



Robert W. Wood

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Jamie Oliver Wins, UK Adds Soda Tax

Not long ago, Prime Minister David Cameron flatly [ruled out](#) a sugar tax. He seemed pretty adamant and unlikely to change his mind. Sure, celebrity chef Jamie Oliver repeatedly urged the British government to [be bold with a sugar tax, which Mr. Oliver said](#) would make a big difference in the health of British children. He made the case in [Sugar Rush](#), calling for a three-year tax at 20% per liter.

Some in government called [Mr. Oliver's](#) campaign “patronising nonsense.” But something big has changed, and changed quickly, since there is a [sugar tax surprise in Britain's budget](#). In fact, Mr. Cameron's Chancellor of the Exchequer George Osborne is sounding a little like the [Naked Chef](#) himself. The new British sugar tax will apply to drinks based on sugar content. The tax rate varies, with one rate for drinks with more than 17.7g per 12-oz can. A higher rate hits drinks with 28g or more.



The price of a Coca Cola should go up by about 12 cents, it appears. And while that may not seem noticeable, the impact on consumers might be. Sugar taxes are

said to hit lower economic groups the hardest, and health benefits can be hotly debated. Interestingly, Britain's tax would hit energy drinks and some smoothies too.

Mr. Oliver has long championed this cause. He even started his *own* 'sugar tax' on sweet drinks in his restaurants when the U.K. government refused to introduce one. Mr. Oliver's tax was an add-on charge of 10 pence (about 15 cents) for every drink containing added sugar. Mr. Oliver has spoken passionately about his [10 pence 'sugar tax' on fizzy drinks](#).

Mr. Oliver has said that his four children drink mainly water or diluted fruit juice. He believes in healthy drinks, such as putting freshly cut lemons, oranges or strawberries into iced water. In any event, the British government has shifted ground. Michael Bloomberg has applauded, as has Jamie Oliver:

6 This is bold and brave and this will send ripples around the world as far as how these weak and pathetic governments combat the rise in child obesity and diet related-disease," [said Mr. Oliver in a video on his Facebook page](#). "This is massive."

Mexico introduced a soda tax, and although it has been controversial, most reports laud [Mexico's soda tax success](#). The first U.S. soda tax was in Berkeley, California. The beverage industry reportedly spent about \$2.3 million in Berkeley and failed to stop the measure. More money was thrown at larger and more influential San Francisco, where a soda tax was defeated. Yet famously liberal Berkeley was still seen as a pivotal victory that could mean more soda taxes in more mainstream cities.

Some figures suggest that if the soda tax goes national, there will be huge health gains, perhaps preventing 100,000 cases of heart disease, 8,000 strokes and 26,000 deaths. Soda and junk food taxes are [sin taxes](#) to control behavior, but they also raise revenue. With obesity, diabetes and other health problems on the rise, junk food taxes are hardly a novel concept.

But they have been hard fought and harder to pass. A tax exempt Native American Tribe, the Navajo Nation, was the first jurisdiction in America to impose a broad junk food tax. The Navajos passed a 2% sales tax on pastries, chips, soda, desserts, fried foods, sweetened beverages, and other products with "minimal-to-no-nutritional value." [The sales tax is to generate an estimated \\$1 million a year](#) in 110 tribal chapters for greenhouses, food processing and storage facilities, traditional foods cooking classes, community gardens, farmers' markets, etc.

According to the Indian Health Service, about 25,000 of the Navajo Nation's [300,000 members](#) have type-2 diabetes. Another 75,000 are pre-diabetic. There is rampant hypertension and cardiovascular disease. The legislation was vetoed three times by Navajo Nation President Ben Shelly [because of questions about how the tax would be regulated](#). There were worries over the potential impact on small business owners and consumers. But eventually, the tax gained favor.

Which nation will be next? Mr. Oliver is already in the kitchen, [urging Australia to adopt sugar tax following Britain's soft drink levy announcement](#).

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