

SFDPH Sugary Drink Tax Talking Points

DRAFT prepared for October 5, 2018 SDDTAC meeting

What is the SDDT?

The San Francisco Sugary Drink Distributors Tax (SDDT) is paid by companies who bring sugar-sweetened beverages into the city of San Francisco to sell. The intent of the tax is to collect funds from sugary drink suppliers that will be used to balance the harms of drinking more sugar with healthier options and education in communities more impacted by chronic diseases like type 2 diabetes, heart disease, and tooth decay.

Is the tax meant to discourage or punish people for buying soda or other sugary drinks?

Some stores have decided to pass their tax costs on to their customers, but the tax was not designed to punish community members with higher costs for drinking sodas and sugary drinks. The intent is to use the funds collected to make healthier options more accessible.

Why is the SDDT necessary?

Sugary drink companies continue to target under-resourced communities with advertising for low-cost, high calorie beverages. Although soda, sports drinks, and sugar-sweetened juices are easy to find in these communities, healthy drink options and nutrition education have not always been. The SDDT will make sure that the sales of sugary drinks that contribute to health conditions like type 2 diabetes, heart disease, and tooth decay will now also contribute to the resources needed to protect and improve San Franciscans' health.

How much does the SDDT cost?

The tax is one (1) cent per ounce. For example, a 20 oz. soda will cost 20 cents more for distributors, a charge that they may choose to pass on to customers. Whether or not the cost of sugary drinks are increased is up to the individual merchant, not a function of the actual Sugary Drinks Distribution Tax itself.

How will we know the SDDT is working?

San Francisco residents will know that the tax is working when students in public schools have water hydration stations, enjoy healthier school meals, and get preventive dental care services. The tax money will also support non-profit and community-based organizations already doing the important work of providing health education, nutritious food, and healthy physical activities to underserved communities. In the form of vouchers, grants, and services, the Sugary Drink Distributor's Tax will increase opportunities for healthy eating and active living in San Francisco.

What are the evaluation matrices for public health outcomes?

SFDPH is in process of hiring an evaluation consultant to develop a way to consistently measure the results of all SDDT-funded programs for community-based grants and city agencies.

What are the specific roles of the SDDTAC, Mayor, Supervisor, and SFDPH in the allocation SDDT funds?

- The SDDTAC makes recommendations to the Mayor and the Board of Supervisors on the effectiveness of the Sugary Drinks Distributor Tax.

- The Mayor receives the SDDTAC's annual report and recommendations and may use those recommendations in their budget proposal.
- The Board of Supervisors votes on the Mayor's proposed budget which may include recommendations from the SDDTAC.
- SFDPH staffs the SDDTAC and also provides technical assistance to the tax collector to identify which drink products should be taxed. SFDPH will also oversee the community based grants process.

How and when will SDDT funds be distributed?

Please see timeline distributed at the Town Halls:

