**A new tax on sodas, sugary drinks? It might be part of Illinois budget deal**

http://www.sj-r.com/news/20170118/new-tax-on-sodas-sugary-drinks-it-might-be-part-of-illinois-budget-deal

By Brian Robbins, State Capitol Bureau

A proposition to tax sugary beverages is being revived as part of the Illinois Senate's "grand bargain" to pass a state budget.

Senate Bill 9 will tax any beverage that has five grams of sugar or more, meaning drinks like soda and certain juices will be affected. The bill requires distributors to impose a penny-per-ounce tax on retailers, which would produce an estimated $560 million for the state.

The tax isn't the only revenue-generating legislation the Senate is considering as part of its budget compromise. There's also an income tax increase that aims to generate $4.1 billion.

Health care advocates view the beverage tax as a responsible revenue generator. But soft drink representatives say SB9 would have dire consequences, not only for prices, but also employees in the industry.

Claudia Rodriguez, acting executive director at the Illinois Beverage Association, contends that the tax won't help solve the state's budget problem, and that the revenue won't go toward health initiatives.

"Nothing in the proposed bill links it to health, or funding any health initiative," Rodriguez said. "It's deceiving to say it's going to solve the budget crisis and help health issues. It's not even projecting how it's going to affect the state."

According to Rodriguez, with 90,000 jobs directly and indirectly related to the beverage industry, passage of SB9 would cause a ripple effect.

"This will directly affect consumers, and all people that depend on the beverages," she said. "People will automatically see it when they go to the cash register, 68 cents added on your typical 2-liter bottle that costs 99 cents. Soda will be taxed at a higher level than beer."

Mark Peysakhovich, senior director of government relations at the American Heart Association, argues that the bill is a step in the right direction in providing meaningful improvements to public health within Illinois.

"As far as the state's budget goes, the fact this was part of the bipartisan proposal gives this issue a seat at the table," he said. "We're glad there are adults in the room. For us, and the American Cancer Society, we're applauding folks in raising this tax -- a sugary tax is the healthiest revenue option."

Even with the legislation's intended goodwill, Peysakhovich said he doesn't want this to be seen as just a revenue generator for the state; it should also be an investment.

"We need to make sure some of these resources are put aside in a special wellness fund to be able to make sure that our elective officials are talking the talk and walking the walk," he said.

When asked about the tax Wednesday, Republican Gov. Bruce Rauner didn't specifically say if he is for or against it, but he did say he was impressed with the many ideas proposed by legislators in trying to get a balanced budget.

"I think it's premature to comment on any specific types of proposals yet," Rauner said. "I'm going to let the process organically grow on its own, and I want to compliment Democrats and Republicans in the General Assembly, but especially in the Senate, where they're trying to get a balanced budget with reforms."

In November, a similar sugary-beverage tax was approved in Cook County that takes effect July 1. It was hotly debated, with the tax barely squeaking by on a 9-8 vote by the Cook County Board. Just like the proposed state law, it charges a penny per ounce on sugary beverages.

Lorachelle Purdy of Riverton says her family is already on a strict budget. She said if the cost of soda goes up significantly because of the tax, her family will cut out sugary beverages altogether.

"The way I feel about it, though, is that they're already getting enough tax rate in the state of Illinois on grocery items," Purdy said. "I know they're trying to get people to buy the healthier options, but at the same time, they're price gouging. ... I think this tax is absolutely ridiculous."