State Alcohol Taxes & Health:

A Citizen's Action Guide

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Center for Science in the Public Interest (CSPI) is a non-profit organization that advocates progressive public health policies. It has led efforts to improve alcohol policies regarding excise taxes, advertising, and labels and warnings on alcoholic-beverage containers.

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PREFACE

Since 1983, the Center for Science in the Public Interest and dozens of health-conscious organizations have campaigned to raise alcohol excise taxes at the national level. Our efforts paid off in increases in liquor taxes in 1986 and 1991 and hikes in beer and wine taxes, for the first time in 40 years, in 1991.

Not surprisingly, the tax rates are still far too low. They fail adequately to discourage consumption by young people, to reduce excessive drinking, or to provide sufficient revenues to compensate societal damage that results from alcohol use or to finance educational campaigns. Obviously, we have not yet met our goals, and our national advocacy will continue.

States also feel the burden of alcohol-related costs, and the prospects for increases in state alcohol excise taxes have recently improved. As they take on new responsibilities for social service and health programs under block grants and federal transfers, states face growing budgetary pressures. Alcohol tax increases may help save vital safety-net programs.

Whether your organization works to protect state programs that serve the poor or focuses on reducing underage drinking and drunk-driving casualties, we encourage you to ignite state-wide public discussion about the relationship of alcohol tax rates and health. Educational campaigns about smoking have stimulated numerous increases in state "health" taxes on tobacco products; alcohol products, in most states, have been overlooked. Ignoring low alcohol tax rates serves only to perpetuate high levels of alcohol-related problems and deny state governments a valuable source of additional revenue.

This booklet offers basic tools to help you begin addressing alcohol excise tax issues in your state. We look forward to learning of your efforts and to working with you in the future.

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INTRODUCTION

Alcohol is a major cause of premature death in the United States and a primary contributor to a wide array of economic costs and social problems. These include lost productivity, health care expenditures, motor vehicle crashes, violence, crime, spousal and child abuse, falls, fires, drownings, and suicides.

In addressing alcohol problems, policy makers have promoted a variety of education, law enforcement and rehabilitation programs that zero in on a few highly visible alcohol issues, such as drinking and driving, youth alcohol use, and alcohol dependence. Yet they have devoted little attention to a policy measure that promises to help reduce all types of alcohol problems and provide needed revenues for alcohol prevention, treatment, and law enforcement programs. That measure is raising alcohol taxes.

Why raise taxes?

Numerous economic studies have demonstrated that increasing alcohol excise taxes is one of the most effective means of saving young lives and reducing the incidence of liver cirrhosis mortality, the eleventh leading cause of death in the United States. Other studies have noted that alcohol price increases help raise college graduation rates and reduce crime. Some studies indicate that tax hikes are more effective at reducing alcohol consumption among young people than boosts in the minimum legal drinking age.

Despite that evidence, attempts to increase alcohol taxes have been far less successful than similar efforts to raise taxes on tobacco products, an effective policy to reduce teen smoking. In several states, public health activists have won major tobacco tax increases that have raised millions of dollars in new revenues and provided funds for innovative and effective anti-smoking public education campaigns. Raising cigarette taxes has helped create a better balance between the enormous costs of cigarette smoking and the revenues received by governments that ultimately bear many of these expenses.

Inflation: A persistent thief

Alcohol problems cost American society some $100 billion per year and cause as many as 100,000 deaths annually. In

contrast, 1995 tax revenues from alcoholic beverages provided only $7.5 billion at the federal level and approximately $9.4 billion at the state and local levels.

Much of this disparity between revenues and costs is due simply to the failure of alcohol tax rates to keep up with inflation. For example, had federal and state tax rates kept up with inflation between 1970 and 1995, alcohol taxes would have contributed billions of dollars more than they actually did.

Relatively static alcohol tax rates have also meant that prices of alcoholic beverages have increased far less than those of other consumer goods. The result: It's no surprise today to find beer available at the corner store for no more than the price of soft drinks.

Raising alcohol taxes and indexing them so that they will increase at the rate of inflation will help keep alcoholic beverage prices in line with those for other consumer goods. Such increases will allow governments to reclaim a valuable source of revenue that has declined dramatically over the years.

Equity and urgency

For most consumers — who drink minimally or not at all — a tax increase will hardly be noticed. Consumers will pay in proportion to how much they drink, and the bulk of the tax hikes will be paid by the relatively small percentage of drinkers who consume most alcohol. These same drinkers, not surprisingly, are responsible for the highest concentration of alcohol-related problems and societal costs. Higher taxes will force them to bear a more equitable share of the costs for the problems they cause and help discourage some excessive alcohol consumption.

New tax revenues now take on even greater importance as federal budget cuts force state governments to trim essential social programs or seek alternative sources of funding. Among the programs facing cuts are those that prevent and fight alcohol problems.

This handbook provides tools to help public health activists, community coalitions, and others use alcohol tax policy as an effective means of addressing alcohol's high cost to society. We hope it will stimulate spirited public debate about the relationship between alcohol taxes and the health and safety of America's communities.

CHAPTER 1

Making Sense of Alcohol Excise Taxes

The first internal revenue measure ever enacted by the U.S. Congress was a liquor tax, in 1791. For more than 200 years since, Congress and the states have looked to liquor — as well as beer and wine — for revenue to support the purposes of government.

Those taxes once contributed a significant portion of federal revenue. In 1941, alcohol taxes provided 11 percent of federal collections. In 1991, they accounted for less than 1 percent and by 1995 even less. Compared to most other developed countries, the alcohol-tax share of total federal and state revenues is paltry.

Although federal alcohol taxes on liquor were increased in 1986 and 1991, and beer and wine taxes were raised in 1991, those were the first increases since 1951. Due to inflation, each tax dollar collected today is worth less than 20 percent of its value in 1951. The 1991 federal increase restored only the wine rate to its 1951 value. Liquor and beer rates rose to 1989 and 1978 values, respectively.[1] Of course, due to inflation since 1991, the beer, wine, and liquor rates have declined another 12 percent in relative terms.

TABLE 1

Percentage of revenue provided by alcohol excise taxes in various countries, 1991

Country	Alcohol Taxes as % of Tax Revenues
Ireland	7.4
Finland	4.4
United Kingdom	4.0
Canada	2.7
New Zealand	2.7
Australia	2.4
Denmark	2.4
Norway	2.4
Belgium	1.6
Sweden	1.6
Austria	1.5
Germany	1.5
Japan	1.5
Portugal	1.5
Spain	1.5
Netherlands	1.3
France	1.1
Luxembourg	1.0
United States	**0.9**
Switzerland	0.7
Italy	0.5

(Source: *International Survey: Alcoholic Beverage Taxation and Control Policies*, Eighth Edition, Brewers Association of Canada, November 1992, p. 512.)

TABLE 2

Federal excise tax collections, 1995

Beer	$3,331,312,000
Wine	587,230,000
Distilled Spirits	3,603,980,000
TOTAL:	$7,522,522,000

(Source: Wine, Beer and Spirits Regulation Branch, Bureau of Alcohol, Tobacco and Firearms)

Sizing up state alcohol taxes

Inflation has also eroded state alcohol tax values. Although the average state alcohol excise tax rate increased significantly between 1966 and 1989, the real value of the taxes collected actually declined by over 50 percent.[2] Minimal state tax increases since 1989 have done little to correct this trend. The table on the next page illustrates the extent to which the real dollar value of the average state tax rate has declined over the past 30 years.

Decline in effective average state tax rate since 1966	Average 1966 state tax*	Average 1995 state tax*	Median 1995 state tax	1995 tax in 1966 dollars	Decline in effective tax
Beer	$0.12	$0.24	$0.18	$0.05	-58%
Wine	$0.37	$0.37	$0.73	$0.16	-57%
Distilled Spirits	$2.03	$3.59	$3.25	$0.76	-63%

TABLE 3

* Averages are simple averages of tax rates in all states.
(Source: Federation of Tax Administrators (FTA), *Tables 14, 15, and 16: State Tax Rates on Distilled Spirits, Wine, and Beer,* Washington, DC, January 1, 1995; The Beer Institute; Distilled Spirits Council of the United States; Wine Institute; and communications with state tax officials.)

In 1994 state and local governments collected $9.4 billion in alcohol tax revenue. This income accounted for just over 3 percent of total collections in Florida, the highest percentage in the country. Overall, 1.1 percent of total state tax collections came from alcoholic beverages.[3] On a per capita basis, alcoholic beverages provided an average of just $13.79 in state tax revenue for 1992, compared to about $24.00 for tobacco.[4]

Since 1966, the real value of state alcohol taxes has declined by over 50 percent.

States have been slow to look to alcohol for additional revenue. Taxes on cigarettes and tobacco have been increased considerably more in the past several years, and provide substantially more revenue, even though the costs to the states are probably less for tobacco than alcohol.[5] During 1993, only four states increased their alcohol excise tax rates, boosting revenues a total of $38.1 million (see Figure 1). Meanwhile, 15 states raised cigarette and tobacco taxes to gain $623.3 million in new revenues.[6] In 1994, states boosted their revenues by $354.6 million over the previous year by raising taxes on cigarettes and tobacco.

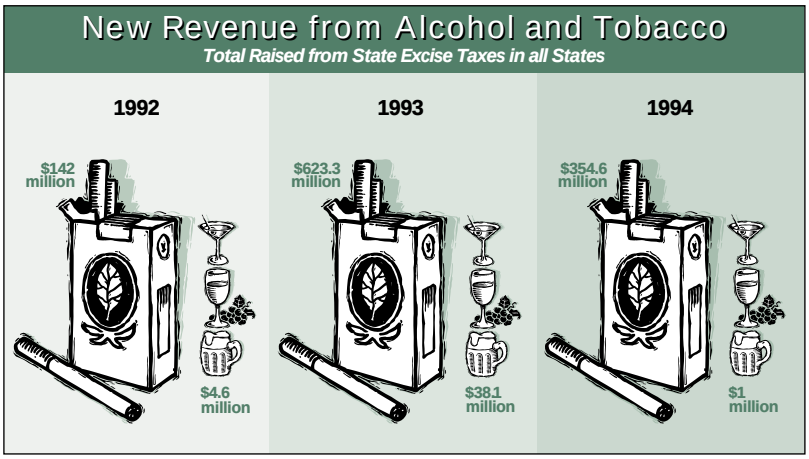


FIGURE 1

In 1994, new revenue from state cigarette and tobacco taxes totaled 300 times the new revenue from alcohol.

Yet they gained only $1 million in new revenue from alcohol. Some of that increase resulted from minor adjustments in two states' alcohol classification rules, not from tax increases.[7] Liquor tax rates in New Mexico and South Carolina went up considerably.[8]

In 1995, New York actually reduced its tax rates on beer by $.05 per gallon. The tax cut on beer slipped quietly into the State Legislature's massive 1996 Fiscal Plan and went virtually unnoticed by health advocates. Tennessee increased its beer tax in 1995 from $3.40 per barrel to $3.90 (approx. $.13 per gallon).[9]

Alcohol excise tax rates

Unlike sales taxes, which are based upon a product's value, state alcohol taxes are most often imposed on a given volume — usually a gallon — of alcoholic beverage. Premium beer, for example, is taxed at the same rate as a similar amount of cheaper beer and the tax on a bottle of fine table wine is the same as that on a cheap bottle. Although the federal government taxes liquor on the basis of its alcohol content, states generally tax it by the gallon, regardless of alcohol content.

In "control" states, where the state manages the sale of liquor, and sometimes wine, the tax takes the form of a percentage mark-up on the wholesale price of the product. The mark-up to the consumer on liquor ranges from a low of 46 percent in New Hampshire to 120 percent in Washington State.[10]

The alcohol in distilled spirits, wine, and beer is taxed at different rates. On a per-drink basis, liquor is usually taxed at much higher rates. As of January 1996 the federal tax was $13.50 per proof gallon (one gallon of 100 proof, or 50 percent, alcohol), or about $.12 per drink (of 80 proof liquor). Beer and wine are taxed on the basis of liquid volume rather than alcohol content. Beer is taxed at $18.00 per 31-gallon barrel, a bit more than $.05 per 12-ounce can. Wine is taxed at $1.07 per gallon if it has 14 percent or less alcohol content (most table wine), $1.57 if it has 14 to 21 percent alcohol (most dessert wines), and from $3.15 to $3.40 if it contains more than 21 percent alcohol, or is classified "natural sparkling" or "carbonated." The federal excise tax on a glass of table wine amounts to just over $.04.

The latest information

You can get current information on tax rates and revenues from state alcohol beverage control commissions and revenue departments and the Federation of Tax Administrators in Washington, DC (202-624-5890).[13] Industry groups, such as the Distilled Spirits Council of the United States (DISCUS) and the Beer Institute, also keep current information on state and federal alcohol tax rates and state and federal revenue generated by alcohol. These industry sources occasionally provide this information to the public.

Federal Alcohol Tax Rates, 1996	
Beer	$18.00 per 31-gallon barrel/$.05 per 12 oz. can
Wine	$1.07 per gallon/$.04 per 5 oz. glass
Liquor	$13.50 per proof gallon/$.12 per 1.5 oz. drink

TABLE 4

The median state tax rates for beer, wine, and liquor are 18 cents, 73 cents, and $3.25, respectively, per liquid gallon.[11] On a per-drink basis that amounts to about $.02 per 12-ounce beer, $.03 for a 5-ounce glass of wine, and $.04 for a shot of liquor. Not surprisingly, politics often plays an important role in determining state alcohol tax rates, which vary widely. States with large alcoholic-beverage producers are likely to have the lowest rates.

State tax rates on beer range from $.06 per gallon in Missouri (the home of Anheuser-Busch) and Wisconsin (home of Miller Brewing) to $1.05 in Alabama. State excise taxes on table wine range from $.11 per gallon in Louisiana to $2.25 in Florida. Kentucky, by far the nation's largest producer of whiskey, taxes liquor at the rate of $1.92 per gallon. Maryland and the District of Columbia have the lowest liquor excise taxes in the country, at $1.50 a gallon, and Florida has the highest, at $6.50.[12]

Regulation of alcoholic beverages

Before the enactment of Prohibition in 1919, local, rather than state governments, usually had primary control over the sale of alcoholic beverages. With the repeal of Prohibition in 1933, those powers shifted to the states under the 21st Amendment to the Constitution. Now, each state has at least one agency that oversees the regulation and taxation of alcoholic beverages.

Eighteen states became "control" states, establishing a monopoly over retail and/or wholesale commerce in liquor and, sometimes, wine. Under the "control" system, all sales proceeds belong to the state. Montgomery County, Maryland is the only county that has its own liquor stores, though this system is now under review.

Control States, 1996	
Alabama	Ohio
Idaho	Oregon
Iowa	Pennsylvania
Maine	Utah
Michigan	Vermont
Mississippi	Virginia
Montana	Washington
New Hampshire	West Virginia
North Carolina	Wyoming

Since "control" states typically tax alcohol by percentage of wholesale cost rather than by flat rate, these revenues change automatically as inflation pushes up the wholesale price or as competition lowers prices. Recently there have been efforts in several "control" states to privatize the sale of alcoholic beverages.

In most states, whether license or control, excise taxes on beer are levied on manufacturers, wholesalers, or distributors. Wine and spirits taxes in license states are also levied at

those levels of distribution.

In “control” states, the tax on spirits is usually a percentage mark-up paid by the consumer upon purchase of the product from a state liquor store. Wine taxes in control states may be collected in the same manner when the consumer purchases the product in a state-controlled store, or they may be levied on manufacturers, wholesalers or distributors when the wine is sold by a private outlet. The manner of collection varies according to state law. Check with your state’s Alcoholic Beverage Control office or revenue department to find out how excise taxes are levied.

CHAPTER 2

Why Increase Alcohol Excise Taxes?

Modest price hikes on beer and liquor would decrease youth drinking by as much as raising the drinking age by one year.

Three main rationales have been advanced to support increases in alcohol excise taxes:

- raising revenue
- reducing alcohol consumption and related problems
- providing funding for key government programs

Historically, the first has attracted most interest, and remains an important factor today, particularly in light of recent federal budget cuts in social programs and growing state needs.

Recently, however, interest in the public health benefits of raising excise taxes has increased. Numerous studies indicate that boosting alcohol taxes can be an effective means of deterring and reducing youth alcohol use, reducing alcohol-related motor vehicle accident mortality and morbidity among young people, improving college completion rates,[14] and ameliorating some of the other problems associated with excessive drinking, including alcohol-related violence[15] and liver cirrhosis.

Research by Michael Grossman and Douglas Coate of the National Bureau of Economic Research, and Gregory Arluck of the New York Telephone Company concluded that even modest price increases — 30 cents for a bottle of liquor and 10 cents for a six-pack of beer — would decrease drinking among young people as much as raising the drinking age by one year.[16] Other studies by Coate and Grossman[17] indicate "that if beer taxes had kept pace with inflation since 1951, and if taxes on beer and spirits had been set at equivalent levels, the number of youths who drink beer four to seven times a week would have declined by 32 percent and the number of youths who drink beer one to three times per week would have declined by 24 percent." A good review of alcohol tax issues in the context of public health appears in *Research Monograph - 25, Economics and the Prevention of Alcohol-Related Problems,* a 1993 publication of the National Institute on Alcohol Abuse and Alcoholism. Although many research questions still need to be addressed, there is little doubt that increasing alcohol taxes and prices will reduce demand and consumption and help reduce the carnage and costs related to drinking.

Alcohol taxes most often flow into states' general funds; however, some states have earmarked alcohol tax revenue specifically to combat alcohol problems through treatment,

prevention, and law enforcement (see Appendix C). Other states earmark part or all of the revenue for programs such as alcohol research, alcoholic-beverage control offices, local governments, state building construction, pension relief, transportation and, ironically, the state grape industry (Arkansas, Ohio, Oregon, Washington).

For example, a 1993 alcohol excise tax increase in New Mexico generates approximately $15 million annually in new revenue. About one-third of this money went toward alcohol prevention and treatment activities at the local level.

Arizona earmarks more than one-third of its liquor tax revenue for the state corrections fund. Approximately the same percentage of Michigan's revenue from liquor taxes goes to convention promotion, with an equal share dedicated to school aid. Idaho, Nevada, New Jersey, Ohio, and Texas are among those states that provide a portion of alcohol revenues for alcohol education and prevention programs.

The costs and revenues from alcohol are out of balance

The revenue collected from all federal, state and local alcoholic beverage sources in 1995 totaled $17 billion. This included excise and other alcohol-specific taxes, import duties, license fees and general state sales taxes.

Based on estimates for previous years, the annual national economic costs of alcohol consumption for 1995 topped

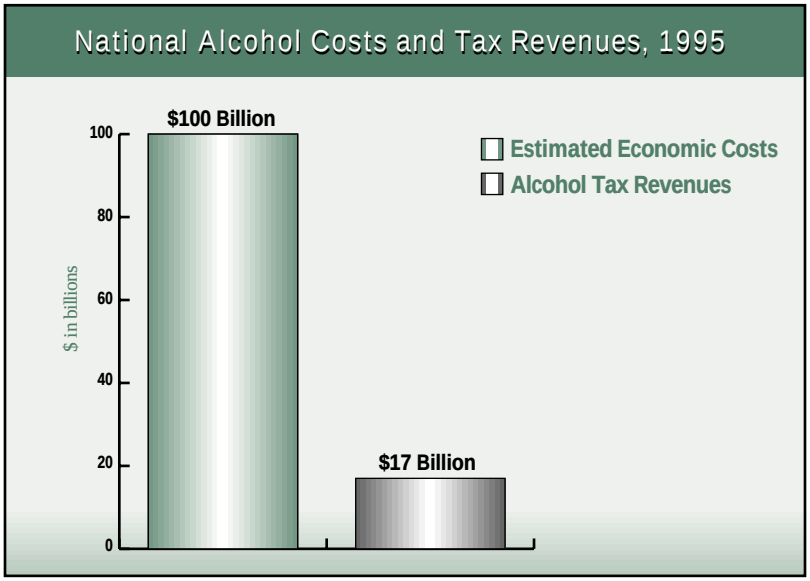


FIGURE 2

Alcohol costs topped $1.74 billion in Minnesota in 1991.

$100 billion.[18] These costs were due to loss of productivity, property damage, and medical expenses. States also recognize the economic costs. In a comprehensive report released in October 1995, the state of Minnesota estimated the 1991 economic cost of alcohol-related problems in the state to be $1.74 billion, or nearly $400 for every resident of the state. In contrast, Minnesota's per capita revenue from state alcoholic-beverage collections for that year totaled $12.61 (state collections equaled $55.9 million — $38.6 million from distilled spirits, $14 million from beer, and $3.3 from wine).[19]

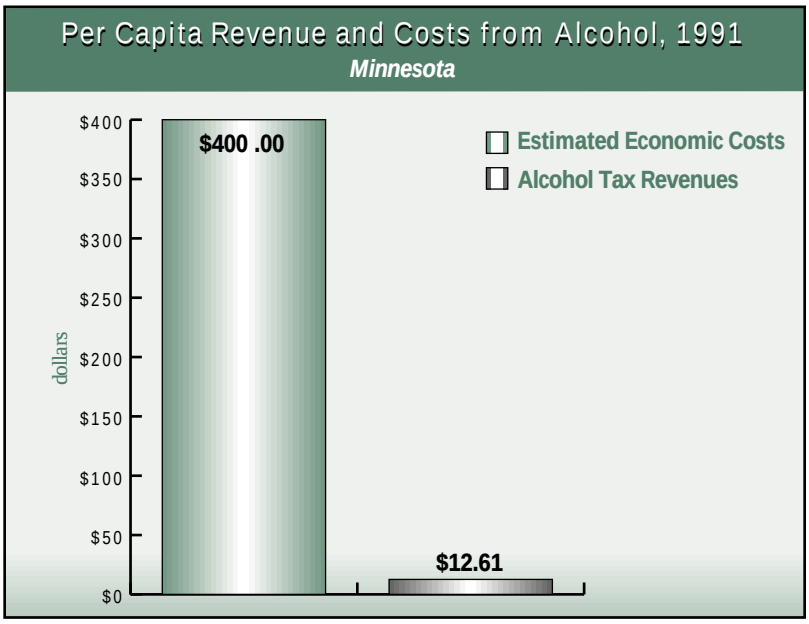


FIGURE 3

Raising alcohol excise taxes would help reduce the vast discrepancy between alcohol-related costs and revenues, while requiring drinkers to contribute more in proportion to the amount they drink.

If taxes were raised, the 40 percent of Americans who say they abstain from alcoholic beverages would continue to pay no alcohol taxes. Most of the money would be raised from heavy drinkers, who consume most of the alcohol and cause or suffer a disproportionate share of alcohol problems.

In addition, increases in alcohol tax rates often lead to higher prices, which in turn reduce demand and sales. Even a small increase in taxes has been associated with lower consumption and reduced mortality, potentially saving states, employers, and taxpayers millions of dollars.

THE EFFECTS OF ALCOHOL TAX INCREASES

The 40 percent of Americans who abstain from alcoholic beverages would continue to pay no alcohol taxes.

Projecting the impact of higher alcohol excise taxes involves the consideration of several factors, including:

- the effect on prices
- the effect on sales
- the effect of reduced sales on alcohol problems

A discussion of these issues follows. In addition, the guide in Chapter 4 will assist you in estimating the effects of varying levels of tax increases in your state.

How will an excise tax increase affect alcohol prices?

Experts disagree on how tax measures would affect retail beverage prices, because no one can know whether prices will be raised by more (or less) than the value of tax increases.

One might assume that prices would increase by an amount equal to the tax increase. That is, a $1 per gallon tax increase on liquor would increase the price by $1. However, some industry observers say that wholesalers and retailers apply a standard mark-up to the prices they are charged by suppliers, without distinguishing between base price and taxes. These analysts suggest that the industry may try to maintain or increase profits (as a percentage of gross sales) by raising prices more than the actual value of the tax hike, as tobacco companies have traditionally done in response to tobacco tax increases. Others say that the higher prices caused by the tax increase would reduce demand marginally, giving businesses an incentive to absorb some of the increase. In this case, the industry would raise prices by an amount slightly less than that of the tax increase.

In the context of proposed increases in federal excise taxes on alcoholic beverages, the Department of Treasury's Office of Tax Analysis estimates that the tax increase plus modest interest costs to finance the higher prices of purchasing and storing merchandise will be passed directly on to consumers.[20] We assume that distributors and retailers will pass the entire tax, plus a 7.5 percent mark-up on to consumers.

How will higher alcoholic beverage prices affect sales?

For every 10 percent increase in price, beer consumption would decline approximately 3.5 percent.

Almost all analysts agree that a price increase will reduce alcoholic-beverage sales and consumption. Many individuals will drink less frequently; switch to (cheaper) lower-proof liquor, soft drinks and other non-alcoholic beverages; or drink less on each drinking occasion.

Some consumers, of course, will "evade" the price hikes by buying less expensive brands of their favorite drinks and will continue to drink as much as ever. Indeed, the alcoholic-beverage industry has claimed that if prices rise sharply, bootleg beverages might replace a small fraction of legally produced products.

The effect of price on consumption is referred to as "price elasticity." An elasticity of -1.0 means that for every 10 percent increase in price, consumption would decline by 10 percent. Most studies indicate a -0.3 to -0.4 elasticity for beer (meaning that a 10 percent rise in prices would cause a 3 to 4 percent drop in sales), with slightly higher elasticities for wine and liquor.

Elasticities as high as -1.0 or -2.0 seem less likely: Drinking is a deeply ingrained habit, and some 8 million Americans are addicted to alcohol. Consequently, projections in this guide are based on a conservative price-elasticity of -0.35, meaning that a 10 percent rise in prices would cause a 3.5 percent drop in sales.

How will reduced sales affect alcohol problems?

Light and moderate drinkers account for about half of all damage related to alcohol.

Predictions of the effect of reduced consumption on alcohol problems vary widely. Industry claims that higher taxes will deter drinking by moderate consumers, but will fail to discourage drinking by those who abuse alcohol. Thus, alcohol problems will not abate. However, a National Academy of Sciences panel found that light and moderate drinkers — about 90 percent of all drinkers — account for about half of all damage related to alcohol.[21] Therefore, reductions in drinking among this group should also decrease problems. Furthermore, other studies demonstrate a link between state liquor tax increases and reductions in liver cirrhosis mortality.[22] These findings indicate that heavier drinkers are responsive to tax-induced price increases.

Opponents of tax increases argue that higher prices would discourage only light and moderate drinkers from buying,

while alcoholics and other heavy drinkers would maintain their consumption. Other experts assert that wealthy people — regardless of how heavily they drink — would maintain their level of consumption, while young and low-income people would decrease their consumption. Still others maintain that the most straightforward assumption is that alcohol problems would decrease in rough proportion to declines in overall consumption.

Past studies on the effects of state alcohol tax increases by Phillip Cook of Duke University reveal that even relatively modest tax hikes were associated with reductions in liver cirrhosis mortality and traffic crash deaths. These findings suggest that even heavy drinkers react to alcohol tax increases by drinking less.

Higher prices may also help delay and reduce drinking among price-sensitive young people. Today's low taxes on beer — the alcoholic beverage of choice among young people — position beer in their price range. For example, a 1995 Labor Day weekend promotion in Northern Virginia grocery stores offered 12-packs of brand-name beer for $3.49, a cost of just $.29 per beer. In many states, aggressive discounting and rebating regularly bring the cost down even lower. In California, with a coupon and rebate, the cost of a 6-pack sometimes falls as low as $.70.

Economists have established that even moderate price increases can reduce alcoholic beverage consumption among youth.[23] This would be a welcome step forward, considering that junior and senior high school students drank 35 percent of the wine coolers sold in the United States and 1.1 billion cans of beer in 1991.[24]

Predicting the effect that reduced drinking would have on alcohol problems and costs cannot be done with absolute precision. However, we can reasonably assume that problems would decline, and that specific problems and costs would be affected differently, depending on drinking patterns and the characteristics of population sub-groups. We will assume that alcohol problems would decrease in direct proportion to decreases in alcohol consumption.

The Short Case for Higher Alcohol Taxes

Higher alcohol taxes:

- discourage youth drinking and heavy drinking
- save lives, especially those of young people
- provide funds for alcohol prevention and treatment programs, research, drinking and driving law enforcement, and other purposes of government
- help compensate society for harm caused by alcoholic-beverage products
- correct the dramatic decline in the price of alcoholic beverages relative to other consumer goods

Alcohol taxes:

- are low by historical and international standards
- provide a potential source of substantial revenue for states which need money
- can help offset some of the costs alcohol imposes on society
- will be paid by drinkers in proportion to the amount of alcohol they consume
- come more from upper-income than lower-income people
- have widespread, strong public support

CHAPTER 3
Reforming Alcohol Tax Policies

Numerous options could modernize the taxation of alcoholic beverages. These include: adjusting rates for past inflation, taxing alcohol content equally regardless of beverage type, and indexing tax rates to account for future inflation.

The best approach for your state will depend on a variety of factors, including current tax levels, the political situation, and the objectives of the tax increase.

Adjusting for past inflation

Due to inflation, alcohol taxes have declined in real value over the years. Adjusting the taxes for inflation since a given time in the past — perhaps the last time the rates were changed — is a way of restoring them to their intended value.

This approach is particularly effective for states whose taxes have not been raised in many years. Kentucky, for example, has not raised taxes on beer and wine since 1954 and has not hiked the tax on liquor since 1970. Obviously, inflation has dramatically reduced the real value of the taxes collected.

Kentucky currently taxes beer at $.08 per gallon (the equivalent of 8/10 of one penny per drink), wine at $.50 (2 cents per 5-ounce glass), and liquor at $1.92 per gallon (2.2 cents per 1.5-ounce shot). Adjusting these rates to correct for inflation since the year of the last tax increase for each beverage would result in 1995 rates of $.46, $2.86, and $7.60, respectively.

Adjusting Alcohol Tax Rates for Inflation

Adjusting alcohol tax rates for inflation is not a difficult task. Using Kentucky as an example, the procedure is outlined below:

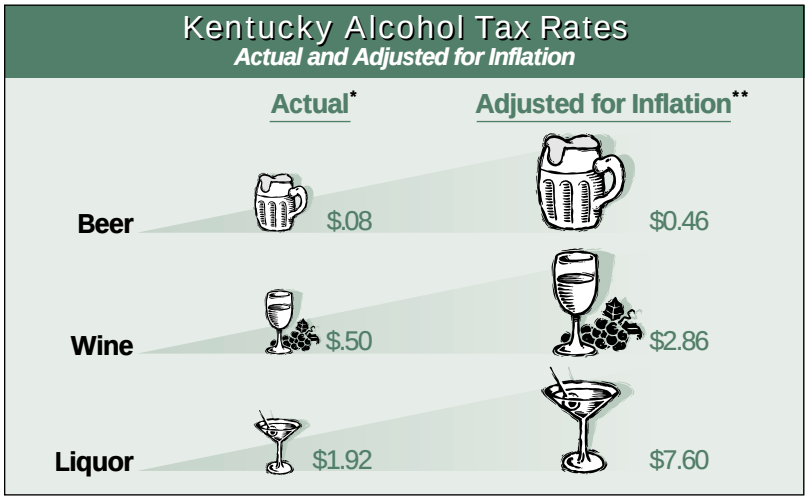
(1) Determine your state's current alcohol tax and the year of its last increase. (e.g., Kentucky last raised its beer tax in 1954 to $.08.)

(2) Using the Consumer Price Index chart (Appendix D), find the average CPI for that year. (For 1954, the CPI was 26.9.)

(3) Locate the current CPI. (The estimated average CPI for 1995 was 152.3.)

(4) Calculate the inflation-adjusted state tax rate by (a) dividing the current CPI by the annual average CPI for the year of the last tax increase and (b) multiplying this number by the current tax rate. (To find Kentucky's inflation-adjusted beer tax rate: 153.6/26.9 x $.08 = $.46.)

(5) To calculate the decline in effective tax, divide the CPI for the year of the last increase by the current CPI and multiply by 100 to get the percentage of today's value (26.9/152.3 x 100 = 17.5%).



*Actual (current) tax rate (per gallon).
**1995 rate adjusted for inflation since year of last increase.

FIGURE 4

Such dramatic increases, however, are rarely politically feasible, and it may make sense to moderate the proposed increases by correcting for inflation over only the previous 10 or so years, or increasing the tax rates gradually over a number of years. Appendix D contains information on the Consumer Price Index (CPI). You can use the CPI to compute new rates when adjusting for inflation (see Chapter 4).

Taxing alcohol content equally in different beverages

Another way to raise revenues and instill equity into the excise tax system calls for taxing alcoholic beverages on the basis of alcohol content (for example, per ounce of pure alcohol) rather than fluid volume. This change would essentially equalize the tax on a can of beer, a glass of wine, and a shot of liquor by raising the tax rates on beer and wine to the liquor rate, which is usually the highest rate. Equalization would distribute the tax burden more evenly among consumers of different kinds of drinks.

Equalizing Tax Rates — Just Do It!

Raising tax rates on beer and wine to equal that on liquor — which is usually taxed at the highest rate based on alcohol content — can have a major impact on those rates. For example, in New Jersey the liquor tax is $4.40 on a gallon of 80-proof liquor. To equalize the tax per typical drink of beer, wine, and liquor:

Since a standard drink has 1.5 ounces of 80-proof alcohol, each gallon of liquor has 85.3 drinks (128 ounces per gallon/1.5 ounces).

Each drink (at 80 proof) bears a tax of $.052 ($4.40/85.3).

Compare this to the rates for beer and wine.

Beer

The current tax on beer is $0.16 per gallon or $0.015 per drink (128 ounces per gallon/12 ounces per drink = 10.66 drinks per gallon; $0.16/10.66 = $0.015 tax per drink).

A regular beer contains about 4.5% alcohol.

To calculate what the tax on beer would be if it were taxed at the same rate as 80-proof (40% alcohol) liquor, compare the alcohol strengths and multiply by the liquor tax rate: 4.5%/40% x $4.40 = $0.495 per gallon of beer, or about three times the current rate of $.16 per gallon.

Dividing by the number of 12-ounce beers per gallon (10.66) yields a per-drink tax of $0.046 ($0.495/10.66).*

Wine

Table wine (under 14% alcohol by volume) is taxed at $.70 per gallon in New Jersey. Because there are 25.6 5-ounce drinks in one gallon (128 ounces), the tax per glass of wine is approximately $0.027 ($0.70/25.6 drinks per gallon).

To calculate what the tax on table wine would be if it were taxed at the same rate as 80-proof liquor, compare the alcohol strengths and multiply by the liquor tax rate. Assuming that table wine contains 12% alcohol, 12%/40% x $4.40 = $1.32 per gallon of wine, or 89% higher than the current rate.

Dividing by the number of drinks per gallon (25.6) yields $0.052 tax per 5-ounce serving.

Try these calculations using tax rates in your state.

* The per-drink tax on beer is slightly less than the tax on liquor and wine because a 12-ounce serving of beer has slightly less alcohol.

Taxing alcoholic beverages on the basis of alcohol content would distribute the tax burden more evenly.

The current difference in rates is based on the questionable assumption that beer and wine are not as harmful or addictive as distilled spirits. Today we know that taxing beer at a much lower rate — particularly when beer is the alcoholic beverage most consumed by young people and most frequently involved in violence and traffic crashes — makes little sense.

The amount of alcohol in a standard mixed drink, 5-ounce glass of wine, and 12-ounce beer is essentially the same — 1/2-ounce of ethanol, or pure alcohol.

Note that in states where the liquor tax is low, equalizing to the liquor rate may not provide much additional revenue. It may make more sense to raise the liquor tax first, and then equalize the beer and wine taxes to the new liquor rate.

Indexing for future inflation

Investing enormous effort in a campaign to raise alcohol taxes only to see their value erode with future inflation would be only temporarily productive. For example, if taxes remain static for the next 10 years as inflation goes up by 5 percent per year, they would be worth about 40 percent less than they are today. Indexing tax rates for inflation is a simple way to avoid this problem and should be included in any effort to increase alcohol excise taxes. The Consumer Price Index (CPI) for all goods and services is perhaps the best measure to use. In practical terms, the tax would increase by this index each year, or every few years, whatever is politically feasible.[25] Tax rates expressed as a percentage of price (such as those in "control" states) will rise automatically with inflation.

Beat the average

Having a benchmark against which to compare the taxes in one's state also helps. How does your state measure up to the national or regional average? Look at the median and average tax rates for all states (Appendix B), particularly neighboring states, and propose bringing your state's rates in line with the others. Even if your state ranks above the average, there will be many other reasons to justify a tax increase. Beware, though, that it is hard to increase a state's taxes above the rates in neighboring states. Much higher rates might encourage cross-border shopping, leading to a potential revenue shortfall.

Kentucky provides a good example of a state ripe for alcohol tax increases because its rates on all types of alcohol fall well below the national per-gallon average as well as the rates of some of its neighboring states. Simply bringing the rates up to the national averages would yield significant new revenue and likely have other beneficial effects by helping to prevent some alcohol-related problems. As indicated earlier, these taxes cover only a fraction of the costs that alcohol imposes on society.

CHAPTER 4

Estimating the Effects of Higher Alcoholic-Beverage Taxes on Prices, Consumption, Revenues, and Costs Related to Alcohol Problems

With the right information about tax rates and revenues in your state and a modest amount of mathematical acumen, you should be able to predict the fiscal and other consequences of various tax increase proposals. In order to assist you in this effort, we have developed a straightforward mathematical model that incorporates reasonable assumptions about the price elasticity of alcoholic beverages and the likely mark-up on products that carry higher taxes.
In the previous chapter, we reviewed a simple method of equalizing the tax rates on alcohol in beer, wine, and distilled spirits and provided estimates of the approximate alcohol content of different beverage types. In this section, we'll show you how to calculate average prices for alcoholic beverages and where to find the volumes of beverages sold in your state. You'll need that information to estimate the effects of higher taxes on prices and consumption. If you get stuck, don't hesitate to call CSPI's Alcohol Policies Project for assistance.

To start, here's the data you will need:

(a) Current tax rates, most recent annual revenues, and a history of tax rates for each type of alcoholic beverage (beer, wine, fortified wine, champagne, liquor, etc.) that your state taxes differently. You should be able to obtain this information from your state's department of revenue.

(b) Recent calendar-year retail sales and consumption of beer, wine, and distilled spirits in the state. The alcoholic beverage control board should have access to industry data. If not, try the state revenue department or ask CSPI to provide sales information from industry sources, such as *Jobson's Liquor, Beer, and Wine Handbooks* and The Hiaring Company's publication, *Wines and Vines*.

(c) Consumer Price Indexes (CPI-U) from the Bureau of Labor Statistics. Appendix D includes information from 1941 to 1995.

(d) Estimates of average prices for a six-pack of beer, a 750-ml bottle of table wine, and a bottle of 80-proof liquor. If you do the calculations for all alcoholic beverages, you will need an estimate for each category that is taxed at a different rate. The easiest means of developing these estimates is to divide the total dollar sales in each category by the

total gallonage of that beverage sold. You may be able to get these data for your state from the revenue department or alcoholic beverage control agency. For our sample calculations, we used 1994 national statistics published in *Jobson's 1995 Beer Handbook* and calculated the following average prices: beer = $4.86 per six-pack or $8.65 per gallon; wine = $1.02 per 5-ounce glass or $26.12 per gallon; distilled spirits = $19.32 per bottle (750 ml) or $96.60 per gallon.*

We also use the following assumptions in the sample calculations:

(a) A price elasticity — for all beverage types — of -0.35 in projecting consumption decreases. That means that for every 10% increase in price, consumption will decline by 3.5%.

(b) A 7.5% mark-up on the tax increase to calculate new prices. For every $10.00 in tax increase, we expect the price to increase by an additional $.75, as merchants recoup any increased carrying costs associated with the tax hike.

(c) "Costs related to alcohol consumption" are assumed to be proportional to alcohol consumption.

Sample calculations

Let's consider an increase in Missouri's beer tax under three scenarios: doubling, adjusting for inflation (since 1970), and meeting the national average. To derive 1994 beer tax revenues and tax increases, we used state consumption figures from *Jobson's 1995 Beer Handbook*.

Adjusting beer taxes for inflation since 1970 would save Missouri $16.8 million.

1994 tax rate: $.06 per gallon ($.034 per six-pack or $.006 per 12-ounce beer).
1994 beer consumption: 129,134,000 gallons (*Jobson's Beer Handbook)*.
1994 revenues from beer: $7,748,040** (consumption multiplied by tax per gallon).

To calculate the new volume of beer sold (consumed), use the following formula:

New Volume = Current Volume (1 + (Price Elasticity)(Price Increase/Current Price))

$$V_1 = V_0 (1 + (PE)(PI/CP))$$

V_1 = new volume
V_0 = current volume
PE = price elasticity
PI = price increase
CP = current price

* These prices include beverages sold at on-and off-premise locations (bars, restaurants, liquor stores, convenience stores, groceries, etc.). Dollar sales totals and gallonage for wine include all categories of wine (coolers, table wine, dessert wine, vermouth, champagne and sparkling).

**According to Missouri Department of Revenue, FY 1995 (through June 30, 1995) revenue from beer totaled $7,669, 751.

Option One:

Double the Tax

Doubling the tax to $.12 per gallon would add less than a penny to the price of a six-pack of beer. Assuming that the current average price of a six-pack of beer (72 ounces) is $4.86 — or $8.65 per gallon (128 ounces) — doubling the tax would increase the price to $8.72 per gallon (assuming a $.01 per gallon mark-up).

New Volume (V_1) = 129,134,000 (1+ (-0.35)($.07/$8.65))
= 128,768,250 gallons

At $.12 per gallon, the total revenue would equal $15,452,190, an increase of $7,704,150.

Because of the slightly higher price of beer, consumption (V_1/V_0) would decrease by approximately three-tenths of one percent, resulting in an estimated reduction of that amount in alcohol-related costs.

Option Two:

Adjust for Inflation Since 1970

Average CPI-U for 1970 = 38.8
Average CPI-U for 1995 (estimated) = 152.3
Inflation-adjusted tax rate for beer = $.06 multiplied by 152.3/38.8 = $.24 per gallon (an increase of $.18)
Mark-up on $.18 tax increase = .075 multiplied by $.18 = $.014; Therefore, the price increase on a gallon of beer = $.194. That translates to an increase in price of approximately $.02 per 12-ounce beer, or $.11 per six-pack.

Applying this price increase to the above formula:

New Volume (V_1) = 129,134,000 (1 + (-0.35)($.194/$8.65))
= 128,120,335 gallons

At the new rate of $.24 per gallon, the beer tax would now yield approximately $30,748,880 in total revenue, an increase of $23,000,840 over the current level.

Beer consumption would decline by approximately eight-tenths of one percent, and we would expect alcohol-related costs to decline proportionately.

If its beer tax equaled the average of the rates in neighboring states, Missouri would raise $11 million in additional revenue.

$$V_1 = V_0 (1 + (PE)(PI/CP))$$

V_1 = new volume
V_0 = current volume
PE = price elasticity
PI = price increase
CP = current price

Option Three:

*Meet the Average Tax of Neighboring States****

The average state excise tax on beer for Arkansas, Illinois, Iowa, Kansas, and Kentucky, the states with which Missouri shares substantial borders, equals $.15 per gallon.**** To get to this rate, the Missouri beer tax of $.06 would rise by $.09, increasing the price of a gallon of beer by $.097 (that includes the 7.5% mark-up on the $.09 tax hike), the price of a six-pack by $.055, and the price of a single 12-ounce beer by almost a penny.

Applying the price increase to the formula:

$$\text{New Volume } (V_1) = 129{,}134{,}000\ (1 + (-0.35)(\$.097/\$8.65)) = 128{,}627{,}168 \text{ gallons}$$

At the new rate of $.15 per gallon, the beer tax would now yield $19,294,075 in total revenue, $11,546,035 more than current receipts.

Consumption would decline approximately four-tenths of one percent and we would expect alcohol problems to drop by that amount as well.

Although this reduction in consumption may seem a small percentage, when expressed as alcohol-related costs, it amounts to impressive societal savings. For example, four-tenths of one percent of the costs of alcohol use in Missouri (estimated $2.1 billion) totals $8.4 million.

Option two reveals that adjusting the tax for inflation would yield even greater societal savings. Although adjusting for inflation would raise the tax only $.09 per gallon more than meeting the average of neighboring states, consumption and alcohol problems would decline eight-tenths of one percent, and Missouri could save $16.8 million in alcohol-related costs.

*** Another option is to adjust the tax to meet the national average of state excise tax rates ($.24). This option is not discussed because it yields the same result as adjusting Missouri's beer tax for inflation (option two).

****Arkansas, Illinois, Iowa, Kansas, and Kentucky (Nebraska and Oklahoma share only small borders and are excluded.)

CHAPTER 5
The Other Side: Opposition to Tax Increases

> "You who drink BUDWEISER have bought millions of dollars of barley and hops from American farmers…paid millions more in taxes into federal, state and local treasuries…provided wages for workers in allied industries…kept railroad men on the move…brought profits to retailers everywhere and business and activity to properties long vacant.... Yes, whenever you drink BUDWEISER you are helping somebody."
>
> — *Adolphus Busch III, President*

(Source: Depression-era advertisement for Budweiser beer, *Collier's, The National Weekly*, 1937.)

Ten percent of beer drinkers consume more than half of beer consumed.

Despite the powerful arguments for increasing alcohol taxes, the alcoholic-beverage industry has been successful in thwarting most attempts to restore reasonable alcohol tax rates. Here are some of the arguments you are likely to hear from industry. We've suggested a few points to help you respond. Make sure they are relevant to your state before using them. You may have to analyze state data to find out.

Industry Assertion: Increasing alcohol taxes punishes moderate and responsible consumers and will not affect the drinking habits of alcohol abusers.

Response: According to an Anheuser-Busch/Roper poll in February 1992, over 80 percent of beer drinkers report drinking once a week or less frequently. Only the 10 percent of drinkers who drink every day or every other day, or binge on the weekends, would pay more than a few pennies of additional tax. An average consumer who drinks two beers a week would pay about 19 cents a week in additional taxes if the rate on beer were increased from $.02 per gallon (the lowest state rate) to $1.05 per gallon (the highest rate)[30], a wildly dramatic increase that few states are likely even to consider. If a state raised the beer tax to twice the national median of 18.5 cents per gallon, to a rate of 37 cents per gallon, the two-drink-a-week consumer would pay less than 4 cents in additional beer taxes a week. Most consumers would pay far less than that or nothing at all.

Because heavier drinkers would be the only ones who would really feel the effects of a tax increase, it is likely that some will cut back more than other consumers. Although small tax increases would not affect consumption patterns dramatically, in the aggregate, these tax hikes would help reduce some abusive drinking, especially among young, price-sensitive drinkers.

Industry Assertion: Increasing alcohol taxes, particularly the beer tax, is regressive and disproportionately affects middle- and working-class Americans.

Response: Alcohol is a discretionary item, not a necessity. Increasing taxes on alcohol is more equitable than increasing taxes on gasoline or phone service or giving tax breaks to the wealthy.

The money spent on alcohol represents only a small portion of an individual or family's total expenditures. People who have less disposable income will pay proportionately more for higher alcohol taxes, but for most people, the additional amount is negligible. In a 1990 report on tobacco, alcohol, and gasoline taxes, the Congressional Budget Office (CBO) found that expenditures for those items imposed similar burdens across family income classes, when compared as percentages of total expenditures. In particular, the CBO noted that alcoholic-beverage expenditures tend to rise as a percentage of total expenditures as family income increases, if adjustments are made for family size.[31]

Increases in alcoholic-beverage taxes would be felt most by those who drink heavily. Ten percent (10%) of beer drinkers consume more than half of the beer and experience or cause a significant proportion of alcohol-related problems.

Industry Assertion: Alcohol taxes are already too high.

Response: The relative cost of alcoholic beverages and state taxes have declined dramatically in the past fifty years. Even with the 1991 federal tax increases, since 1967, the average prices of beer and wine have fallen more than 25 percent relative to the Consumer Price Index; the price of spirits has fallen almost 50 percent.[32] Federal excise taxes on beer and wine have increased only once since 1951, and taxes in most states have also lagged behind inflation. As a result, state revenues have also declined dramatically in terms of real dollars, costing states millions of dollars each year in lost revenues. Once a significant revenue source for most states, alcohol excise taxes now contribute only minimally.

Federal excise taxes on beer and wine have increased only once since 1951.

Alcohol taxes in the United States are significantly lower than those in most industrialized countries.

Industry Assertion: Raising taxes will decrease revenue to the state.

Response: Any politically acceptable alcohol excise tax increase will not cause a significant reduction in overall consumption, and the increase in tax revenues would be much greater than any reduction in consumption and sales. Also, any decrease in sales would likely result in a decline in alcohol problems and related health and safety costs.

Many other factors affect consumption and state revenue from alcohol. Liquor consumption has been declining steadily for 15 years, as consumers switch to beer and wine, and soft drinks. Many people have been drinking less, both in response to tougher drinking-and-driving laws and to healthier lifestyles that put less emphasis on drinking. Per capita consumption of alcohol is at a 25-year low. Without a tax increase, these factors guarantee that state alcohol tax revenues will continue to decline.

Industry Assertion: Increasing alcohol excise taxes will destroy jobs throughout the economy.

Response: Industry estimates of job losses are often wildly exaggerated. Bureau of Labor Statistics data indicate that between 1990 and 1992, the years before and after the last federal beer tax increase, the number of jobs in malt-beverage manufacturing and wholesaling actually rose by 1,400 net positions. Retail jobs in the entire alcoholic-beverage sector went down by 400. If any jobs are lost they will likely shift to other sectors of the economy, as money not spent on beer and other alcoholic beverages moves into other consumer purchases.

Note: Carefully examine claims made by industry sources that thousands of jobs throughout the economy will fall like dominoes if alcohol taxes are raised. Talk to labor economists in your area to get a sense of the impact taxes might have on the local economy (make sure the economists don't have ties to the alcoholic-beverage or tobacco industries). Ask for their analyses of how many jobs, if any, would be gained or lost by an increase in excise taxes. Is an industry job loss part of a downsizing that might be happening independent of any changes in excise tax rates? How many of the jobs estimated to be lost, if any, would be absorbed by other employers as money is spent elsewhere?

Industry Assertion: Alcohol consumption has numerous health benefits and has been linked to reduced incidence of heart disease. We should not impose higher taxes on a product that has positive health benefits.

Response: While studies indicate that moderate alcohol consumption reduces the risk of coronary heart disease for some individuals, this benefit will not be enjoyed by all

drinkers. In fact, some consumers should not drink at all; even moderate consumption would increase their risk of alcohol problems. No level of alcohol consumption during pregnancy has been established that would be safe for the fetus. Even relatively low levels of blood alcohol negatively affect motor skills needed to operate a motor vehicle safely. Consuming larger quantities of alcohol than the moderate drinking recommendations (2 drinks/day for men, 1 drink/day for women) could have numerous negative health effects, particularly when spread throughout the entire population.

CHAPTER 6
Assessing State and Local Alcohol Costs

This section will help you identify and quantify some of the major economic and social costs of alcohol in your community. Compiling this information is an important part of an education campaign about the need for alcohol excise tax increases.

You'll be competing against mountains of propaganda from the alcoholic-beverage industry. That information, reinforced by advertising, publicity campaigns, and public service announcements, gets widespread notice. The industry's side of the story stresses its economic and social contributions to society, the potential health benefits of moderate drinking, and the historic role of alcohol. Compared to this onslaught, legislators, journalists, and the public hear little about the extensive costs of alcohol.

Each of us pays $400 in alcohol-related costs annually.

Identifying those costs in your state will help you gain the attention of policy makers and the public. This chapter will help you get started by:

- describing some of the costs of alcohol at a national level
- offering suggestions about how to translate these national data into information that addresses state and local concerns
- providing sources of national, state and local information

Tips on gathering and using information

Generally, national data sources are far more extensive than those available for the states. For this reason, you may want to develop estimates regarding the level of alcohol problems in your state. Using national economic cost data, you could conclude that the per capita cost of alcohol problems is $400. This figure represents total national costs of alcohol problems divided by the population of the United States. Multiplying that $400 estimate by the number of residents in your city, county, or state will provide a rough gauge of local and state costs. Use caution in translating national into local data. You may need to consider other relevant factors, especially your state's alcohol consumption rates. In addition, you will want to apply an inflation adjustment to data that may be several years old.

Some states have thoroughly documented the effects of alcohol use in their jurisdictions.[33] An analysis published in 1995 by the Minnesota Department of Health provides a

comprehensive guide to estimating the costs of alcohol use in a state.[34] A local health economist or other academic expert could probably assist you in adapting the Minnesota methodology to your situation.

Statistics alone, however, may not suffice for an adequate public education campaign. Whenever possible, make numbers relevant to the lives and pocketbooks of people in your community. For example, rather than merely citing how much money was spent treating alcohol-related health problems last year, find ways to humanize the cost:

- Try calling a homeless shelter. Ask what percentage of its clients have alcohol problems and how much it costs, per person, to run the shelter. How many beds are in shelters statewide, or at the county or city level? Find out what alcohol-treatment options are available for this population and how much public funding is involved. Use this information to discuss the costs of alcohol abuse and homelessness and the likely shortage of treatment funds available.
- Find out if your state has a Commission on Women or a Women's Bureau. Does that agency have information on the relationship between domestic violence and substance abuse? How many women seek shelter from alcohol-abusing spouses? Try other organizations that work to protect women's rights.
- Call the neonatal nursery of a public hospital or the state health department and ask how many babies are born each year with Fetal Alcohol Syndrome (FAS) or other alcohol-related harm. How many of those babies end up being cared for by the state in foster homes or elsewhere? Is there a doctor, nurse, or social worker who can tell you about particular cases? How much does the care of one FAS baby cost each year?

Look for ways to personalize statistics. Describing the victims as friends, neighbors, or constituents is the most effective way to make a problem real and compelling and get your message across. Also, if you're having trouble obtaining statistical data, well-documented anecdotal information from a reliable source can be an effective substitute.

Remember, 43 percent of adult Americans have been exposed to alcoholism in their families. That means that

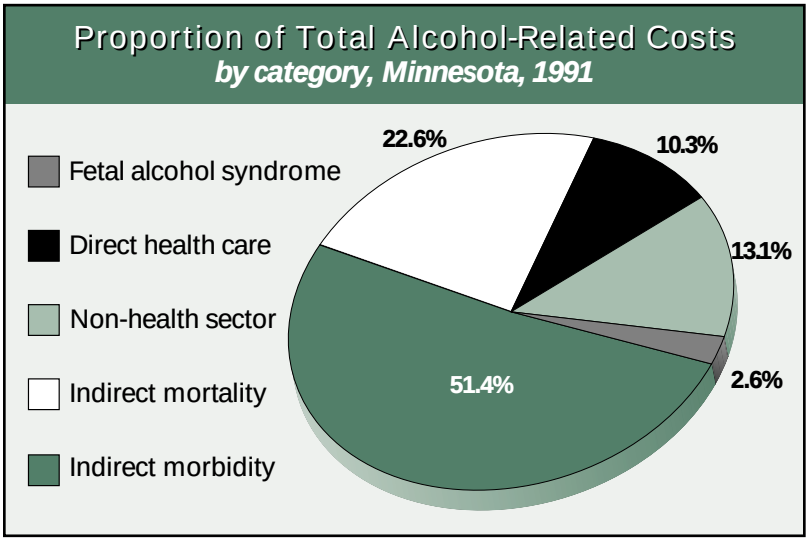
there are many stories to tell in your community alone. Check the newspapers. Has there been a well-publicized incident of alcohol poisoning on a college campus? Has a fraternity hazing gotten out of hand? Has a local celebrity publicly sought treatment for alcoholism?

Talk with ordinary people — a foster parent who is caring for a child with FAS; an emergency room doctor who treats the victims of alcohol-related trauma; someone who has lost a child through alcohol-related violence or a crash. Ask them to share their stories. Start keeping a file on "victims of alcohol."

The costs of alcohol use

Alcohol-related costs have been assigned generally to one of five categories: Direct Health Care, Indirect Mortality, Indirect Morbidity, Fetal Alcohol Syndrome, and Non-Health Sector.[35] The greatest costs result from massive losses in productivity due to illness and injury (found in the "Indirect Morbidity" category). More than 50 percent of all alcohol-related costs in Minnesota, for example, fall into that category. A good summary of economic costs of alcohol use, borrowed from the Minnesota report, appears in the accompanying sidebar.

Even if you can't itemize the complete toll of alcohol problems in your state, you should be able to document numerous costs and problems. Here are some of them, with tips on where to gather useful data. Contact information is listed in Appendix E.



Source: Minnesota Department of Public Health, *Alcohol Use in Minnesota: Extent and Cost*, October 1995, p. 49.

FIGURE 5

HEALTH CARE

- Treating a child suffering from Fetal Alcohol Syndrome costs an estimated $750,000 from birth to age 18.[36] The 1990 national economic cost of Fetal Alcohol Syndrome totaled more than $2 billion.[37]
- Nearly one-fourth of all persons admitted to general hospitals have alcohol problems or are undiagnosed alcoholics being treated for the consequences of their drinking.[38] In addition, massive payments are made to specialty institutions, federal providers, and other support systems for alcohol-related health care costs. At the national level, these costs amounted to more than $21 billion for 1990.[39]
- In 1995, alcohol and other substance abuse costs imposed $60.3 billion on Medicare and Medicaid, veterans, and other major health benefits.[40]
- On average, untreated alcoholics incur general health care costs at least double those of non-alcoholics.[41]
- Among the 8,541 deaths attributed to non-medical use of drugs in 1993, 40% also involved alcohol.[42]

Try these Sources

- State health departments, U.S. Centers for Disease Control and Prevention (CDC)
- Insurance companies, state insurance commissions, U.S. Health Care Financing Administration, National Institute on Alcohol Abuse and Alcoholism
- National Organization on Fetal Alcohol Syndrome (NOFAS)
- Physicians, hospital administrators, and others familiar with alcohol-related harm

TREATMENT AND PREVENTION

- Nearly 1.9 million Americans — approximately 0.9% of the population age 12 and older — received treatment for alcohol problems in 1992. People between the ages of 18 and 34 were much more likely than other age groups to be in treatment.[43]

Economic Costs of Alcohol Use in Minnesota, 1991

Cost Category	Cost (in millions)
1. DIRECT HEALTH CARE	**178.6**
Treatment	
Hospitals	84.1
Specialty Institutions	47.0
Office-based physicians	3.9
Nursing homes	7.5
Professional services	4.8
Federal providers	18.5
Support	
Training, research, net cost of private health insurance, program administration	12.8
2. INDIRECT MORTALITY	**393.3**
3. INDIRECT MORBIDITY	**891.8**
Non-institutionalized	883.7
Institutionalized	8.1
4. FETAL ALCOHOL SYNDROME	**44.8**
5. NON-HEALTH SECTOR	**228.1**
Direct costs	
Crime expenditures	91.9
Motor vehicle crashes	55.9
Fire destruction	9.9
Social welfare administration	1.9
Indirect costs	
Lost earnings of crime victims	10.1
Lost earnings: incarceration	58.4
TOTAL ALL COSTS	1,736.6

Cost per person (in actual dollars, not millions): $396.93

Source: Minnesota Department of Public Health, *Alcohol Use in Minnesota: Extent and Cost*, October 1995, p. 48.

- Alcohol and other substance-abuse treatment cost private and public sources $8.5 billion in 1990. Alcohol and drug prevention cost alcohol and drug agencies $376 million in 1991.[44]
- In 1992, more than 7% of the population ages 18 years and older — nearly 13.8 million Americans — had problems with drinking, including 8.1 million people who are alcoholic. Almost three times as many men (9.8 million) as women (3.9 million) were problem drinkers, and the prevalence was highest for both sexes between the ages of 18 and 29.[45]

Try these Sources

- National Association of State Alcohol and Drug Abuse Directors (NASADAD) or state alcohol abuse agency, Regional Alcohol and Drug Awareness Resource (RADAR) Network Agency
- National Drug and Alcoholism Treatment Unit Survey (NDATUS) sponsored by the National Institute on Alcohol Abuse and Alcoholism (NIAAA) and the National Institute on Drug Abuse (NIDA)
- Alcoholism treatment centers, detox units

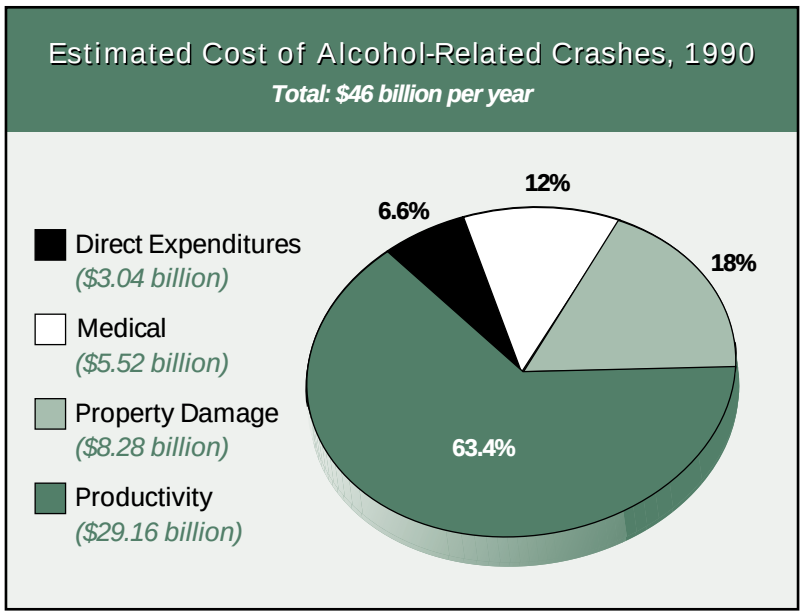


FIGURE 6 (Source: National Highway Traffic Safety Administration.)

TRAUMA

- Up to 25% of emergency room visits involve alcohol.[46]
- Alcohol use has been well-documented in connection with a range of fatal and non-fatal traumatic injuries, including falls, cuts, fires and explosions, fights, and assaults. Approximately 35% of fatalities from falls and 43% from burns are alcohol-related.[47]
- Alcohol was involved in 41% of all traffic fatalities in 1994, killing over 16,500 people.
- Alcohol-related traffic fatalities in 1992 alone resulted in over 600,000 years of potential life lost before the age of 65.[48]
- Alcohol-involved crashes cost an estimated $46 billion in 1990, including medical costs, property damage, and lost productivity. Of that amount, $5 billion went for health-care costs.[49]

Try these Sources

- National Highway Traffic Safety Administration (NHTSA), state departments of transportation
- State and local health departments, U.S. Centers for Disease Control
- Hospital emergency room staff

CRIME, VIOLENCE AND LAW ENFORCEMENT

- The direct costs of alcohol-related crime totaled more than $5.8 billion in 1990. The indirect costs of crime, including those to victims and the costs of incarceration, exceeded $5.3 billion.[50]
- Approximately 54% of all reported episodes of violence in the U.S. involve alcohol.[51]
- In 1991, 32% of prison inmates had been under the influence of alcohol at the time of the offense for which they were sent to prison.[52]
- Between 40% and 50% of individuals who commit homicides used alcohol prior to committing the crimes.[53]

- Processing alcohol-involved crimes through the legal system occupies the time and resources of a range of public employees, including judges, public defenders, district attorneys, bailiffs, police officers, investigators, social workers, and prison guards.

Try these Sources

- The Uniform Crime Reports (UCR) in the FBI's National Uniform Crime Reports annual publication, *Crime in the United States*, state justice department, state police department or department of public safety
- Associations of sheriffs and police chiefs, department of corrections
- State attorneys general and county district attorneys, state and local law enforcement officers, police department community relations offices
- Groups combating domestic violence, shelters for abused women, social workers

WORKFORCE

- Lost productivity due to alcohol-related sickness and death amounted to more than $70 billion in 1990.[54]
- Personnel costs, such as the expense of hiring and training new employees, may increase when an employee suffering from alcohol abuse is unable to continue working.
- Companies pay higher health-care premiums and workers' compensation claims when alcohol affects the workplace.

Try these Sources

- State employee assistance program coordinator, in the state health office, department of mental health, or office on alcohol and drug abuse
- Employee Assistance Professionals Association and the Employee Assistance Society of North America
- Center for Substance Abuse Prevention helpline (800-843-4971)
- Local workplace interest groups, such as "Drug-Free Business Initiative" or a "Coalition for Drug-Free Workplaces," or the chamber of commerce

PUBLIC ASSISTANCE

- An estimated $12 billion in disability and health care entitlement costs resulted from problems relating to alcohol in fiscal year 1995.[55]
- The use of alcohol and other drugs is one of the most commonly identified barriers to leaving welfare, successfully completing job training programs, and becoming part of the workforce.[56]

Try these Sources

- State Medicaid or welfare offices, U.S. Department of Health and Human Services
- Interview social workers and policy analysts in the welfare office about alcohol's role in dependency

CHAPTER 7
Mounting a Public Education Campaign

Once you have gathered the facts about alcohol taxes and understand the consequences of alcohol use and abuse in your state, you'll be ready to launch an educational campaign to help put the issue on the public policy agenda. In all likelihood, opinion leaders will not have given much thought to increasing alcohol taxes, and few will appreciate the impact of higher taxes on alcohol-related problems. They may, however, be interested in a major new source of revenues, particularly as states feel the effects of massive budget cuts at the federal level.

A broad-based coalition is the best vehicle to get your message across to a wider range of constituencies. Building a coalition to support your campaign will help you:

- magnify its impact and bring new voices into the public debate
- pool resources and knowledge from experts in many areas
- ignite the enthusiasm of people who may be concerned, but who are overworked or discouraged by past experiences

You can begin building support by forming a coalition of groups and individuals who represent different aspects of your community and have an interest in addressing alcohol-related problems. Support for raising alcohol taxes often crosses traditional political lines, and you may be able to attract a wide range of individuals and groups to your coalition.

Coalition members should have regular opportunities to discuss the coalition's goals and strategies. From the outset, developing a statement of purpose will help focus the philosophy and work of the coalition.

Some Potential Coalition Partners

While not all of the interests listed below will necessarily be willing to join a coalition, contacting these kinds of groups is a good way to start educating the public about alcohol taxes. Seek out:

- coalitions against underage drinking, drinking and driving, or alcohol advertising; anti-drug coalitions and tobacco-control groups

- prevention and treatment organizations and providers
- non-alcohol groups that might benefit from earmarked funds
- health-related organizations and individuals
- law-enforcement agencies and associations and the parks and recreation department (since alcohol consumption is often a problem in public parks)
- PTAs and other parent groups
- congregations, religious leaders, and religious organizations
- anti-gambling, temperance groups, and "pro-family" organizations
- neighborhood associations and other community groups

Additional Allies

Government agencies, businesses, and organizations that receive federal or state funding may not want to join a coalition, but might be able to provide other kinds of support. For instance, prominent local executives might write opinion articles (op-eds) or letters to the editor on how alcohol affects communities, workplaces, and the state budget. Well-placed officials might provide streamlined access to important information about alcohol-related costs or the regulation of alcohol sales. Any individual or group can be involved in a public education effort, even one that parallels a political campaign to increase alcohol excise taxes.

During a recent attempt to raise alcohol taxes in a northwest state, a substance-abuse prevention program could not support the tax increase initiative directly because the program's leaders feared that its federal funding prevented the organization from becoming directly involved in political initiatives. Rather than sit on the sidelines, however, the group played a key role in educating the public by sponsoring and producing television and radio advertisements about the dangers of alcohol abuse. The ads, which did not mention the tax initiative, aired during the few weeks prior to the vote and succeeded in raising public awareness of alcohol problems.

Non-profit groups often assume that they are entirely precluded from participation in policy initiatives or advocacy.

Quick Tips: Coalition Building

- Be clear about the mission of the coalition and stick closely to it.
- Devise a committee structure that encourages members to rotate as leaders.
- Develop clear short-term and long-term goals.
- Develop useful materials, such as position statements, fact sheets, newsletters, and a list of information resources.
- Encourage coalition members to contribute based on their own organizational and personal expertise.
- Plan a visible launch for the coalition — organize a press conference, town meeting, policy briefing, conference, or other gathering.

In fact, there are many exceptions. For more information about your state's specific rules consult the Attorney General's office. Also, check with Independent Sector, a Washington, DC resource on non-profit advocacy (see Appendix E).

Research: State alcohol tax history, politics, and laws

Before you launch your public education campaign, you'll want to gather information on the history and politics of alcohol excise taxes in your state. Start with the basic facts by seeking out the following background information pertaining to your state:

- Current alcohol tax rates.
- How is alcohol taxed? By volume of alcohol, or percentage of price? Does the state "control" the sale of alcoholic beverages? Which ones?
- What is the average price of beer, wine, liquor (see Chapter 4)?
- When were the taxes on each beverage last raised? And why?
- Who were the co-sponsors, the supporters, the opponents; are they still in office? Who testified at the hearings? Was any research done that might be helpful? Are there legislative or committee reports?
- Have tobacco taxes been raised in the state recently?
- How will different levels of tax increases affect tax revenues, consumption, and alcohol problems. Use the guide in Chapter 4 for help.

The above information should be available through many sources, including a state's taxation and revenue department, alcoholic beverage control agency, legislative research office, and local newspaper archives. Groups that were involved in past efforts to raise alcohol or tobacco excise taxes should also prove helpful. If you can, rely on college or lawschool interns to collect this data. Interviewing state officials, legislators, reporters, and past tax hike proponents will provide a better picture of the political landscape surrounding alcohol taxes.

Ballot initiatives

A ballot initiative may sometimes be the only practical means to promote excise tax increases at the state and local level. In Anchorage, Alaska, for example, the local assembly (city council) has the authority only to allow a revenue-raising measure to be placed on the ballot for a public vote. City council members have no legal power to raise revenue directly.

The initiative strategy is particularly useful when the legislature continually rejects attempts to raise alcohol excise taxes. Numerous states have succeeded in raising tobacco taxes by referendum. Although an initiative to boost alcohol taxes in California by "a nickel a drink" failed in 1990, it prompted the first alcohol tax hikes in four decades. The campaign also succeeded in bringing together a powerful coalition that included emergency room physicians, parks and recreation workers, highway patrol officers, and advocates for children's rights, mental health, and alcoholism treatment.

Laws Regarding Alcohol Excise Taxes

Information about state or local laws that affect excise taxes will also be helpful. For example:

- Can tax revenue be dedicated to particular agencies or programs? In what ways is this currently done? What organizations or interests have a claim to the money from alcohol taxes?
- Does the state constitution allow a local option, permitting counties or cities to raise excise taxes independent of the state?
- Does the state constitution provide for citizen initiatives or resolutions to be placed on the ballot? What are the rules regarding ballot initiatives?

Determining Community Support Levels

Conducting a poll, though potentially costly, helps to understand public attitudes about alcohol taxes and to gauge the types of measures the public will support and the messages to which they are most likely to respond. If a state or local poll is not feasible, national polls can be useful in estimating attitudes about alcohol tax issues. The results of several of the most recent polls on alcohol taxes are included in Appendix A.

You may be able to conduct a poll on an ad hoc basis. Seek out political science professors at local universities for assistance; get volunteers to survey voters outside a shopping mall or movie theaters. If funds for a complete poll are not available, try adding a few questions to another poll that will be taken anyway. For $2,000 to $4,000, you may be able to piggy-back four to six questions that will provide guidance to your education campaign. The key point here: avoid shooting in the dark.

Local alcohol treatment and prevention organizations may also offer useful information and intelligence on political issues. Are these groups politically involved? How well are they funded, and is their funding in danger of being reduced in the near future? Have groups working on alcohol issues taken a stand on excise taxes in the past? What are their current positions?

The Opposition

In addition to calculating community support for alcohol excise taxes, determine the nature and strength of those interests likely to oppose any increase in alcohol taxes. This usually means taking a hard look at the alcoholic-beverage industry and its allies.

- Examine the strength of the state's alcohol industry and determine what components are involved. For example, is there a major company headquarters in the state? A large brewery or distiller? How many state wholesalers, distributors, and microbreweries? Is there a wine-growing region or a strong farming industry that provides ingredients for brewers, vintners, or distillers? How many people work in the alcohol industry statewide? Is one industry particularly strong in comparison with others? Restaurateurs and owners of bars, hotels, liquor stores, or convenience stores are also likely to oppose an increase in alcohol taxes. What state and local organizations represent these industries?

- What influence do these groups have? Consider looking at charitable contributions made to private organizations and events, as well as contributions to the campaign funds of elected officials. A few organizations that work on substance abuse prevention and treatment issues receive some of their funding from alcohol-industry interests, such as the Distilled Spirits Council of the United States (DISCUS), the Beer Institute, or individual producers or distributors. These groups may be particularly reluctant to address any issue that is opposed by the alcohol industry. Be aware that some groups may seem to work with the coalition, but actually support the alcohol industry in a way that is detrimental to your cause.

- Find out who lobbies for the alcohol industry. This information should be available from the Secretary of State's office and is probably well-known at the State Capitol.

- Expect involvement from national trade associations representing different sectors of the alcoholic-beverage industry. Many are listed in Appendix G.

All of the above information will help you to determine the approach that will be most effective in addressing excise

taxes in your state. The key to a successful education effort is to develop a solid base of information before launching the campaign.

Public education and the media

An effective educational campaign on alcohol taxes must target many constituencies, including:

- community and state-level constituency groups
- opinion leaders (including law enforcement officials, neighborhood leaders, political figures, prominent physicians, educators, athletic coaches, etc.)
- the media
- the general public

Building relationships with key media contacts helps lay the foundation for an effective public education campaign.

Although reaching these different audiences requires addressing the interests of each and may require using different techniques, your underlying message will remain basically the same.

Strategic use of the media will be a critical part of any initiative to educate the community about alcohol excise taxes. Think about the media as a way to focus public attention on alcohol taxes, stimulate debate, demonstrate the importance of the issue, and provide credibility for your efforts.

Know the Local Media and Their Interests

Although you won't always be able to choose how your issue will be covered, it pays to have the intended audience in mind when you begin to mold alcohol-related stories for release or submission to the media. Find out all the possible outlets for the information you want to disseminate to opinion leaders, policy makers, and the general public.

Get to know the reporters and editors in the community. Identify the assignment editors and key reporters for local television stations and radio talk shows. Track articles by different reporters, such as those who cover health issues, local politics, or crime, and find out what kinds of stories those reporters do best and most often. Building relationships with key media contacts helps lay the foundation for an effective public education campaign.

How to Get the Media Interested

Understanding what the media looks for in covering a story will help define your messages so that the press will respond

to them. Reporters and editors usually seek stories that meet some or most of the following criteria:

- timely information that is of current interest
- a story that affects the local community
- a human interest story that illustrates the issue
- conflict between two or more sides
- a story that involves a prominent person or group
- new angles on an old story
- reliable sources with independent corroboration

Look for potential news hooks that will gain the public's attention. These could include a current budget crisis, state layoffs, or a tragic, alcohol-related traffic crash.

Framing the Issue

Take the time to frame your issue in a way that appeals to your target audiences and conveys the strongest arguments for alcohol tax increases. Your task will be to provide the audience with compelling reasons why higher alcohol taxes will benefit them or the community. An effective message will get the attention of the media and the public and will help reporters, readers, and viewers understand how alcohol tax increases can concretely improve their lives and the health and well-being of the community.

Find out what issues resonate with the public.

The justifications for raising alcohol excise taxes discussed in Chapter 2 are one place to start. But not all arguments will appeal equally well. Constructing convincing messages requires an understanding of the people you want to reach. Polling can be extremely helpful in determining an approach that will be most effective in your state or community. Find out what issues resonate with the public.

The public is unlikely to respond to a general discussion of the enormous costs alcohol imposes on society, and the role of higher taxes in dampening demand for alcohol. But demonstrating that beer sells for as little as soda pop at your local convenience store will connect young people's easy access to alcohol with concrete community problems. Putting a human face on your message also adds relevance and urgency.

Look for ways to piggy-back onto national issues and give them a local flavor. For example, a press release announcing

the results of a survey that documented beer at rock-bottom prices (low beer taxes), and the ease with which local students can obtain it, could be timed to coincide with the annual December release of national data on high school and college drinking practices.

Ultimately, framing your message is about seizing and communicating symbols that make the issue understandable and appealing to your target audiences. Protecting children, financing stronger enforcement of laws against drunk driving, providing local self-determination, fighting crime, reducing budget deficits — these concepts resonate with legislators and voters; they provide symbols that convey a positive message.

Framing your message is about seizing and communicating symbols that make the issue understandable and appealing to your target audiences.

Your opponents will stake out other powerful symbols: massive layoffs; the already high burden of taxes on alcoholic beverages; the unfairness to responsible consumers, who (they say) don't cause problems; the loss of many economic and social contributions made by the alcoholic-beverage industry if taxes are raised. Be prepared to counter their attempts to reframe the issue.

Examples of Effective Message Framing

Past efforts to increase state alcohol taxes may offer models to help you appeal to public sentiment. Below are several examples of what activists have done in the past:

- The 1990 California "Nickel-a-Drink" ballot initiative focused on three themes: the relationship between the use and the cost of alcohol to society; the impact of alcohol problems on children; and the alcoholic-beverage industry's propensity to stretch the truth.[57] Campaign representatives used statistics and personal examples to show the devastation that results from alcohol problems; they highlighted child abuse, violence, and car crashes; and emphasized that a nickel-a-drink was a small price to pay for saving lives. This "frame" on the issues remained constant throughout the campaign, embedded in speeches, press statements, and radio and television advertising and was repeated during interviews and media debates.
- Two groups in Utah — the Alcohol Policy Coalition and members of Mothers Against Drunk Driving — proposed a liquor-tax increase in November 1995. The anticipated

revenue of $6 million would be used to hire as many as 30 more Utah Highway Patrol officers, improve Patrol salaries, and buy better surveillance equipment to detect drunk driving. Tying the tax to an effort to reduce alcohol-related crash deaths in the state provided both a powerful law enforcement rationale for the measure as well as a popular life-saving theme.

- Framing may also influence the substance of a legislative proposal. In Anchorage, Alaska, a 1994 campaign to impose a local sales tax on alcohol ended in defeat. According to the initiative's sponsor, the major obstacle proved to be the alcohol industry's success in convincing voters that the additional revenue, which would have flowed into the city's general fund, would help create a bigger government bureaucracy. Tax proponents altered their legislative approach the following year, exploiting the same local, anti-tax, anti-government sensitivities that had defeated them in the previous election. They proposed the new measure as a way to offset property taxes.[58] The strategy appealed to property owners' pocketbooks in a concrete way, and this time, the initiative nearly passed, failing by less than one percentage point.
- In the late 1980s, the New Mexico Alcohol Issues Consortium helped pass a bill that granted one New Mexico county (McKinley) a local option excise tax. Voters in that county, where the rate of alcohol problems is among the most severe in the nation, won the right to decide if or how much to raise their alcohol taxes. Rather than push higher state taxes on alcohol, the local-option strategy targeted a county with undeniably horrendous alcohol problems, where overwhelming community sentiment demanded action. At the same time, the strategy freed state legislators from a politically difficult vote to increase taxes. In 1989, McKinley County lawmakers voted to impose a 5 percent excise tax on wholesale liquor. This tax, which voters re-authorized in 1992, and again in 1995, now generates approximately $675,000 per year for local prevention, treatment, and educational programs.

There's an interesting follow-up to this story. For the next several years the Consortium promoted a bill to expand local option to counties statewide. Ultimately,

the campaign to raise alcohol taxes eventually paid off, stimulated by a highly publicized drunk-driving tragedy that helped crystallize public opinion on alcohol issues. Compelled to address the issue of alcohol abuse, the state legislature in 1993 raised alcohol excise taxes statewide, allocating part of the money raised for community substance abuse efforts. Stronger drunk-driving enforcement legislation also passed.

Two lessons here: The faces and stories of victims can powerfully humanize this issue. And the Consortium's long-term efforts laid the groundwork for eventual legislative action that incorporated excise tax increases as part of a state strategy to combat drinking and driving.

- Since the small alcohol tax increase in California in 1991, two more constitutional initiatives have been proposed to raise taxes even higher. In 1993, a small group called Californians for Tax Justice proposed substantial hikes in taxes on beer and liquor (wine was deliberately excluded to avoid opposition from powerful and popular state wine-growing interests) to help offset budget-draining costs in the criminal justice system and provide funds for substance abuse prevention, treatment, and education programs. Initiative organizers failed to secure sufficient voter signatures to put the referendum on the state ballot.

  In early 1996, another group called Taxpayers for Public School Excellence launched an initiative campaign to raise $2.4 billion per year from a surtax on tobacco and alcoholic beverages. Organizers dubbed the initiative the "Public School Safety, Class Size Reduction, Classroom Technology and Student Fee Stabilization Amendment." Unlike the 1990 campaign, which had been spearheaded by alcohol-prevention groups and, for political reasons, had been opposed by the powerful state teachers' association, this campaign is sponsored by the head of a well-respected education organization, the Los Angeles Educational Alliance for Restructuring Now (LEARN).

  In the release announcing the initiative drive, LEARN's Mike Roos developed a powerful, positive frame for the campaign. He declared that the constitutional amendment "will give our youngest children the personalized attention they need to develop the basic reading and mathematics

skills they will need to succeed through all of their school years." He also emphasized that the amendment will "give local law enforcement the resources to safeguard our children and teachers from gangs, drugs and weapons." The release revealed the results of a November 1995 poll of California voters that shows 67 percent of them in favor of the proposition and only 27 percent opposed.

Community public education

Not everything you do in your education campaign will warrant media attention. Experiment with other means of reaching the constituencies you want to influence and recruit. Here are a few ideas to add to your public education campaign on alcohol taxes and health:

- Develop fact sheets, brochures, posters, and other informational resources for distribution throughout the community.
- Make presentations to groups of physicians, clergy, law enforcement officers, and citizens' and fraternal organizations on the need to combat alcohol problems.
- Sponsor poster or writing contests for high school students to help elevate the awareness of how alcohol affects their lives.
- Create a community symbol that dramatizes the cost of alcohol problems — erect a monument to victims.
- Recruit prominent community members to join in a statement endorsing higher alcohol taxes.
- Post meeting notices at churches, on community bulletin boards, at the public library, in organizational newsletters (neighborhood, parent-teacher, athletic, library association, university faculty club, civic groups, medical associations, community centers, etc.).
- Start a community alcohol-problems discussion group on an Internet bulletin board.
- Ask local clergy to incorporate alcohol issues into their weekly sermons.

Basic Tools for a Public Education Campaign

- letters to the editor
- opinion articles
- community access public affairs programing
- call-in radio talk shows
- print and broadcast editorials
- print and radio public service announcements
- meetings with newspaper editorial boards
- paid advertising
- press events and releases
- human interest stories
- community newspapers and organization newsletters
- press briefings, backgrounders, advisories

SAMPLE LETTER TO THE EDITOR

77 Moon Street
St. Paul, Minnesota 60980
January 15, 1996

Letters Editor
The Star-Ledger
612 Central Avenue
Minneapolis, Minnesota 60987

Dear Editor:

The state budget battle reported last Friday ("Program cuts weighed," Jan. 12) curiously ignores the potential for raising revenue by increasing taxes on alcoholic beverages. Legislators jump at the chance to tax tobacco, but argue that alcohol in moderation is probably not harmful. This logic actually recognizes the need for higher taxes on alcohol.

If the tax on a drink went up a nickel, a moderate consumer of, say, one or two drinks a day would be taxed an additional 5 or 10 cents, hardly an onerous penalty compared with that for moderate smoking. Fewer than 20 percent of Minnesotans down two drinks per day.

The effect on the heavy drinker could only be beneficial. Either he or she would be forced to cut down on consumption or to contribute more to the medical and other expenses caused by excessive drinking. And if some of the new revenues were earmarked for alcohol prevention and treatment, alcoholics would benefit tremendously.

According to the Minnesota Department of Health, the harm caused by alcohol costs each person in the state almost $400. Why not ask heavy drinkers to contribute more generously to offsetting those costs?

Sincerely,

Eric Reason, M.D.
St. Paul, MN
(612) 335-9999

NEWS RELEASE

FOR RELEASE: February 14, 1996

CONTACT: Mary Wright
(612) 554-3445
Prof. W. J. Banks
(612) 733-9978

MINNESOTANS BACK ALCOHOL TAX HIKES, FOUR TO ONE

The Coalition for a Safe and Healthy Minnesota today released the results of a new, statewide poll of registered voters showing strong bi-partisan support for alcohol tax increases to help reduce and prevent alcohol problems.

Support for increases in state excise taxes on beer, wine and liquor was widespread among the sample of 452 registered voters who responded to the poll. When asked if they would support a "nickel-a-drink" increase in taxes on alcoholic beverages to boost enforcement of laws against drinking and driving, 78 percent responded "yes," 18 percent, "no," and 4 percent stated "no opinion." Sixty-five percent (65%) stated that they would support higher alcohol taxes, even if the new revenue flowed into the general fund. Republicans and Democrats gave general alcohol tax hikes almost equal support, at 63 and 66 percent, respectively. Women were somewhat more likely than men to back increases, 72 to 62 percent.

Mary Wright, coordinator of the Coalition, called the survey "a message to the Legislature and the Governor that the people of Minnesota will gladly pay more for alcohol to offset some of the enormous costs that those beverages impose on the state." Last year, the Department of Health released a report estimating the cost of alcohol use and abuse in the state to be as high as $1.74 billion. Those costs include health care, crime, property damage, social services, and lost productivity due to excess sickness and premature death.

Wright continued, "Raising taxes on alcoholic beverages has the highest level of support for any tax boost proposal. The state can generate $80 million in new revenue that can be used to fight alcohol problems and cut the budget deficit. Although taxes on alcohol went up six years ago, they're still low compared to the 1960s. If we wanted to reinstate the rates in effect then, we would have to increase taxes by more than 16 cents a drink. A 'nickel-a-drink' is a bargain, both for the consumer and the alcoholic-beverage industry."

The telephone poll was designed and supervised by Professor W.J. Banks, who teaches political science at the University of Central Minnesota. The survey was conducted during the week of January 8, 1996. The findings are subject to a 3 percent margin of error.

* * *

CONCLUSION

This handbook provides an overview of issues relating to alcohol taxes and health. It identifies — or directs you to — the information you will need to inspire public debate about the benefits of higher alcohol excise taxes at the state level. It discusses strategies for collecting and generating data and for carrying out effective public education campaigns. The guide offers examples of recent initiatives, many of them successful, that other activists have energetically undertaken.

In all likelihood, you'll be a trailblazer in your efforts to organize a constituency in support of higher alcohol taxes. That challenge brings its own reward. You'll be providing an important, new, public voice. Your campaign will assist policy makers, state health officials, and members of the media in addressing community alcohol problems and costs and exploring a potentially effective means of reducing them.

In coming years, combating the costs of alcohol use and generating adequate state revenues will continue to be among the critical issues facing state governments throughout the United States. In working to promote higher alcohol taxes, you have an opportunity to strengthen the public debates on health care costs, public safety, education, and taxes. Your work on alcohol taxes and health will contribute significantly to improving the quality of life in your state and advancing the basic principles of public health.

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Appendix A

SUPPORT FOR ALCOHOL EXCISE TAX INCREASES

Public Opinion

According to a March 1993 *Wall Street Journal* / NBC News Poll, 87% of those surveyed favored a $.50 increase in the tax on a six-pack of beer to help fund health care reform.

An April 1993 *Washington Post* / ABC News Poll showed 77% support for a $.50 per six-pack increase in the beer tax and a $1.00 per quart hike on wine and liquor. Alcohol taxes were the most popular option for financing health care reform.

A May 1993 Gallup Poll found an alcohol tax increase to be the most popular among a range of tax increases, with 75% approval.

In a December 1992 article in the *Journal of the American Medical Association*, a compilation of three polls showed a 76% approval rating for higher alcohol and tobacco taxes to fund a national health insurance program.

Official Support

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Editorial Support

"In 1951 the tax on distilled liquor was $10.50 per gallon of alcohol. In today's dollars, that's $57.35. But today's tax is only $13.50 per gallon — in real terms, less than one-fourth the rate in the early 1950s, when people's incomes were half the present level. The taxes on the alcohol content of beer and wine are a bit less." *The Washington Post*, "Twofer Taxes," March 1, 1993.

"Sin [sic] taxes are no-lose propositions. Although revenues may decline as consumption slows, sin taxes nevertheless produce needed dollars, deter unhealthy behavior, and assign some extra portion of national health care costs to those responsible for them." *USA Today*, "Force Alcohol to Pay for Some of its Damage," September 30, 1993.

National Organizations (partial listing)

American Academy of Family Physicians
American Academy of Pediatrics
American Association of Retired Persons
American College of Physicians
American College of Preventive Medicine
American Medical Association
American Nurses Association
American Public Health Association
American Society on Addiction Medicine
Center for Science in the Public Interest
National Council on Alcoholism and Drug Dependence
National PTA

* For more information, contact National Alcohol Tax Coalition (NATC), 1875 Connecticut Avenue, N.W., Suite 300, Washington, DC 20009-5728, (202) 332-9110, ext. 385.

Appendix B

STATE ALCOHOL TAX RATES, 1995
($$ Per Gallon)

STATE	BEER	WINE**	LIQUOR
Alabama	0.53 (1.05)	1.70	*
Alaska	0.35	0.85	5.60
Arizona	0.16	0.84	3.00
Arkansas	0.23 (.24)	0.75	2.50 (2.58)
California	0.20	0.20	3.30
Colorado	0.08	0.43	2.28
Connecticut	0.19 (.20)	0.60	4.5
Delaware	0.16	0.90	5.46
Florida	0.48	2.25	6.50
Georgia	0.48	1.51	3.79
Hawaii	0.90 (.81)	1.30	5.75
Idaho	0.15	0.45	*
Illinois	0.07	0.23	2.00
Indiana	0.12	0.47	2.68
Iowa	0.19	1.75	*
Kansas	0.18	0.30	2.5
Kentucky	0.08	0.50	1.92 (1.94)
Louisiana	0.32	0.11	2.5
Maine	0.35	0.6	*
Maryland	0.09	0.4	1.5
Massachusetts	0.11	0.55	4.05
Michigan	0.20	0.51	*
Minnesota	0.15	0.30	5.03 (5.08)
Mississippi	0.43	0.35	*
Missouri	0.06	0.36	2.00
Montana	0.14	1.06	*
Nebraska	0.23	0.75	3.00

Appendix B (cont.)

STATE	BEER	WINE**	LIQUOR
Nevada	0.09	0.40	2.05
New Hampshire	0.35	*	*
New Jersey	0.16 (.12)	0.70	4.40
New Mexico	0.41 (.35)	1.70	6.06
New York	0.16	0.19	6.44
North Carolina	0.48	0.79	*
North Dakota	0.16	0.50	2.50
Ohio	0.18	0.32	*
Oklahoma	0.40	0.72	5.56
Oregon	0.08	0.67	*
Pennsylvania	0.08	*	*
Rhode Island	0.10	0.60	3.75
South Carolina	0.77	0.90	2.72 (5.06)
South Dakota	0.27	0.93	3.93
Tennessee	0.13	1.10	4.00 (4.06)
Texas	0.19 (.20)	0.20	2.40
Utah	0.35	*	*
Vermont	0.27	0.55	*
Virginia	0.26 (.28)	1.51	*
Washington	0.15 (.19)	0.87	*
West Virginia	0.18	1.00	*
Wisconsin	0.06	0.25	3.25
Wyoming	0.02	*	*
District of Columbia	0.09	0.30	1.50
U.S. Median	0.18	0.73	3.25
U.S. Average	0.24	0.73	3.59

(Source: Federation of Tax Administrators (FTA), *Tables 14, 15, and 16: State Tax Rates on Distilled Spirits, Wine, and Beer,* Washington, DC, January 1, 1995 and National Conference of State Legislatures (NCSL), *State Tax Collections 1995,* Washington, DC, December 1995.)

* Indicates direct government control of sale. Revenue in these states is generated from various taxes, fees, and net profits.

** Includes wine with less than 14% alcohol content (table wine).

State tax rates in ( ) derived from *Jobson's 1995 Beer, Liquor, and Wine Handbooks*. Median and average rates calculated using FTA figures only. The data vary for a number of reasons, including the inclusion or exclusion of local taxes and the date of data collection. Check with the government state revenue department for accurate and current rates.

Appendix C

STATE EARMARKS OF ALCOHOLIC-BEVERAGE TAXES

In 1993, 24 states used all or part of the revenues collected from the sale and/or taxation of alcohol for a variety of purposes. Here's where the money went:

STATE	EARMARK
Alabama	Mental health Human resources Education Counties and cities
Arizona	Correction fund
Arkansas	Wine production research (negligible amount of funds) University of Arkansas Medical Center
Colorado	Old age pension fund
Florida	Child and adolescent substance abuse services Alcoholic-beverage and tobacco trust fund
Idaho	Counties and cities Alcohol programs K-12 education Community colleges Welfare
Indiana	Prison construction, enforcement and administration Local police pension Addiction services Cities and towns
Kansas	County or city where sold Alcoholism treatment and prevention
Michigan	School aid fund Convention promotion Liquor purchasing revolving fund
Mississippi	Department of Mental Health Municipalities
Montana	Alcohol treatment and rehabilitation Local government
Nevada	Counties and cities Alcohol and drug abuse programs

New Jersey	Alcohol education, rehabilitation, and enforcement
New Mexico	Community alcoholism and detoxification fund
North Carolina	County rehabilitation contribution Law enforcement Alcohol education County/city districts Local-state tax sharing
Ohio	State grape industries Alcohol treatment and prevention Debt service on state economic development bonds
Oklahoma	Cities and towns
Oregon	Counties and cities Alcoholism programs Wine industry Insurance programs
South Dakota	Municipalities and local governments
Tennessee	Highway fund Counties and cities
Texas	Law enforcement Public education Counties and cities
Virginia	Local government
Washington	Drug enforcement and education Counties and cities Washington Wine Commission Wine grape research
West Virginia	Counties and municipalities State police drunk driving prevention fund

(Source: National Conference of State Legislatures. *Earmarking State Taxes,* April 1995.)

Appendix D

CONSUMER PRICE INDEX
All Urban Consumers (CPI-U)
U.S. City Average, All items
1982-1984=100

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
14.7	16.3	17.3	17.6	18	19.5	22.3	24.1	23.8	24.1	26	26.5	26.7	26.9

1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
26.8	27.2	28.1	28.9	29.1	29.6	29.9	30.2	30.6	31	31.5	32.4	33.4	34.8

1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
36.7	38.8	40.5	41.8	44.4	49.3	53.8	56.9	60.6	65.2	72.6	82.4	90.9	96.5

1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
99.6	103.9	107.6	109.6	113.6	118.3	124	130.7	136.2	140.3	144.5	148.2	152.3

Figures above are annual averages. The 1995 average is estimated.

For current Consumer Price Index information, contact the Bureau of Labor Statistics, U.S. Department of Labor, Washington, DC 20212, (202) 606-7828, (202) 606-6994 (recorded CPI “quick-line”) (202) 219-4784 (bulletin board). CPI data are also available on the Internet. Using GOPHER or FTP access the address is “stats.bls.gov.” World Wide Web access available at http://stats.bls.gov.

Appendix E

INFORMATION RESOURCES

Center for Science in the Public Interest, Alcohol Policies Project, 1875 Connecticut Avenue, N.W., Washington, DC 20009-5728, (202) 332-9110, ext. 385, (202) 265-4954 (fax).

FEDERAL GOVERNMENT

Bureau of Labor Statistics (BLS), U.S. Department of Labor: Provides economic information including employment and price statistics, such as the Consumer Price Index (CPI), a measure of the average change in prices for consumer goods. National, regional, state and local figures are available. Washington, DC 20212, (202) 606-7828 (general line), (202) 606-6994 (recorded CPI "quickline"). Data are also available on the Internet. Use Gopher or FTP access: the BLS Internet address is "stats.bls.gov," or access data through the BLS home page on the World Wide Web: http://stats.bls.gov.

Federal Drug, Alcohol, and Crime Network: A national clearinghouse that can connect you to the Drugs and Crime Data Center and Clearinghouse, National Clearinghouse for Alcohol and Drug Information (NCADI), National Drug Information and Treatment Referral Hotline, Drug-Free Workplace Helpline, and the National Criminal Justice Reference Clearinghouse. Call (800) 788-2800.

Health Care Financing Administration: U.S. Department of Health and Human Services division which collects information on the cost of treating various alcohol-related problems. State-specific information also available. Office of Health Care Information Systems, Baltimore, MD 21207, (410) 786-1800.

National Clearinghouse for Alcohol and Drug Information (NCADI): The nation's largest repository of audiovisual and print materials concerning substance abuse. Free fact sheets, resource guides, posters, statistics, grant information, and data-base searches on request. P.O. Box 2345, Rockville, MD 20847-2345, (800) 729-6686, (301) 468-2600 (in Metropolitan Washington, DC), (301) 468-6433 (fax). On-line access to NCADI services is also available through PREVline (*see on-line sources*).

National Highway Traffic Safety Administration (NHTSA): Collects comprehensive statistics on transportation issues, including the blood alcohol content of drivers involved in fatal traffic crashes. The Office of Alcohol and State Programs provides state-specific information and publications, such as *Traffic Safety and Health Care Costs: State and National Estimates of Employer Costs*. 400 Seventh Street, S.W., Washington, DC 20590, (202) 366-9588, (202) 493-2088 (fax). Also NHTSA's National Center for Statistics and Analysis: (202) 366-4198, (202) 366-7078 (fax).

National Institute on Alcohol Abuse and Alcoholism (NIAAA): A division of the National Institutes of Health which conducts research on alcohol prevention and treatment and issues publications on alcohol research subjects. NIAAA maintains the Alcohol Epidemiologic Data System (AEDS), which tracks information on alcohol-related mortality for every county in the nation. Its annual National Drug and Alcoholism Treatment Unit Survey (NDATUS) features information from public and private treatment centers across the country. Contact NIAAA, Office of Scientific Communications, 6000 Executive Boulevard, Bethesda, MD 20892-7003, (301) 443-3860.

U.S. Centers for Disease Control (CDC): Coordinates information from state-conducted "Behavioral Risk Factors Surveys." Information on alcohol includes facts on alcohol consumption, binge drinking, and drinking after driving (alcohol data is not available for Wyoming). To request information on your state, call CDC at (404) 639-3534 and ask for your state's most recent survey, or contact your State Department of Health.

STATE GOVERNMENT

Alcohol Beverage Control Board/Treasury Department: Responsible for overseeing the collection of state alcohol excise taxes. In "control" states, these offices regulate the sale of alcoholic beverages, which are sold through special state-run stores.

Drug and Alcohol Agency: Implements state alcohol and drug prevention and treatment priorities and administers state and federal funds, particularly those from the Substance Abuse and Mental Health Services Administration (SAMHSA). Headed by the state drug program coordinator, the state's agency may be located within the state department of health, social or rehabilitative services.

Regional Alcohol and Drug Awareness Resource (RADAR) Network Agency: This program distributes alcohol and drug abuse prevention and education materials at the state and local level. Information activities are coordinated nationally by the National Clearinghouse for Alcohol and Drug Information (NCADI). For the RADAR agency nearest you, contact NCADI at (800) 729-6686.

State Education Department: The office of the state superintendent of education may have surveys of student alcohol use or information on the amount of money spent on prevention in public schools.

State Health and Mental Health Departments: These departments may be a good source of information concerning alcohol's toll on families. They should be able to provide information on a variety of consequences of alcohol consumption including Fetal Alcohol Syndrome (FAS), domestic violence, and deaths attributable to alcohol-related causes, such as falls, drownings, and suicides. Information about alcohol workplace issues may be available from a bureau on workers' affairs.

State Legislature: Your state senator or representative should be able to direct you to any recent legislation on excise taxes. Most state legislatures have research offices, but these may have to be accessed through your representatives.

State Revenue Agency: This office will have information about alcohol excise tax rates and revenues.

State Welfare Department: Substance abuse costs the federal government and states billions of dollars each year in entitlement payments. The state welfare or public assistance department should be able to furnish information about the amount of state and federal Medicaid dollars spent on alcohol-related hospital costs per year.

Uniform Crime Reports (UCR) contact: The state UCR office is responsible for assembling state offense, arrest, and other crime statistics. The UCR office should have data on the number of alcohol-related crimes in your state and city. The contact may be located in the justice department, department of corrections or department of public safety. Similar information should also be available from state and local law enforcement agencies.

ADDITIONAL STATE RESOURCES

Federation of Tax Administrators: 444 North Capitol Street, Washington, DC 20001, (202) 624-5890.

Intergovernmental Health Policy Project, George Washington University (GWU): 2021 K Street, N.W., Suite 800, Washington, DC 20006, (202) 872-1445, (202) 785-0114 (fax).

National Association of State Alcohol and Drug Abuse Directors (NASADAD): 444 N. Capitol Street, N.W., Suite 642, Washington, DC 20001, (202) 783-6868, (202) 783-2704 (fax).

National Conference of State Legislatures (NCSL): 444 North Capitol Street, N.W., Suite 515, Washington, DC 20001, (202) 624-5400.

National Governors' Association: 444 North Capitol Street, N.W., Suite 267, Washington, DC 20001, (202) 624-5300.

ELECTRONIC BULLETIN BOARDS

PREVline: This on-line service provides information concerning alcohol, tobacco, and other drug problem prevention. PREVline is a service of the Center for Substance Abuse Prevention (CSAP). PREVline can be accessed through the Internet via telnet (ncadi.health.org — *press* ENTER, *User-ID*: NEW) or via telephone to: (301) 770-0850, *User-ID*: NEW.) In addition, it can be accessed through many commercial data services (GOPHER: gopher.health.org; World Wide Web: http://www.health.org; FTP: ftp.health.org). For further information about PREVline, contact NCADI, (800) 729-6686.

Quick Facts: Provides free access to the most current data from the Alcohol Epidemiologic Data System (AEDS) of the National Institute on Alcohol Abuse and Alcoholism (NIAAA). Features data tables and text information on alcohol issues and trends including per capita consumption, economic costs, tax revenues, and alcohol-related illnesses and mortality. Information is available to anyone with a computer and a modem, using the following specifications: BBS number (202) 289-4112; Modem settings 2400 or lower bps, N, 8, 1. AEDS , c/o Cygnus Corporation, 1400 Eye Street, N.W., Suite 1275, Washington, DC 20005, (202) 289-4992.

Join Together Online: Available on the Internet via most computer networks, Join Together Online keeps advocates aware of substance abuse news, technical assistance, funding news and public policy developments. For further information, contact Join Together, 441 Stuart Street, Boston, MA 02116, (617) 437-1500, (617) 437-9394 (fax). E-mail info@jointogether.org. World Wide Web users contact http://www.jointogether.org/jointogether.html.

National Criminal Justice Reference Service (NCJRS): This is a free service which provides news, announcements, and reviews of criminal justice developments, activities, and publications. NCJRS is operated and sponsored by the National Institute of Justice, U.S. Department of Justice. To access NCJRS directly, dialup (301) 738-8895. Modems should be set up to 9600 baud at 8-N-1. World Wide Web users contact: http://ncjrs.aspensys.com:81/ncjrshome.html. To access through the Internet, telnet to: ncjrsbbs.aspensys.com. For further information, call (800) 851-3420 or (800) 666-3332.

Center for Substance Abuse Research (CESAR): Sponsored by the Maryland Drug and Alcohol Abuse Commission, CESAR provides Maryland-specific alcohol and drug information. To access CESAR via telephone, dial (301) 403-8343 or (800) 842-3727 (Maryland only). For further information, call (301) 403-8329.

SEARCH Group, Inc.: Operated by the National Consortium for Justice Information and Statistics, this service features national criminal justice related publications and a database of criminal justice agencies and their computerized information systems. For access, dialup (916) 392-4640. For further information, call (916) 392-2550.

OTHER RESOURCE ORGANIZATIONS

Adult Children of Alcoholics, World Service Organization, P.O. Box 3216, Torrance, CA 90510, (310) 534-1815.

Alcohol and Drug Problems Association of North America, 120 First Capital Street, Charles, MO 63301, (314) 940-2283.

Center for Substance Abuse Prevention (CSAP), Substance and Mental Health Services Administration, Rockwall II, 5600 Fishers Lane, Room 800, Rockville, MD 20857, (301) 443-0373, (800) 843-4971 (drug-free workplace helpline).

Center for Substance Abuse Treatment (CSAT), Substance and Mental Health Services, Administration, Rockwall II, 5600 Fishers Lane, Room 618, Rockville, MD 20857, (301) 443-5052.

Center on Addiction and Substance Abuse (CASA) at Columbia University, 152 West 57th Street, New York, NY 10019, (212) 841-5200.

Community Anti-Drug Coalitions of America (CADCA), 701 North Fairfax, Alexandria, VA 22314, (703) 706-0563.

Employee Assistance Professionals Association, 2101 Wilson Boulevard, Suite 500, Arlington, VA 22201, (703) 522-6272.

Employee Assistance Society of North America, 2728 Phillips Street, Berkley, MI 48072, (810) 545-3888.

Marin Institute for the Prevention of Alcohol and Other Drug Problems, 24 Belvedere Street, San Rafael, CA 94901, (415) 456-5692.

Mothers Against Drunk Driving (MADD), P.O. Box 541688, Dallas, TX 75354-1688, (214) 744-6233.

National Coalition of Hispanic Health and Service Organizations (COSSMHO), 1501 16th Street, N.W., Washington, DC 20036, (202) 387-5000.

National Council on Alcoholism and Drug Dependence (NCADD), 12 West 21st Street, New York, NY 10010, (212) 206-6770.

National Families in Action, 2296 Henderson Mill Road, Suite 300, Atlanta, GA 30345, (404) 934-6364.

National Organization on Fetal Alcohol Syndrome, 1815 H Street, N.W., Suite 1000, Washington, DC 20006, (202) 785-4585.

Office of Minority Health Resource Center, P.O. Box 37337, Washington, DC 20013-7337, (800) 444-6472.

Parents Resource Institute for Drug Education (PRIDE), 10 Park Place South, Suite 540,

Atlanta, GA 30303, (404) 577-4500.

Remove Intoxicated Drivers (RID), P.O. Box 520, Schenectady, NY 12301, (518) 372-0034.

Students Against Drunk Driving (SADD), P.O. Box 800, Marlboro, MA 01752, (508) 481-3568.

The Trauma Foundation, Building One, Room 300, San Francisco General Hospital, San Francisco, CA 94110, (415) 821-8209.

PUBLICATIONS

NIAAA Research Monograph #25, *Economics and the Prevention of Alcohol-Related Problems,* NIH Publication No. 93-3513, U.S. Department of Health and Human Services, 1993.

Adams/Jobson's Beer, Wine and Liquor Handbooks: The Adams/Jobson Publishing Corporation publishes a wealth of information on the alcoholic-beverage industry, including separate annual handbooks on the beer, wine and liquor industries. Includes information on alcohol consumption and tax rates by state. 2101 South Arlington Heights Road, Suite 150, Arlington Heights, IL 60005-4142, (800) 396-3939, (708) 427-2006 (order fax).

An Advocate's Guide to Using Data: This guide provides a quick course in selecting, analyzing, and presenting data effectively to support your positions. 20pp., 1990. ISBN: 0-938008-80-3. $4.95. Children's Defense Fund, P.O. Box 90500, Washington, DC 20090-0500, (202) 662-3652.

The Nonprofit Lobbying Guide: Details the many different ways non-profits can lobby under new IRS regulations. 148pp., 1991. ISBN 1-55542-374-4. $24.95. Independent Sector, 1828 L Street, N.W., Washington, DC 20036, (202) 223-8100.

Appendix F

LEADING STUDIES ON THE EFFECTS OF ALCOHOL TAX INCREASES

Cook, P. and M. Moore. "Taxation of Alcoholic Beverages," *Research Monograph 25 - Economic Research on the Prevention of Alcohol Related Problems*. National Institute on Alcoholism and Alcohol Abuse, Washington, DC, 1993.

Cook, P. and M. Moore. "Violence Reduction Through Restrictions on Alcohol Availability," *Alcohol Health & Research World*, v. 17, n. 2, 1993, pp. 151-156.

Chaloupka, F., Saffer, H., and M. Grossman. "Alcohol-Control Policies and Motor-Vehicle Fatalities," *Journal of Legal Studies*, v. 22, January 1993, pp. 161-186.

Grossman, M., Chaloupka, F., Saffer, H., and A. Laixuthai. "Effects of Alcohol Price Policy on Youth: A Summary of Economic Research," *Journal of Research on Adolescence*, 4(2), 1994, pp. 347-364.

Grossman, M., Sindelar, J., Mullahy, J., and R. Anderson. "Alcohol and Cigarette Taxes," *Journal of Economic Perspectives*, v. 7, n.4, fall 1993, pp. 211-222.

Phelps, Charles E. "Death and Taxes: An Opportunity for Substitution," *Journal of Health Economics*, v. 7, 1988, pp. 1-24.

Appendix G

NATIONAL ORGANIZATIONS REPRESENTING THE ALCOHOLIC-BEVERAGE INDUSTRY

American Beverage Institute

American Vintners Association

American Wine Alliance for Research and Education

Association of Brewers

The Beer Institute

The Century Council

Distilled Spirits Council of the United States (DISCUS)

Licensed Beverage Information Council

National Association of Beverage Importers, Inc.

National Association of Beverage Retailers

National Beer Wholesalers Association, Inc.

National Licensed Beverage Association

National Restaurant Association

National United Merchants Beverage Association

Society of Wine Educators

Wine and Spirits Guild of America

Wine and Spirits Wholesalers of America, Inc.

Wine Institute

Women for Winesense

World Association of Alcohol Beverage Industries

ORGANIZATIONS REPRESENTING STATE ALCOHOL CONTROL ADMINISTRATIONS

National Conference of State Liquor Administrators: Represents state officials in license states.
10 South Street, Suite 200, Baltimore, MD 21202, (410) 396-4385.

National Alcoholic Beverage Control Association, Inc.: Represents state officials in control states.
4216 King Street West, Alexandria, VA 22302, (703) 578-4200.