

Proposed tax on sugary beverages lacks support

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Despite facing a **budget deficit** of more than \$9 billion, influential state lawmakers said Wednesday they're unlikely to approve a revenue-raising proposal that would tax sugary beverages.

"The likelihood is there will be no new revenues, even those proposed by the governor this year," said Assembly Speaker Sheldon Silver, D-Manhattan. "There will be significant cuts in the budget."

Senate Democratic Leader John Sampson, D-Brooklyn, said he won't support any new **taxes** and fees. And a group of state senators, including those who represent Westchester County, where PepsiCo Inc. is based, have come out against the sugary beverage tax.

Although the opposition of Silver and Sampson would seem to doom any piece of legislation, others weren't willing to say the proposed tax increase is dead.

State Health Commissioner Richard Daines, speaking to the *Democrat and Chronicle* editorial board Wednesday, said of the sugary beverage tax: "As long as the budget is open, this is open."

The proposed 17 percent **excise tax** on syrup producers, which would raise prices on sugary drinks by 1 cent per ounce, would generate an

estimated \$450 million this year and \$1 billion next year for health care in the state. If that's removed from the budget, lawmakers would have to come up with an equal amount of revenue or spending cuts.

Daines said he expects a sugar tax to work like higher taxes on tobacco, which not only generated income for the state but cut smoking in half. Higher prices on sugary drinks are likely to reduce consumption, especially by children and heavy users, he said, which could help reverse the obesity trend.

Included are sugared sodas, sports drinks and other beverages with more than 10 calories per 8 ounces, and fruit or vegetable drinks with less than 70 percent juice. They're a target, Daines said, because they're relatively cheap, tasty, sold in large containers so people drink more, available everywhere and relentlessly marketed.

The health commissioner also spoke about the sugar tax Wednesday at the Rochester Business Alliance. Sandy Parker, RBA president and CEO, said the organization remains opposed to additional taxes and believes the state needs to make spending cuts, not generate more revenue.

But Parker said she agrees that something must be done to reduce obesity and acknowledged that significant taxes on cigarettes have cut smoking. "This one to me is a tough one to take a really hard stand on," she said of the sugary beverage tax.

Gov. David Paterson also is seeking an additional \$218 million in revenue by further increasing the tax on cigarettes by \$1 a pack, from \$2.75 to \$3.75. Russ Sciandra, tobacco policy specialist with the American Cancer Society, said he doesn't believe the proposal is dead, despite the anti-tax stance by legislative leaders.