

IEA Current Controversies Paper No. 42

# THE PROOF OF THE PUDDING

Denmark's fat tax fiasco

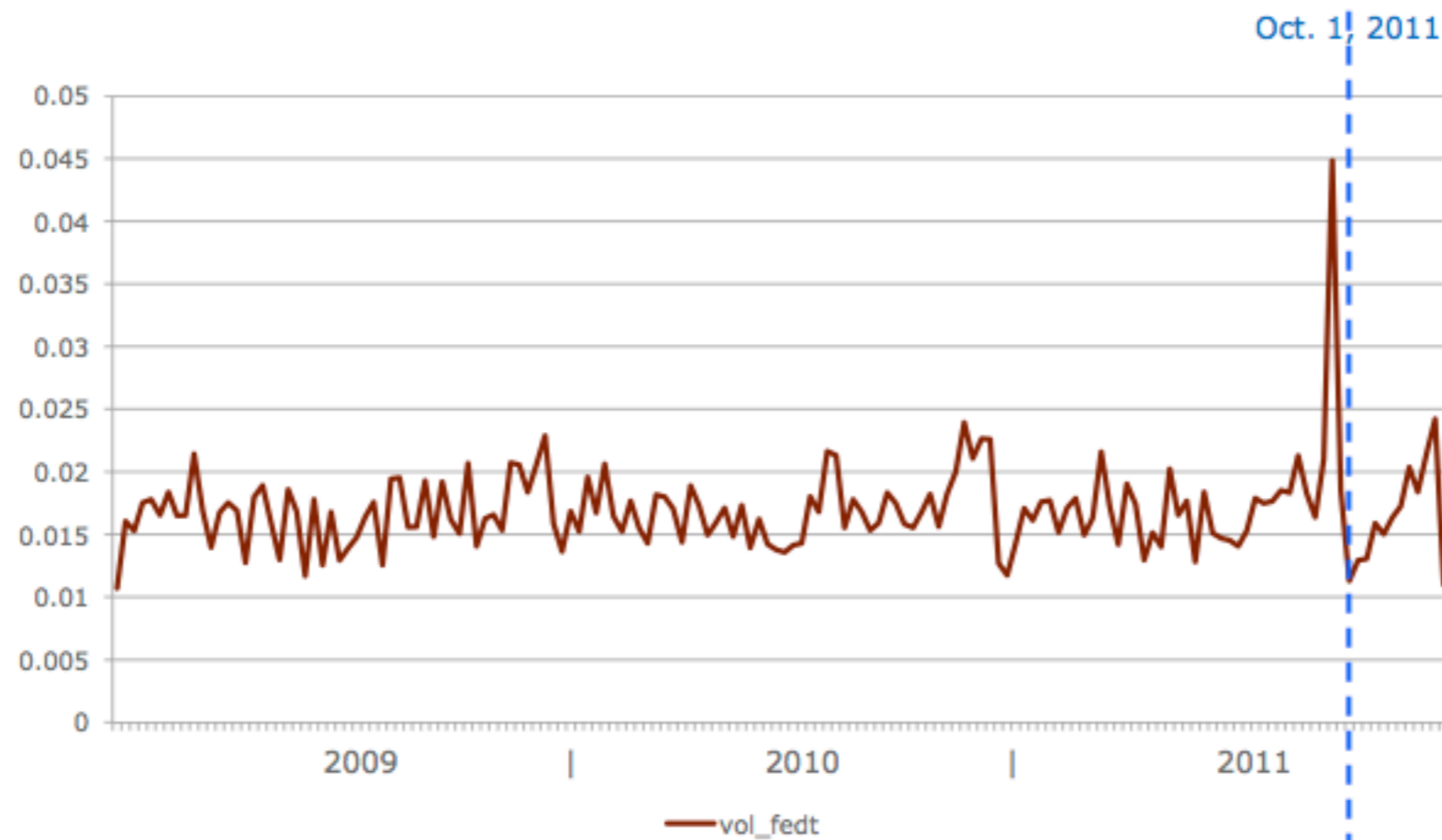
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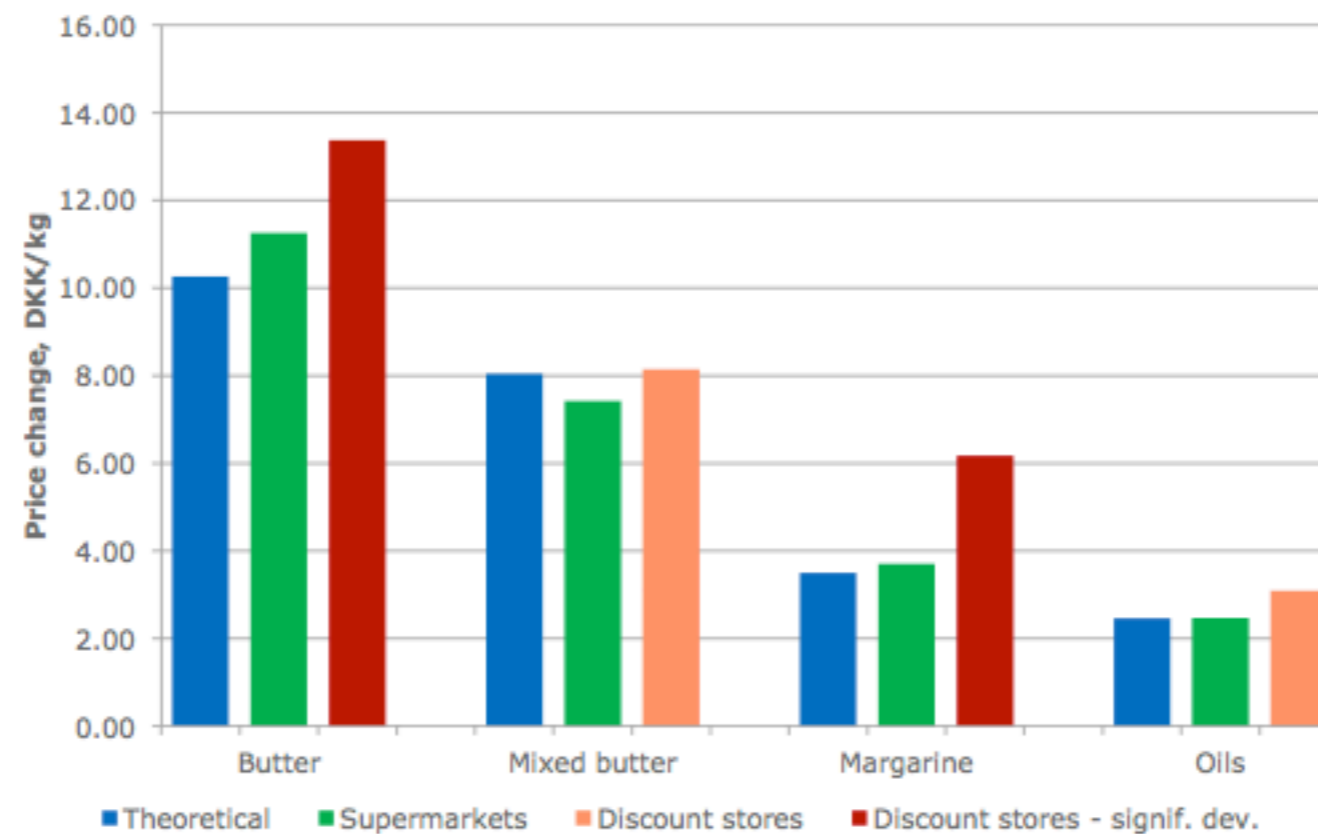
## Hoarding effects prior to the introduction of the tax

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



## The fat tax has given food suppliers an opportunity for new price structures

Change in fat product prices after tax



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 Over this period, at least 5 states (North Carolina, South Carolina, Louisiana, Maine and Washington) have repealed soft drink taxes.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

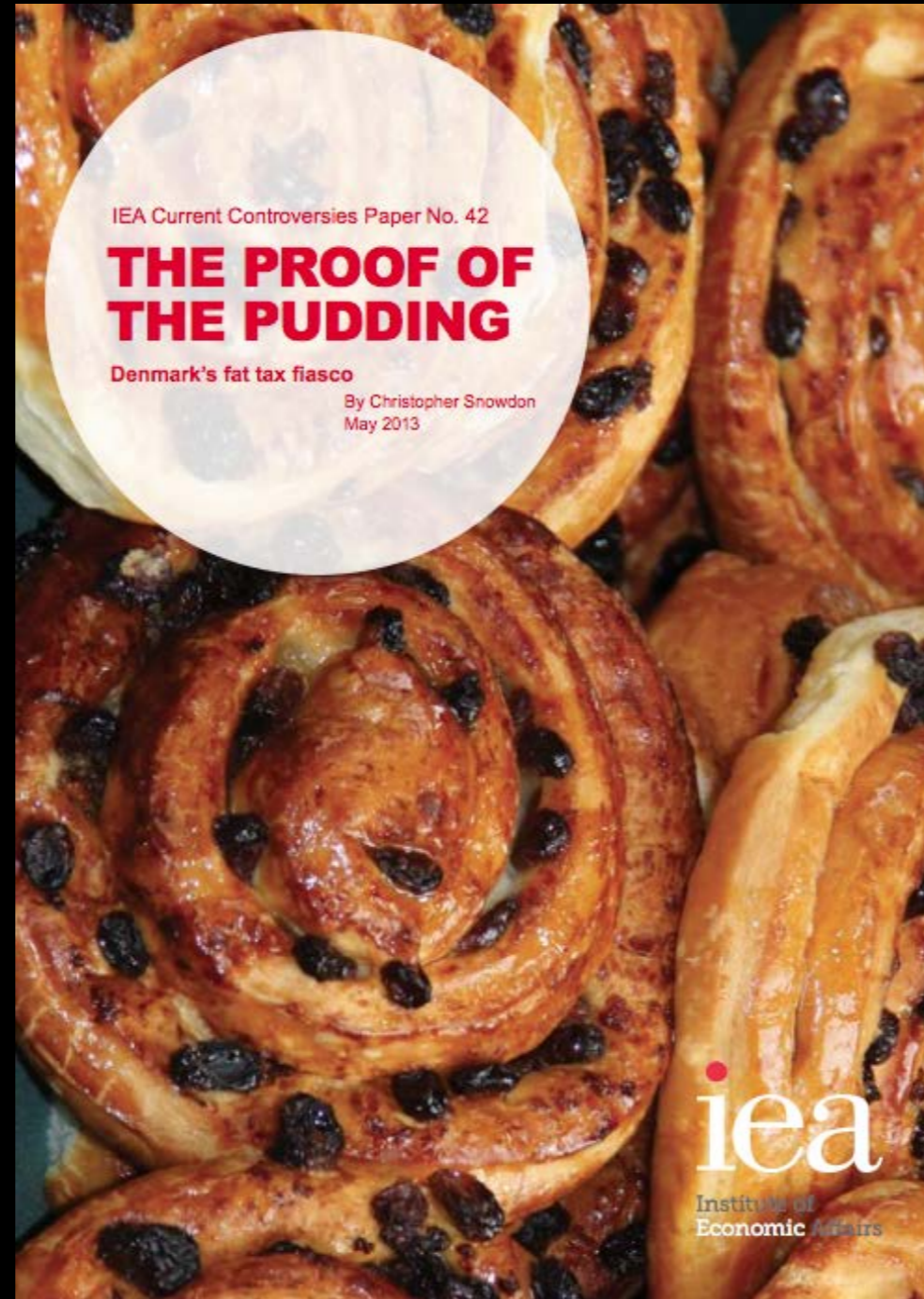
In 2012, 77% of voters in El Monte, California, rejected a proposal to levy a soft drinks excise tax

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.**





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