



## **Toward a Fair and Healthy Tax Code: FY2011 Budget Proposals**

### **1. INSTITUTE A TAX ON SUGAR SWEETENED BEVERAGES AND UNHEALTHY SNACKS**

**Financial benefit** \$186 million annually

**Proposal:**

- Institute an excise tax of 80 cents per gallon on sugar-sweetened beverages and 10% of cost on minimally-nutritious snacks, bringing MA in line with 40 other states that tax sugar-sweetened beverages.
- Dedicate the revenue to a Wellness Trust to support prevention and intervention initiatives to combat obesity and chronic disease.

**Public health benefit**

- Support programs to combat obesity and chronic disease which afflict 1 in 3 children in MA and consume billions in health care costs annually.
- Provide incentive for purchase of healthier snacks and drinks.

### **2. CLOSE THE LOOPHOLE ON OTHER TOBACCO PRODUCTS**

**Financial benefit** \$10.5 million annually

**Proposal**

- Equalize tax rates of cigarettes and other tobacco products.
- Close the loophole in the 2008 cigarette tax increase that creates a financial incentive for purchase of other tobacco products.
- Direct the revenue to quit services, education, and youth prevention.

**Public health benefit**

- Remove the financial incentive for price-sensitive teenagers to switch to cheaper tobacco products – products which are equally deadly.

### **3. REFORM THE TAX EXPENDITURE BUDGET**

**Financial benefit** Tens of millions annually or more

**Proposal**

- Carefully examine the hundreds of credits, exemptions, and loopholes in the Tax Expenditure Budget – totaling \$18 billion of foregone revenue.
- Close any and all loopholes that no longer serve a compelling purpose.

**Public health benefit**

- If credits - like the \$72M to the film industry - are not meeting their goals, the money can be used to support things we know make our economy work: public health, schools, transit and a solid safety net.
- Ensure that everyone does their part to invest in the future of our state.