Health and taxes: Selective excise taxes as a public health tool.
AGENDA

1. What are “sin taxes”? 
2. How can taxes be a public health tool? 
3. Who is using this strategy? Who benefits? 
4. What are unintended consequences? 
5. The future of selective excise taxes
Our mission: Healthy communities for all through better laws & policies
“Sin” and taxes
Selectively taxing certain commodities
Sin taxes = selective excise taxes

**Tax**
Targeted consumption taxes (e.g., tobacco, alcohol)

**“Sin”**
Immoral, undesirable, or harmful (stigmatizing language)
How can taxes be a public health tool?
Why would public health be interested in taxation?

- Addresses health inequities
- Builds on other public health strategies
- Can produce funding for community health priorities
Examples of taxes that can be used as a public health tool

<table>
<thead>
<tr>
<th>Substances</th>
<th>Nutrition</th>
<th>Other goods &amp; activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco products</td>
<td>Sugary drinks</td>
<td>Gasoline</td>
</tr>
<tr>
<td>Alcohol</td>
<td>Junk food</td>
<td>Gambling</td>
</tr>
<tr>
<td>Cannabis</td>
<td>Specific ingredients (e.g., high-fructose corn syrup)</td>
<td>Pollution</td>
</tr>
</tbody>
</table>
Alcohol Taxes: An Evidence-Based Strategy

Federal, state, or local government enacts taxes on beer, wine, or distilled spirits

As price increases, alcohol consumption is reduced

Increased alcohol taxes improve public health & save lives

Considerations in Implementing Alcohol Taxes as a Public Health Strategy

- Alcohol excise taxes fall every year — in effect, a tax cut because the taxes don’t keep up with inflation
- Average cost of alcoholic beverages is low relative to other consumer goods
- Costs to society and government of excessive alcohol use far outweigh current tax revenues
- Strong public support, particularly if tax revenue is earmarked for social programs

Reduced rates of excessive alcohol consumption (including binge and underage drinking)
Fewer motor vehicle crashes
Lower rates of crime and violence
Reduced rates of sexually-transmitted infections
Public policy drove the decline of tobacco use.

- WWII
- First Surgeon General’s Report
- Start of Nonsmokers Rights Movement
- Federal Cigarette Tax Doubles
- First Great American Smokeout

Smoking Rates

1900 1930s 1960s 2010
California 1989-2008

- 25% fewer tobacco-related diseases (compared to the rest of the nation)
- 6.79 billion fewer packs
- $134 billion saved
Equity spotlight on tobacco

- Overall decrease in smoking rates
- Persistent racial disparities
- Entering the next generation of tobacco control
Who is using this tool and how?
What is preemption?
When the law of a higher level of government trumps the law of a lower level of government.
Spotlight on alcohol

Local Tax Authority, January 2015

- Local tax authority with no major restrictions (green)
- Local tax authority with one or more major restrictions (light blue)
- No local tax authority (state preemption) (dark blue)
Who benefits, and how?
Applying health equity principles
Health equity and selective excise taxes

- Community partnership and education
- Decreasing unhealthy influences and increasing healthy ones in a community
- Earmarking and equitable use of tax revenues
- Not stigmatizing individuals or groups
Unintended consequences
Checking blind spots when using selective excise taxes
Exploring unintended consequences

- Regressivity of tax vs chronic disease
- Dependency on commodity for revenue
- Undesired consumer adaptation (e.g., commodity switching)
- Not pairing taxes with additional public health strategies
Looking ahead
What’s the future of selective excise taxes as a public health strategy?
Thank you!

Aysha Pamukcu
apamukcu@changelabsolutions.org
changelabsolutions.org
Twitter @ChangeLabWorks
Facebook @ChangeLabSolutions