

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

Exploring Tax Policy to Advance
Population Health, Health Equity,
and Economic Prosperity

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Engineering, and Medicine

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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**

Tools for Change

A Resource Catalog for Community Health





“Sin” and taxes

Selectively taxing
certain commodities

Sin taxes = selective excise taxes



Tax

Targeted consumption taxes (eg, 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

Substances	Nutrition	Other goods & activities
Tobacco products	Sugary drinks	Gasoline
Alcohol	Junk food	Gambling
Cannabis	Specific ingredients (eg, high-fructose corn syrup)	Pollution

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



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

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



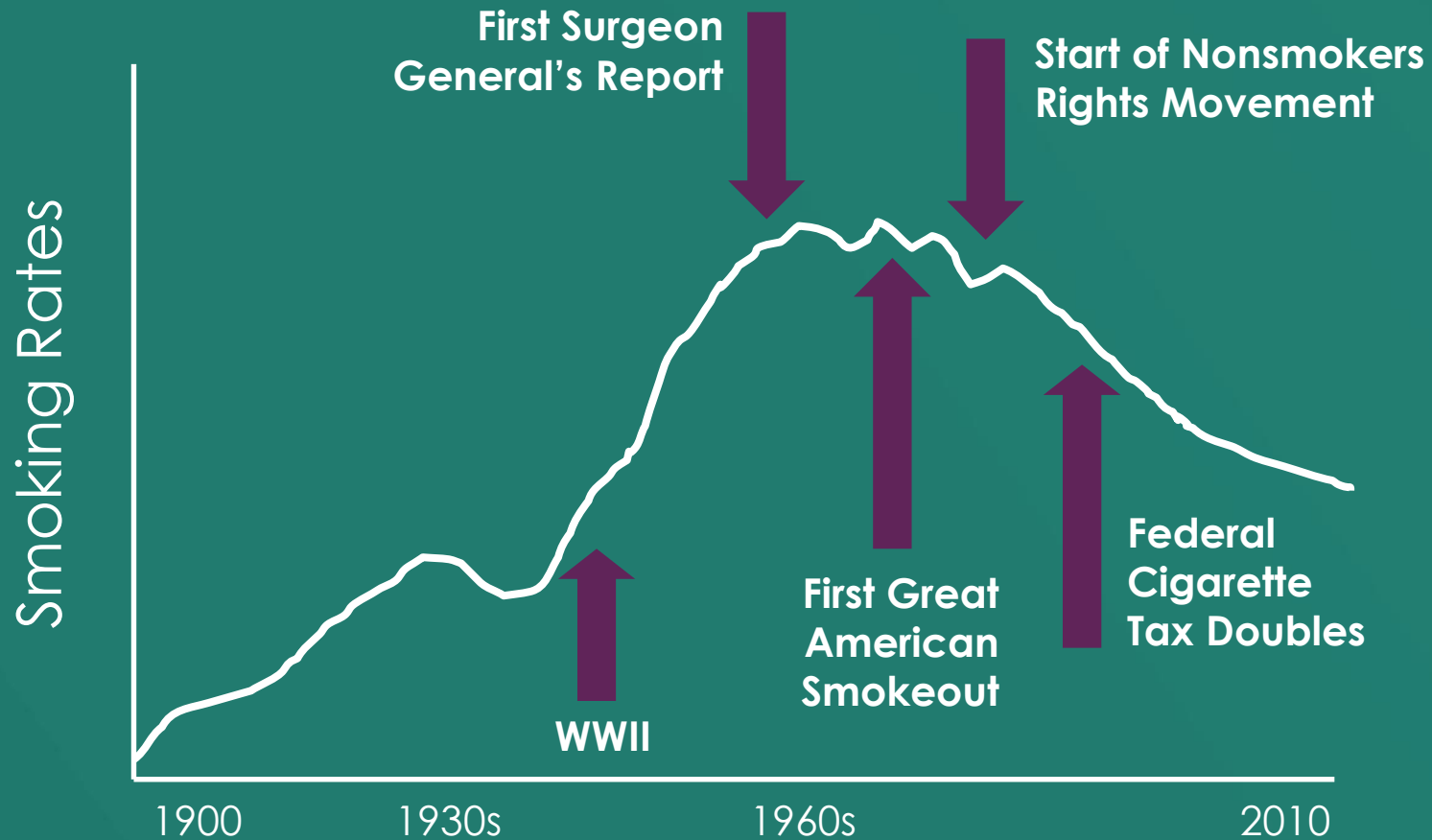
Costs to society and government of excessive alcohol use far outweigh current tax revenues



Strong public support, particularly if tax revenue is earmarked for social programs

Education

Policy change



Public policy
drove the decline of tobacco use



California 1989-2008



25% fewer tobacco-related
diseases (compared to the
rest of the nation)



6.79 billion fewer packs



\$134 billion saved

**THIS IS A
SMOKE-FREE
ZONE.**

Equity spotlight on tobacco



**Overall
decrease in
smoking rates**



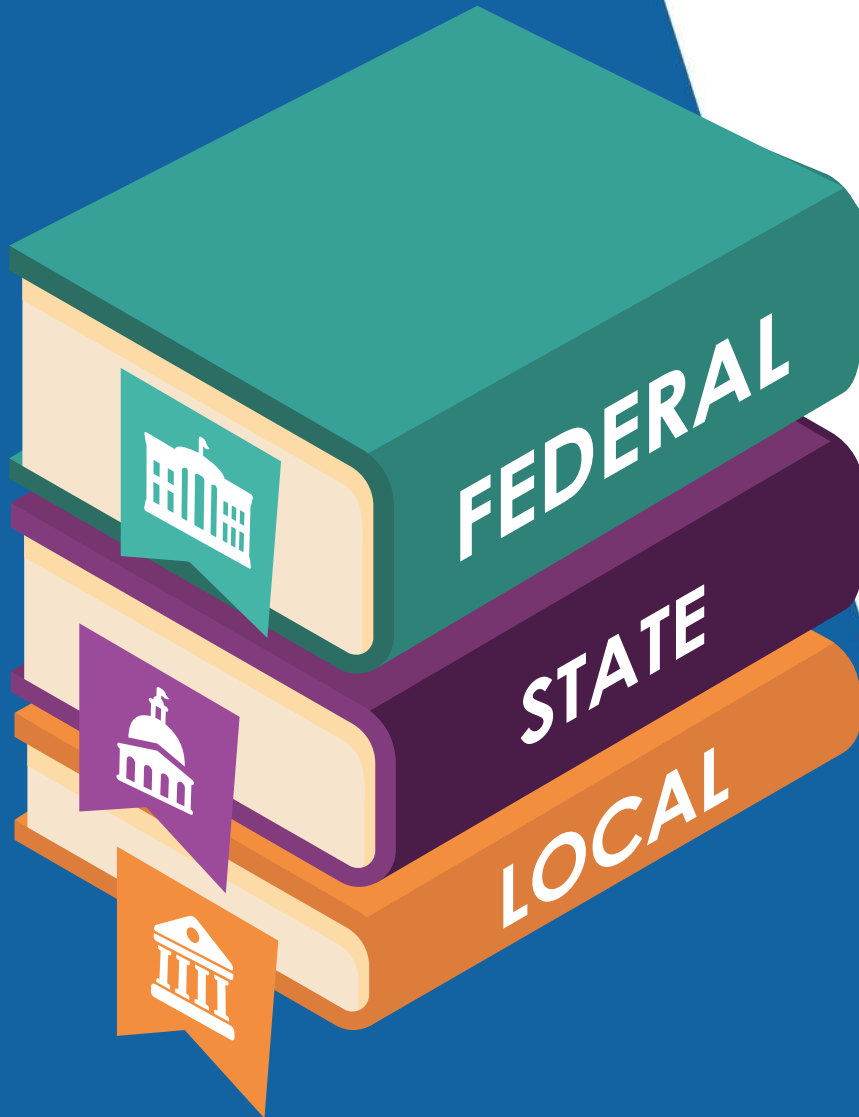
**Persistent
racial
disparities**



**Entering the next
generation of
tobacco control**



**Who is using this tool
and how?**

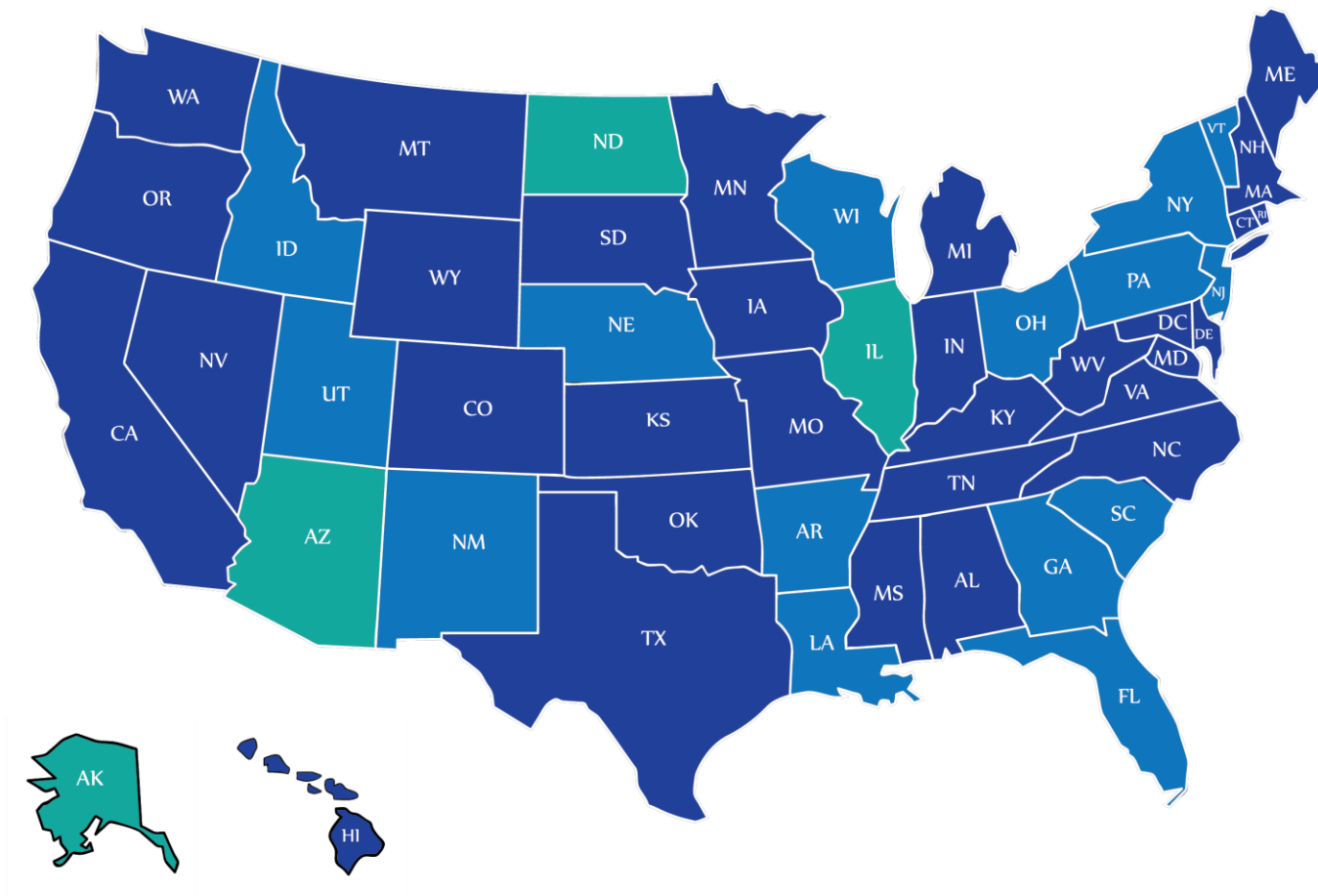


What is preemption?

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

Local tax authority with one or more major restrictions

No local tax authority (state preemption)



**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 (eg,
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!



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