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Sugary Drink Tax Bubbles Up in Illinois General Assembly Seen as Win-Win Source of Revenue for Illinois' Fiscal and Physical Health

Springfield, III – May 11, 2016 The bipartisan group of state legislators negotiating an end Illinois' eleven month budget impasse are considering a penny-per-ounce tax on sugary drinks to fund Medicaid and invest in the health of Illinois communities. Estimated to raise over \$600 million a year, the sugary drink tax is part of the Healthy Eating Active Living (HEAL) proposal championed by Sen. Mattie Hunter (D- 3rd District) and Rep. Robyn Gabel (D- 18th District) and supported by the Illinois Alliance to Prevent Obesity. It is designed to invest in the long-term physical and fiscal health of the state.

The HEAL proposal places a penny-per-ounce excise tax on the distributors of high-sugar beverages (those with more than 5 grams of sugar per 12 ounces, like full sugar sodas, energy drinks, sweetened teas, and sports drinks) and uses the revenue to invest in expanding opportunities for healthy eating and physical activity and the state Medicaid program.

A poll commissioned by the Illinois Public Health Institute just last year showed that two-thirds of Illinoisans favor this type of tax with investments in prevention and Medicaid. The poll showed that the tax with health funding was favored by large majorities in Chicago (70%), the collar counties (59%) and downstate (62%).

Targeting low-income and the least healthy communities, the proposal invests in better nutrition and more physical education in schools, more affordable and accessible foods in food deserts and at farmers markets, and infrastructure to support activity, like bike lanes, parks, and sidewalks. By addressing the number one source of added sugar in the American diet and investing resources into a multi-pronged approach to preventing obesity, type 2 diabetes, heart disease and other chronic diseases, the HEAL proposal is estimated to help the state save billions of dollars over the next 10 years.

"Obesity costs the Illinois healthcare system more than \$6 billion a year, including more than \$1 billion in Medicaid. With the massive funding gap caused by the impasse, this proposal can bring in new revenue to fund current Medicaid costs, while simultaneously investing in prevention to provide longterm healthcare savings," said Elissa Bassler, CEO of the Illinois Public Health Institute and Executive Director of the Illinois Alliance to Prevent Obesity.

"As a small business owner, I don't expect my business to be negatively impacted by this proposal. People still have to drink, and while it's true they may choose to drink lower- or no-sugar drinks instead of high-sugar drinks, they're still going to be buying beverages," said David Borris, Owner of Hel's Kitchen Catering. "I don't anticipate my sales of beverages to go down because of this, and actually, if we have a healthier population, my insurance premiums may very well go down, which is an added benefit to my business."

The bipartisan budget group has sent their proposed budget to the Governor and House and Senate leaders for consideration. Including the HEAL proposal as part of the state budget is an idea supported by more than 70 organizations, including the American Heart Association, American Cancer Society Cancer Action Network, the Illinois Chapter of the American Academy of Pediatrics, and the Illinois African American Coalition for Prevention. A full list of supporters can be found on the proposal <u>fact</u> <u>sheet</u>.

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The primary goal of the Illinois Alliance to Prevent Obesity is to ensure that trends in obesity in Illinois are moving downward by 2018. The statewide coalition of over 140 organizations works to implement solutions to the obesity epidemic through coordinated and comprehensive policy, systems, and environmental changes. The Illinois Alliance to Prevent Obesity is administered by the Illinois Public Health Institute.