

A Weekly FAX from the Center for Substance Abuse Research

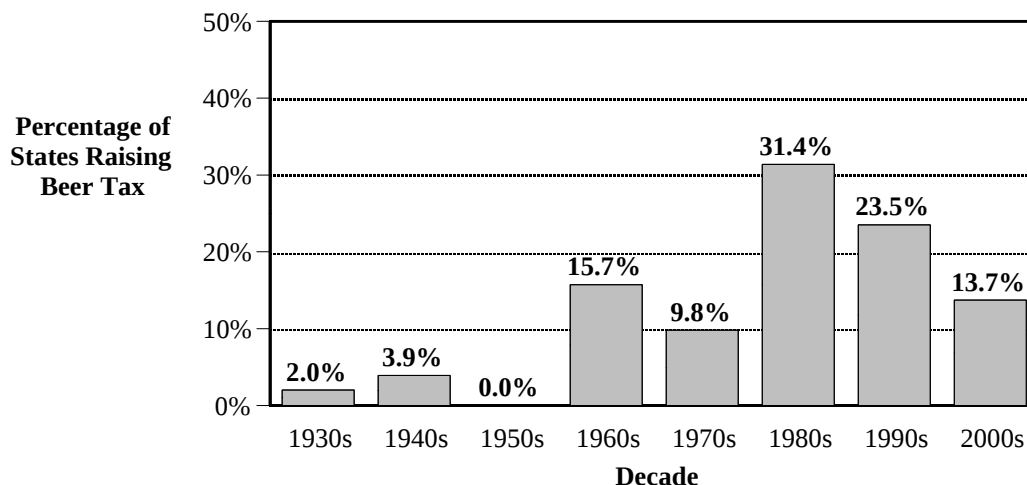
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Majority of States Have Not Increased Beer Tax in Decades

The majority of states have not raised their tax on beer in decades, according to a report from the Center for Science in the Public Interest. Nearly two-thirds (62.7%) of states have not raised their beer tax since the 1980s or earlier, and only 7 states have raised their tax since 2000. In addition, inflation has caused the real value of many state beer taxes to actually decline. Unlike state cigarette taxes, which have increased dramatically over the past few decades, beer tax remains relatively low. The average state tax on a 6-pack of beer is \$0.15, compared to an average state tax on a pack of cigarettes of \$0.60 (data not shown). Proponents cite public support¹ and research suggesting an association between increases in the price of alcoholic beverages and reductions in consumption and related consequences.² Opponents question the effectiveness of increasing alcohol sales tax in preventing alcohol abuse, especially among underage and heavy drinkers, and argue that beer taxes “place a much heavier burden on low- and middle-income taxpayers than on the rich.”³

Decade in Which U.S. States and the District of Columbia Last Raised Beer Taxes, as of July 2004

(n=50 states and District of Columbia)



¹A recent survey (American Medical Association, Office of Alcohol and Other Drug Abuse. *Findings from a Nationwide Survey of 800 Registered Voters*, April 2004) found that 52% of registered voters supported an increase in their state's beer tax.

²The National Academy of Sciences, *Reducing Underage Drinking: A Collective Responsibility*, Washington, D.C.: The National Academies Press, 2004.

³Beer Institute, *Beer Tax Facts*, n.d. Available online at <http://www.beerinstitute.org/pdfs/beertaxfacts.pdf>.

SOURCE: Adapted by CESAR from Center for Science in the Public Interest, *Factbook on State Beer Taxes*, 2004. Available online at <http://cspinet.org/booze/taxguide/040802BeerReport.pdf>.