

Make clear the real costs of unhealthy substances.



Texas can improve children's health, reduce state spending on widespread health problems, and raise revenue to support a healthier future. We can do it all at once with careful planning about how and what we tax.

Over the last century, there have been many times when widespread improvements in people's health followed smart public health campaigns. From getting more children vaccinated against diseases to reducing smoking, our most successful public policies can save lives. We don't often think this way about the tax system, but evidence shows it can have a powerful public health impact. Research points to how we can improve children's health, raise revenue for health services, and curb medical spending—all at the same time—through targeted, health-focused taxes to improve our state's outlook.

What to Know:

- From 1975-2000, our nation helped prevent 800,000 smoking-related deaths,¹ and **the most effective tool in public health advocates' toolkit was the tobacco tax.**² Youth, who are particularly sensitive to price increases, see some of the greatest health gains from tobacco taxes.³



- It has been nearly three decades since Texas reexamined its alcohol tax,** despite that Texans drink more than residents of other states and that alcohol abuse is linked to a host of health challenges. Texans between the ages of 17 and 27 are the most likely to abuse alcohol; due to their price sensitivity, they are also the group most likely to start consuming less alcohol if the tax on it rises.⁴
- Obesity, especially in children, is a growing public health concern in Texas. **Preventing obesity requires curbing consumption of the biggest contributor of extra calories and sugar in Texans' diets.** To reduce obesity and overweight prevalence and raise revenue for obesity prevention initiatives, health scientists recommend a tax on sugary drinks like soda.
- The Institutes of Medicine,⁵ the U.S. Conference of Mayors,⁶ the U.S. Department of Agriculture,⁷ and public health officials nationwide agree that a tax on sugary drinks would help reduce obesity, just as the tobacco tax decreased smoking. The United States Department of Agriculture has found that a tax on sweetened beverages could result in the average adult losing an estimated 3.8 pounds a year, while **the average overweight child would lose 4.5 pounds a year**, bringing down rates of obesity and diabetes for both children and adults.^{8, 9}

How to Make it Happen:

- **Enact a penny-per-ounce tax on sugary drinks to improve kids' health:** Science shows how such a tax would curb obesity, while providing funding to offset the cost of diet-related illnesses. A portion of revenue from the tax should be allocated for obesity prevention and children's health services.
- **Explore other measures that reduce public health spending while increasing public health revenue**, such as tobacco and alcohol taxes. Polls show more Texans prefer these health-focused taxes rising over seeing our children's health care or school funding cut.¹⁰

For more on this topic, visit <http://tinyurl.com/HealthyTax>

Sources



Thinking About Costs

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Thinking About Costs

Public health challenges like alcoholism, widespread tobacco use, and obesity carry real costs for Texas and its taxpayers. The Texas Comptroller estimates that the obesity epidemic alone will cost Texas businesses \$32.5 billion by 2030.

Each year, nearly 4,000 Texas babies are born with fetal alcohol spectrum disorders. The estimated lifetime cost to society for just one of these cases is up to \$2 million.

It makes fiscal sense for Texas to plan ways to cover these costs while reducing the health problems that lead to them. In 2014, a penny-per-ounce tax on sugary drink sales in Texas would bring the state an estimated \$1.1 billion. A conservative estimate of the impact of bringing Texas' alcohol tax up to the national average was calculated in 2004 as \$152 million, the equivalent, with inflation, of \$180 million in 2011 for the state.