

Government Affairs

State Public Policy

Industry Information



Partnerships

Trade Services

Retailer Services

Committee on Children Testimony
By Stan Sorkin, President
Connecticut Food Association
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Testimony in Opposition to HB No. 5461: An Act Imposing a Tax on Sugary Soft Drinks and Candies

Chairman Bartolomeo, Chairman Urban, and Members of the Committee on Children. My name is Stan Sorkin, President of the Connecticut Food Association.

The Connecticut Food Association is the state trade association that conducts programs in public affairs, food safety, research, education and industry relations on behalf of its 240 member companies—food retailers, wholesalers, distributors, and service providers in the state of Connecticut. CFA’s members in Connecticut operate approximately 300 retail food stores and 135 pharmacies. Their combined estimated annual sales volume of \$5.7 billion represents 75% of all retail food store sales in Connecticut. CFA’s retail membership is composed of multi-store chains, regional firms, and single store independent supermarkets employing over 30,000 associates. The majority of CFA members are family-owned supermarkets. Our goal is to create a growth oriented economic climate that makes Connecticut competitive with surrounding states.

I am here today to testify on behalf of the members of the Connecticut Food Association in opposition to HB No. 5461.

Let me acknowledge that obesity is a problem in this country and needs to be addressed through education, diet change, and exercise. We know that obesity is a serious and complex problem that is best addressed by living a balanced lifestyle – consuming a variety of foods and beverages in moderation and getting plenty of exercise. Quite simply, overweight and obesity are a result of an imbalance between calories consumed and calories burned.

When I was growing up, there was no obesity issue. Only sugar sweetened beverages were available not the multitude of beverage choices available today. We ran and played outside until I heard my mother’s call, “Stanley, time to come home for dinner”. We did not constantly sit in front of a computer or smart phone playing video games. We even had gym classes in school. In short, in spite of only sugared beverages being available and no government involvement, we were not obese.

We have some major concerns with this “nanny state” legislation with a few telling all what is best for them:

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- Who is determining what products will be subject to the tax?
- What criteria will be used to determine what products will be included?
- With 20,000 new products introduced into the marketplace every year, who is going to figure out what is candy? Baking chocolate chips? Power bars with chocolate chips?
- How will the tax rates be determined?
- Who will be responsible for managing the data base? What's the cost?
- Where will the tax be collected?
- What's next on the list of other categories to be taxed based on the agendas of other interest groups?

Did you consider the negative consequences the tax would have in Connecticut's food stores?

- The increased retail prices will lead to a loss of retail sales; have a negative effect on a store's profit which will lead to a cutback in labor hours.
- The retail prices of products in these categories will be higher in CT stores vs. the prices in neighboring states providing a major incentive for CT consumers to shop across the border, further eroding the sales base.
- There will be administrative costs to control the tax associated with each product either at the store or wholesale level adding to the cost of doing business in CT.
- Expect a black market to develop in these products as untaxed products enter the state from non-tax states, further eroding supermarket sales.

We believe education is key to fighting obesity. Connecticut supermarkets, such as Big Y and Price Chopper, offer the Nuval product rating system which rates the "nutrition value of a product at point of sale, giving the consumer the information needed to make an informed decision. ShopRite Supermarkets have in-store nutritionists which can offer one on one advice on healthy eating plus conduct group educational sessions on healthy shopping. The Connecticut consumer is intelligent enough to make their own decisions based on information, not dictated by tax policy.

What happened to the "No new taxes" pledge? With Connecticut's economic growth lagging the country's, with Connecticut's population in decline, with Connecticut's home values flat, and with Connecticut ranked last in job creation, this is not the time to add to the cost of living in Connecticut.

Please take a look at this and other proposed legislation- single-use bag fees, bottle bill expansion- and realize that you are making a consumer's shopping experience more and more costly and the state less consumer and business friendly.

Vote No on H.B. No 5461