

Tax on Sugar-Sweetened Beverages*

Digest by the Ballot Simplification Committee

Status: Final Digest

On: Friday, July 29, 2016

Members: Packard, Anderson, Fasick, Fraps, Jorgensen

Deadline to Request Reconsideration: 12 p.m. on Friday, July 29

The Way It Is Now: The City does not impose a tax on the distribution of sugar-sweetened beverages.

The Proposal: Proposition ____ would place a tax of one cent per ounce on the distribution of sugar-sweetened beverages.

A sugar-sweetened beverage is a beverage that contains added sugar and 25 or more calories per 12 ounces. These include some soft drinks, sports drinks, iced tea, juice drinks and energy drinks. The tax would also apply to syrups and powders that can be made into sugar-sweetened beverages, for example, fountain drinks from beverage-dispensing machines.

The distributors of sugar-sweetened beverages in San Francisco would be responsible for paying the tax. The tax would not apply to retail sales of sugar-sweetened beverages.

Some beverages would not be subject to the tax, including:

- Diet sodas;
- Beverages that contain only natural fruit and vegetable juice;
- Infant formula;
- Milk from animal or vegetable sources, including soy, rice and almond milk;
- Nutritional therapy, rehydration and other beverages for medical use; and
- Alcoholic beverages.

A 16-member Advisory Committee would be established to evaluate the impact of the tax on beverage pricing, consumer purchasing behavior, and public health. The Committee would also advise the Mayor and Board of Supervisors about how to reduce the consumption of sugar-sweetened beverages in San Francisco.

The City could use the proceeds of the tax for any governmental purpose.

A "YES" Vote Means: If you vote "yes," you want the City to collect a tax of one cent per ounce from the distributors of sugar-sweetened beverages.

A "NO" Vote Means: If you vote "no," you do not want this tax.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*