Ways and Means Committee
Public Hearing
Thursday, Marcy 6, 2025
House Bill 1469 – Sugary Beverage Distributor Tax (For Our Kids Act)

Good afternoon, Chair Atterbeary and Vice Chair Wilkins and committee members, and thank you for this opportunity to speak in favor of HB 1469- a tax on sugary beverage distributors. I am Jim Krieger, a physician and Professor Emeritus at University of Washington. I led efforts to adopt and implement Seattle's sweetened beverage tax, have advised over 20 jurisdictions on similar taxes, and participated in multiple tax evaluations.

A sweetened beverage tax makes sense for Maryland. First it will raise critical revenue for school meals. Second, it will reduce sales and consumption of sugary and diet beverages which are linked to poor health outcomes. Finally, taxes are already producing multiple health benefits including improvements in oral health,[1] weight,[2,3,4] and birth outcomes.[5]

I've seen the benefits firsthand in Seattle. Sales of sugary drinks dropped by 22%.[6] We are raising about $22 million per year, and this has been stable since the tax was implemented in 2018 with the exception of the Covid years. [7]

Tax revenues give low-income families vouchers to buy fruits and vegetables. This turns soda sales into sales of healthy foods, boosting income for local farmers and store owners - a win-win for health and local businesses. They also support food equity programs, food banks, meal programs for seniors and early learning and child development programs.[7]

Taxes have proven to be a progressive policy in Seattle. My research in Seattle shows $6.4 million is transferred annually from high-income to low-income households. Higher-income individuals pay more of the tax, while low-income residents benefit more from the funded programs.[8] Additionally, lower-income residents reduced consumption of taxed beverages by more than twice as much as higher-income residents. [9] This saves them money, reduces exposure to unhealthy products, and improves health.

In Philadelphia, taxes have reduced sales by 35%[10] and raise about $74 million per year, again stable since 2018 except for Covid.[11] Revenues help families pay for pre-K and support community infrastructure maintenance and enhancements, including parks, libraries and community centers.

I recommend that the tax should apply to both sugar-sweetened and artificially sweetened beverages. This comprehensive approach, used in Philadelphia, broadens and stabilizes the tax base as industry shifts to non-sugar sweeteners. Approximately 27-30% of sweetened beverage sales are now from beverages with non-sugar sweeteners,[12] and this is increasing.[13]

Including them is more equitable, as higher-income, white individuals purchase more diet beverages.[14, 15, 16] For example, while 35% of whites consume diet beverages, only 21% of black and Hispanics do so. And while 37% of people with higher incomes consume diet beverages, only 21% of lower income people do.[16]

Including increases the tax's health benefits, since diet beverages are associated with the same negative health effects as sugar.[17,18] For example, the World Health Organization reports that non-sugar sweeteners increase the risk of type 2 diabetes by 23% and cardiovascular mortality by 19%.[18]

In conclusion, a sweetened beverage tax that includes diet beverages is a progressive, healthy, evidence-based policy. I urge a favorable report on HB 1469.

I am happy to provide you with further information as desired. Thank you for your time and consideration.

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