

March 6, 2025

COMMITTEE: House Ways and Means Committee **BILL**: HB 1469 – Taxes – Sugary Beverage Distributor Tax (For Our Kids Act) **POSITION**: Support

The Horizon Foundation is the largest independent health philanthropy in Maryland. We are committed to a Howard County free from systemic inequities, where all people can live abundant and healthy lives.

The Foundation is pleased to support HB 1469 – Taxes – Sugary Beverage Distributor Tax (For Our Kids Act). This bill would enact a 2cent-per-ounce tax on sugary drinks, syrups and powders.

Sugary drinks are the leading source of added sugar in children's diets and contribute to chronic diseases that are on the rise in Maryland and across the country. The beverage industry's predatory marketing has ensured that soda has become a staple in the American diet — and it is harming marginalized communities the most. This industry actively targets low-income people and communities of color — the very same groups that suffer disproportionately from type 2 diabetes, obesity, heart disease, dental cavities and other health problems associated with sugary drinks. And this marketing works – consumption is higher in low-income communities and among people of color.

The For Our Kids Act is an important measure to help improve public health. The tax will prompt many Marylanders to reduce their consumption, improving health outcomes and saving Maryland millions in healthcare costs. When consumers do choose to purchase sugary drinks, the revenue generated by the tax will be used to directly benefit kids and working families by helping to fund universal school meals and early childcare scholarships.

Ensuring healthy school meals for all students is a key objective of the Foundation. Food insecurity is on the rise, especially for lower- and middle-income families in Howard County and across Maryland. Some of these families who are struggling may not apply for or even qualify for current free and reduced price meals programs. At the same time, for many students, school meals are their primary source of daily calories and nutrition. With growing uncertainty around potential cuts to programs like SNAP at the federal level, the For Our Kids Act will help our students be healthy and successful and ease the burden on families who may be struggling

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to make ends meet by ensuring all kids can get healthy meals at school regardless of their ability to pay.

Taxes on sugary drinks are a proven method to improve public health and can advance equity when the revenues are intentionally invested in communities with lower incomes. A 2022 study from the University of Washington found that revenues generated by similar taxes elsewhere in the U.S. found the amount of new tax revenues funding programs targeted towards people with lower incomes was higher than the amount they paid in taxes.ⁱ Therefore, working families will see a net benefit from this legislation.

The Horizon Foundation has worked for over a decade to reduce sugary drink consumption in Howard County. Through our policy and media work, we helped drive down soda sales by 30% compared to a control community.ⁱⁱ However, much more work is needed to ensure that all Marylanders can live a healthy and abundant life. The For Our Kids Act would help us make progress towards that goal – not only by improving public health through reduced sugary drink consumption, but also by putting money back into the communities hardest hit by sugary drinkrelated diseases. It will deliver more resources to communities who need them.

The For Our Kids Act will result in healthier children who do better in school. It will also make childcare more affordable for working families and greatly reduce food insecurity. For these reasons, the Horizon Foundation **SUPPORTS HB 1469** and urges a **FAVORABLE** report.

Thank you for your consideration.

https://www.sciencedirect.com/science/article/pii/S0306919222000574

ⁱⁱ https://www.ajpmfocus.org/article/S2773-0654(22)00007-4/pdf

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