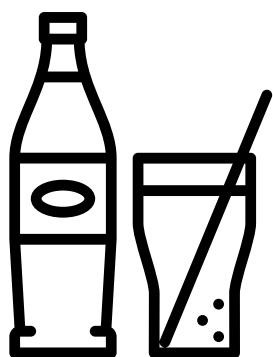


# SODA TAXES ARE REGRESSIVE

With the intention to eliminate the personal income tax, a soda tax has been proposed to alleviate potential budgetary gaps.

However, this narrow tax fails to solve health issues, unfairly taxes low-income individuals, and is a misguided attempt to formulate meaningful tax reform.

## Soda Taxes Do Not Deter Unhealthy Behaviors



A 2012 study from Cornell University found that soda taxes lead many consumers to switch to alcoholic beverages.

Another study from Yale University found consumers replace soda with other high-calorie options. (i)

## Soda Taxes Hurt Low-Income Individuals



Creating a tax to deter behavior creates a very high rate on a narrow tax base. This affects low-income individuals at a disproportionate rate.

## Soda Taxes Kill Jobs



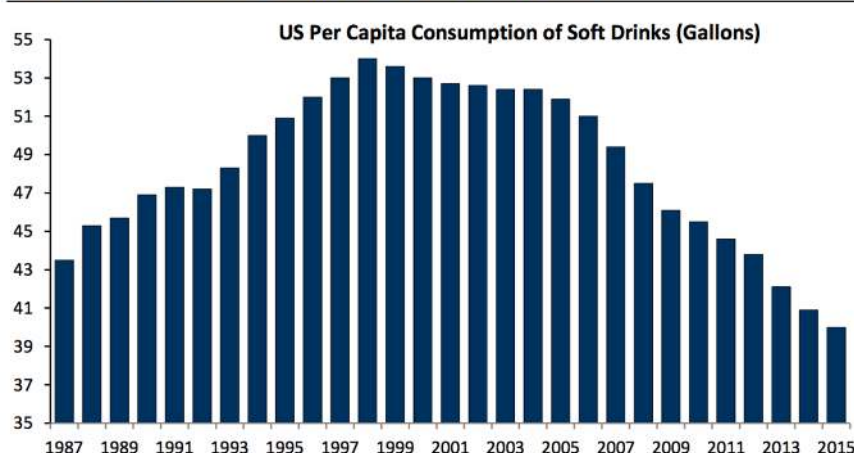
In 2017, Pepsi announced a layoff of 100 workers at their Philadelphia plant due to a recent soda tax.

Why?

Customers changed spending habits because the cost of soda doubled. Two months after the tax was implemented, soda sales dropped by 50%.

## Soda Consumption Has Steadily Declined Since 2003

Exhibit 12: US Per Capita Consumption of Soft Drinks (Gallons)



Source: NPD Group. 2015 estimate

[i] Fletcher JM, Frisvold D, Tefft N. Can Soft Drink Taxes Reduce Population Weight? Contemp Econ Policy. 2010 Jan;28(1):23-35. doi: 10.1111/j.1465-7287.2009.00182.x. PMID: 20657817; PMCID: PMC2908024.