



# What is the Sweetened Beverage Tax?

Beginning January 1, 2018, there is a tax on sugar-sweetened beverage products distributed within Seattle. The Sweetened Beverage Tax is not a sales tax charged directly on consumers. Instead, this tax makes distributors pay a tax on sugar-sweetened beverage products they distribute within the City of Seattle. The tax rate is 1.75 cents per ounce.

Consumers may or may not see price increases in sugar-sweetened drinks. **As the taxpayer, distributors are free to pass or not pass the added cost of the beverage tax on to retailers. Likewise, retailers may or may not pass the cost along to consumers.**

## Why did Seattle pass this tax?

Research has shown that sugary drinks can lead to type 2 diabetes, heart disease and stroke, weight gain and tooth decay. Taxing sugary drinks reduces their sales and consumption. It will also raise tax revenue from sales on sugar-sweetened beverages to help improve access to healthy food and fund programs aimed at reducing educational disparities facing communities of color.

The Sweetened Beverage Tax does **NOT** include any of the following: diet drinks, bottled water, 100% juice, milk (including soy, rice, almond, coconut), beverages for medical use, infant or baby formula, and alcoholic beverages.



### TAXED BEVERAGES

Regular Sodas

Energy and Sports Drinks

Fruit Drinks

Sweetened Waters

Presweetened Coffees  
and Teas

Syrups and concentrates  
used to make sugary  
drinks in coffee shops,  
restaurants and fast food



# How will the money from this tax be used?

The money raised from this tax will support a range of nutrition, food affordability, early learning, and education programs. The City anticipates the tax will generate \$14.8 million in 2018. The revenue will be allocated in the following ways:



CATEGORY	2018 INVESTMENT
<b>Healthy Food</b> Expand access to healthy and affordable food, close the food security gap, and promote healthy nutrition choices.	<b>\$3.8 million</b>
<b>Early Learning</b> Expand services for the birth-to-five population and their families; reduce disparities in social, developmental, and education readiness and learning.	<b>\$3.25 million</b>
<b>Education</b> Supports for high school students to enter college including the 13th Year program at the Seattle Colleges; summer learning; and a mentoring program for young, black men.	<b>\$2.57 million</b>
<b>Reserved for Community Advisory Board Recommendations</b> A Community Advisory Board will provide recommendations to the Mayor and City Council for how these funds could be spent.	<b>\$2.77 million</b>
<b>Evaluation</b> Funds will support an ongoing evaluation of the effects of the beverage tax on economic outcomes and health behaviors.	<b>\$520,000</b>
<b>Administrative and Other Costs</b> Funds include support for the cost of implementing the beverage tax, job training for workers adversely impacted by the tax, and staff support for the Community Advisory Board. This amount includes \$1.2 million for one-time costs needed to set-up the tax collection system.	<b>\$1.91 million</b>

*Revised 3/28/2018*

For more information visit:

<http://www.seattle.gov/sweetened-beverage-tax>