Those Incredibly Shrinking Alcohol Excise Taxes

Any way you look at it, revenues from federal excise taxes on beer and other alcoholic beverages have declined dramatically: as a percentage of retail sales, as a percentage of federal revenues, and as a percentage of Gross Domestic Product. As a result, beer is far cheaper today, relative to other consumer products, than it was twenty and thirty years ago.

![Graph showing total retail sales of alcoholic beverages in billions of dollars from 1990 to 2005.](image)

![Graph showing federal tax revenue as percentage of sales from 1992 to 2005.](image)
Beer sales v. federal beer tax revenue, in billions

Wine sales v. federal wine tax revenue, in billions
Liquor sales v. federal liquor tax revenue, in billions

Alcohol tax revenue as percentage of total federal revenue since 1990
Alcohol tax revenue as percentage of GDP

Actual federal alcohol tax revenue vs. potential revenue had taxes increased with inflation since 1991 (in billions of dollars)

NOTE: As a result of failing to adjust the tax for inflation since the last increase in 1991, the Treasury has lost some $24 billion in revenues that could have helped support under-funded health and human needs programs or reduce the deficit.