



House Ways and Means

Ben Boehlert and Ben Sacks

Middle School Model Congress 2016



Sugary Drink Tax Brief

The unfortunate truth is that obesity kills 375,000 people annually and obesity rates have been rising in recent years. The rate of obesity among kids has tripled in the past thirty years. Adult obesity is at 36% currently. Americans being overweight actually affects the economy. It is estimated \$147 billion dollars was spent by the United States in medical costs and productivity.

Even with programs trying to persuade kids to eat healthier and go outside more, a more economic approach is likely to help. On average unhealthy drinks cost \$0.50 more than healthier drinks. It is more likely for a person to buy the less expensive drink regardless of the health drawback. If a tax is placed on the unhealthy drink less people would be willing to buy it because a healthier option is available which costs only slightly more.

With this tax in place obesity rates could drop as much as 20%. The goal of this bill is to reduce the consumption of sugary drinks without affecting businesses or consumers too much economically. This bill's passage could be very beneficial for the economy of the United States as well as the quality of life of all Americans.

MIDDLE SCHOOL MODEL CONGRESS

Committee: Ways and Means

Principal Authors: Ben Sacks

Bill No: WAM10162016BSBB

Co-Authors: Ben Boehlert

Title of Bill: An Act to End Obesity

Brief

Whereas more than 1/3 of U.S adults have obesity(Centers for Disease Control and Prevention); *whereas* the estimated annual medical cost of obesity in the U.S. was \$147 billion in 2008(Centers for Disease Control and Prevention); *whereas* since 1980, the childhood obesity rate has tripled among children ages two to nineteen (The State of Obesity); *whereas* consumption of sugar is linked to tooth decay, obesity, and diabetes (World Health Organization); *whereas* people who consume a sugary drink at least once a day have a 26% higher risk of developing type two diabetes(World Health Organization); *whereas* on average unhealthy drinks are \$0.50 cheaper than healthy drinks (Corilee A Watters); *whereas* a tax of 20% on sugary drinks can lead to a reduction in consumption of around 20% (World Health Organization); *whereas* obesity is the second leading cause of preventable death in the United States (West Virginia Health Statistic Center); *whereas* it is estimated 375,000 people die from obesity related ailments annually.

BE IT ENACTED BY THE MIDDLE SCHOOL MODEL CONGRESS ASSEMBLED

Section 1: Let sugary drinks be defined as any drink with added artificial sweetener or sugar.

Section 2: A tax of 20% will be placed on all sugary drinks at the time of this bills passage.
Sub-Section a. This tax is applicable for but not limited to sodas, sports drinks, energy drinks, flavored waters, fruit drinks, sweetened teas

Section 3: Some of this tax will go to the funding of television commercials advocating a healthier lifestyle.

Section 4: This bill will be enacted in 91 days.

Brief

One of the many complaints about the current tax code is that it is too complex for the average person to understand, and it has many “loopholes” for the wealthy to exploit, which allows them to pay very little income tax. Even former IRS commissioner John Koskinen, the chief tax collector in the United States, has said the tax code is too complicated and that money could be saved by making it simpler.

A “flat tax” is a solution that has been proposed by many leading politicians, including Senator Rand Paul (R-KY) and Senator Ted Cruz (R-TX). A flat tax is a tax based on a constant rate for every American, no matter their income level. (In today's code, people who make more money, in theory, are taxed at a higher rate.) For example, someone who makes \$50,000 per year would be taxed 12.5%, or \$6,250, while someone who makes \$125,000 would also be taxed 12.5%, or \$15,625. It eliminates loopholes and makes the tax code far simpler. In theory, it also gives the wealthy more money to pay employees or invest, further helping the economy. Critics insist a flat tax would tax the very wealthy at too low of a rate, and does not allow deductions to those who need them. They also complain it puts too much of the burden on the lower and middle classes and limits the government so they cannot give tax credits to citizens for doing things like making a house energy efficient.

Helpful links

<https://toughnickel.com/personal-finance/Flat-Tax-vs-Progressive-Tax-Pros-and-Cons-for-the-US>

https://www.washingtonpost.com/posteverything/wp/2015/05/26/the-flat-tax-falls-flat-for-good-reasons/?utm_term=.60b002a36f38

<http://smallbusiness.chron.com/pros-cons-flat-tax-4210.html>

<http://www.wsj.com/articles/a-flat-tax-is-the-best-path-to-prosperity-1444600639>

<http://www.economist.com/node/3860731>

The Middle School Model Congress

Committee: Ways and Means

Principal Authors: Benjamin Boehlert

Bill No: WAM10162016BBBS

Co-Authors: Ben Sacks

Title of Bill: An Act for a Fair Tax System

Be It Enacted By The Middle School Model Congress Assembled

Whereas a complex tax code allows the rich to exploit it for personal gain Whereas tax loopholes often allow the rich to pay no taxes at all Whereas a flat tax eliminates these loopholes Whereas a flat tax saves money for the taxpayer so they no longer need a professional to do their taxes Whereas business owners having more money to spend allows them to pay their employees more and make more investments Whereas a flat tax is more fair to all Americans

Section 1: All laws regarding current income tax rates will be abolished.

Section 2: All income of Americans will be taxed at a rate of 12.5%.

Section 3: The budget of Internal Revenue Service (IRS) will be reduced to accommodate the lower need for staff and operations.

Section 4: This bill will go into effect 91 days after passage.