**Policy Extract**

**Understanding the Case for Taxing Sugar-Sweetened Beverages**

Current taxes implemented are too small to affect consumption, and therefore have little to no effect on obesity. To achieve the dual purpose of raising revenue and decreasing consumption, many expert advocate for a national penny-per-ounce excise tax on any beverage that contains an added caloric sweetener. Other excise tax options include a tax on beverages that exceed a threshold of added caloric sweetener, or a tax per gram of added caloric sweetener. The penny-per-ounce excise tax would be the simplest to administer and is more likely to promote consumption of no-calorie beverages.

Advantages of excise taxes include:
- Could be levied on beverage manufacturers who would likely incorporate the cost into the base retail price. Consumers would see the higher price when making a purchase decision.
- They are applied per unit and therefore are not dependent on the price of the product.
- Excise taxes applied to manufacturers are easier to collect and enforce, and also result in a steady revenue stream since they are not subject to prices set by industry.

Other important factors to consider include:
- Policy must be clear on the types of beverages that are subject to the tax.
- To maximise the effect of an excise tax, it should be regularly adjusted to keep pace with inflation so that the price impact and revenue potential are not eroded over time.
- Consider societal acceptance of a national SSB tax. Polling data show that public support for food and beverage taxes to combat obesity has risen steadily over time, and popularity increases substantially when tax revenues are used for programs promoting childhood nutrition or obesity prevention.