THE PROOF OF THE PUDDING

Denmark's fat tax fiasco

By Christopher Snowdon
May 2013
Hoarding effects prior to the introduction of the tax

Fat products’ share of total purchased food quantities per week, 2009-2011

Oct. 1, 2011
The fat tax has given food suppliers an opportunity for new price structures

Change in fat product prices after tax

<table>
<thead>
<tr>
<th>Product</th>
<th>Theoretical</th>
<th>Supermarkets</th>
<th>Discount stores</th>
<th>Discount stores - signif. dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butter</td>
<td>14.00</td>
<td>16.00</td>
<td>16.00</td>
<td>16.00</td>
</tr>
<tr>
<td>Mixed butter</td>
<td>10.00</td>
<td>12.00</td>
<td>12.00</td>
<td>12.00</td>
</tr>
<tr>
<td>Margarine</td>
<td>8.00</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Oils</td>
<td>4.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
</tr>
</tbody>
</table>

Food, Fat and Fiscal Measures, March 20, 2013
Countries that have in recent years considered but rejected carbonated soft drinks taxes include:

Indonesia
Philippines
   Italy
   Ireland
   Slovenia
   Germany
   South Korea
   South Africa
   Cameroon
     Kenya
     Nigeria
     Paraguay
     Dominican Republic
     United Kingdom

No country has imposed an excise tax solely based on carbonation. Vietnam would be the first and only.
In the US since the late 1990s, the tendency has been to REPEAL, not enact, soft drink excise taxes at the state level. Over this period, at least 5 states (North Carolina, South Carolina, Louisiana, Maine and Washington) have repealed soft drink taxes. When given the opportunity, voters reject them:

In 2008, 64% of Maine voted to repeal a large soft drinks excise tax

In 2010, 60% of Washington State voters rejected a proposal to levy a soft drinks excise tax

In 2012, 77% of voters in El Monte, California, rejected a proposal to levy a soft drinks excise tax

In 2012, 67% of voters in Richmond, California, rejected a proposal to levy a soft drinks excise tax

In 2013, 68% of voters in Telluride, Colorado, rejected a proposal to levy a soft drinks excise tax

In 2013, soft drink excise tax proposals were introduced in 11 states. None were enacted.