a 2 cent-per-ounce tax on sugary drinks. Last week, [Colorado](#) Governor Ritter signed a series of tax bills in an effort to keep the budget balanced and in the process implemented a similar tax and two weeks ago, [California](#) Democratic Senate Majority Leader Dean Florez introduced a bill to tax sugary drinks. 2010 marks the second year that Governor Paterson has proposed taxing sugary beverages in [New York](#) and similar proposals are gaining traction across the country.

The possibility of a soda tax grabbed headlines at [Triple Pundit](#) and with [mainstream media](#) last September when President Obama deemed it worth consideration in an interview with [Men's Health](#). At the time, no such tax had been proposed in Congress. Earlier in the year, the Senate Finance Committee included it in a paper on [funding options](#) for health care reform. Yet, despite several reputable reports in support of the tax, published by the [Institute of Medicine of the National Academies](#), researchers at [UCLA](#), the [New England Journal of Medicine](#), and the [Center for Science in the Public Interest](#), the Committee did not suggest a National Soda Tax in its 2009 Health Reform Proposal. Reaction to the omission by the Committee lead to prescient stipulation that state government would adopt soda tax before the federal government.

[Pigovian taxes](#), those levied on market activities in which negative social costs are not reflected in the market price, aim to correct the discrepancy in price and real expense. The soda tax mechanism is intended to account for the public health effects associated with the overindulgence of sweetened beverages (obesity, diabetes etc) and discourage excess consumption. Thomas R. Frieden, head of the Centers for Disease Control and Prevention (CDC), has just published a co-authored [paper](#) on childhood obesity in which he notes that, "each additional daily serving of sugared soda increases a child's risk of obesity by 60 percent," and suggests that a tax would reduce consumption.

Often compared to the taxing of tobacco, it is deemed another "sin tax" by some opponents. Veronique de Rugy, a tax scholar with the libertarian Cato Institute, [devalues the soda tax](#) for two reasons. First, she asserts that, "sin taxers don't appreciate human creativity: Consumers have a knack for replacing one sin with another. When the price of a "sinful" good increases, people often substitute an equally "bad" good in its place." Second says de Rugy, a soda tax is a problematic revenue source for governments. After all, if the tax succeeds in dissuading consumption, the funding stream constricts.

At the federal level, support for a soda tax seems to have been successfully suppressed. Strategic and [extensive lobbying](#), led by the beverage industry, disputes the relationship between taxation and consumer behavior, the wisdom behind raising "food" prices during a recession, and the notion that government should influence individual choice. An interview with the [LA Times](#) quotes House Representative Linda T. Sanchez lamenting that, "We went from having real interest in this idea to it just falling off the table," Sanchez said. "It was my perception that opposition increased as members began hearing from local businesses' that were part of the beverage industry coalition." The [same coalition](#) has begun to target state legislators.

As local governments actualize various manifestations of the soda tax, the decision proves polemical. Among [Triple Pundit readers](#), the soda tax has elicited arguments about personal freedom versus authoritarianism, the role of public health policy and the nanny-state phenomenon, farm subsidies, and government regulation. Healthcare analysts question the motives behind various anti-tax lobbyists, including [Latino groups](#). Pro-tax, provocative advertising by the Alliance for a Healthier New York has initiated an [ad war](#) over the issue. The battle may be headed your way.

*Is there an existing soda tax in your area? If so, has it affected your decision-making? Are you opposed to taxing sugary drinks as a "sin tax" or do you see it as a means to offset associated health costs?*

Photo credit to the NYC Dept. of Health via the [Daily News](#)- "Preview of NYC's Department of Health and Mental Hygiene's new ads: Don't drink yourself fat."



CATEGORIZED: Policy & Government |

SHARETHIS

 Follow 3p on Twitter

## Comments



Finally here! **3p's Weekly Email Dispatch**  
sign up now! 

Email *	<input type="text"/>
First Name	<input type="text"/>
Last Name	<input type="text"/>
Company/Org	<input type="text"/>
<input type="button" value="Subscribe"/>	

Showing 0 comments

Sort by

### Add New Comment

You are commenting as a **Guest**. Optional: Login below.

**DISQUS** COMMENTS



Name	Website (optional)
Email	<input checked="" type="checkbox"/> Subscribe to all comments by email

### Reactions



**berth\_a\_bookman** 1 hour ago

 From [Twitter](#) via [BackType](#)

Soda Tax Ideas Grow Among Local Governments: Triple Pundit The soda tax mechanism is intended to account for the p... <http://bit.ly/9laVcV>



**Fitness4men** 2 hours ago

 From [Twitter](#) via [BackType](#)

One more retweet from [JSoxfan](#)

Soda Tax Ideas Grow Among Local Governments: Triple Pundit... at Triple Pundit and with mainstream media last Sept... <http://bit.ly/dr8GYP>



**DudesNFitness** 2 hours ago

 From [Twitter](#) via [BackType](#)

Soda Tax Ideas Grow Among Local Governments: Triple Pundit... at Triple Pundit and with mainstream media last Sept... <http://bit.ly/c51ADs>



**trinitymallmedi** 2 hours ago

 From [Twitter](#) via [BackType](#)

Soda Tax Ideas Grow Among Local Governments <http://bit.ly/cq8XsO>



**sunnyskystar** 2 hours ago

From [Twitter](#) via [BackType](#)

Soda Tax Ideas Grow Among Local Governments: Triple Pundit The soda tax mechanism is intended to account for the p... <http://bit.ly/dr8GYP>



**constanthealth** 2 hours ago

From [Twitter](#) via [BackType](#)

Soda Tax Ideas Grow Among Local Governments <http://bit.ly/9bCsPx> <http://bit.ly/goHERE>



**CashLinks1957** 2 hours ago

From [Twitter](#) via [BackType](#)

Soda Tax Ideas Grow Among Local Governments <http://bit.ly/cdgYsO>



**EnzyteTweeter** 2 hours ago

From [Twitter](#) via [BackType](#)

Soda Tax Ideas Grow Among Local Governments <http://bit.ly/cCnMBs>



**DadsHealth** 2 hours ago

From [Twitter](#) via [BackType](#)

Soda Tax Ideas Grow Among Local Governments: Triple Pundit... at Triple Pundit and with mainstream media last Sept... <http://bit.ly/8YjCRZ>



blog comments powered by DISQUS



TriplePundit.com is published under a creative commons license. You are free to republish only headlines and excerpts of 3p articles except for educational purposes. Please contact us for details.

3P GENERAL INFO

- [Advertise with Us](#)
- [Contact Us](#)
- [Jobs at 3P](#)
- [Write for 3P](#)
- [Privacy Policy](#)

FOLLOW 3P

- [Twitter](#)
- [Articles](#)

SEARCH 3P