A Penny-Per-Ounce Tax on Sugar-Sweetened Beverages Would Cut Health And Cost Burdens of Diabetes

Over the past decade, the consumption of sugar-sweetened beverages substantially increased among adults and children in the United States. As of May 2011, fifteen states had discussed proposals to impose special taxes on sugar-sweetened beverages during the 2011 legislative session. While six-months later none of the proposals had passed, an excise tax of a penny-per-ounce can of regular soda, or about a 15 to 25% increase, was the most common proposal, frequently advocated as a public health strategy to prevent obesity and type 2 diabetes. This modelling study by Wang et al. uses the Coronary Heart Disease Policy Model to look at the nationwide impact of a penny-per-ounce excise tax on sugar-sweetened beverages between 2010 and 2020.

Simultaneously looking at the health and medical care costs among adults ages 25 to 64, conservative projections reveal that consumption of sugar-sweetened beverages would decrease by 15% and result in a population mean weight net reduction of 0.9 pounds. This decline in body mass index would lead to 867,000 fewer obese adults. This would also reduce the number of new cases of diabetes by 2.6% overall and therefore lead to a $17.1 billion savings in health care costs. This study therefore predicts that a penny-per-ounce tax would simultaneously reduce health care costs and generate substantial revenues.