

Raising Michigan's Beer Tax is the Right Thing to Do!

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Alcohol is consumed by 60% of the adult population nationwide and in Michigan.¹

Most people realize that at times alcohol causes harm.

- "Excessive alcohol consumption is the third leading cause of death in the U.S., and each year accounts for approximately 79,000 deaths."²
- "Excessive alcohol consumption contributes to a variety of health and social problems, including unintentional injuries; suicide; homicide; liver cirrhosis; gastrointestinal cancers; vandalism; and lost productivity."³
- In 2015 in Michigan, there were 963 alcohol related traffic deaths and 74,157 alcohol related crash injuries.⁴

It is estimated that excessive alcohol consumption cost 8.2 billion dollars in 2006. Michigan government paid 3.5 billion dollars or 43% of the total costs. The average cost per person in the state was \$814.⁵

We can create a healthier and safer Michigan by raising the beer tax. Research demonstrates that increasing the price of beer will reduce:

- underage drinking substantially⁶
- the consumption levels of heavy drinkers⁷
- alcohol-impaired driving and alcohol-related traffic crashes and deaths⁸
- sexually transmitted infections⁹
- incidents of violent crime, including homicide, assault, robbery, and rape¹⁰
- mortality from liver cirrhosis.¹¹

In September of 2016, Representative Thomas Hooker from Kent County introduced legislation to raise the beer tax. Rep. Hooker was term limited. His proposed legislation HB 5873 did not get a hearing. It contained all of the following provisions contained in these talking points.

Raise the excise tax on beer from \$6.30 to \$21.70 a barrel. This will increase the tax on a 12 oz. beer by a nickel to 7 cents. There will be four states in the U.S. with a higher tax than Michigan.¹²

Index the tax to inflation. The Michigan beer excise tax lost 86% of its value since 1966. If the tax had kept pace with inflation, instead of 0.20 per gallon, it would be \$1.42 per gallon. A can of beer would cost about eleven cents more. In 2014, the tax on beer in Michigan generated about 39 million dollars. Under this proposal, the beer tax

and sales tax would generate approximately 103 million dollars.¹³

New revenue generated with this increase will be dedicated to funding prevention, treatment, and recovery support services.

Michigan citizens support raising the tax on beer. EPIC-MRA conducted a 2016 state wide poll asking Michigan voters if they would support or oppose legislation to increase the tax on beer?

- 63% of the respondents strongly or somewhat supported legislation to increase the tax on beer if the extra revenue raised went to the general fund. 75% percent supported it if the money was designated for substance abuse prevention and treatment programs.
- Every category of respondent [gender, political party (including tea party), region of the state, and age] favored an increase.

References

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7 Ibid 6.

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9 Staras S, Livingston M, Wagenaar A. Maryland Alcohol Sales Tax and Sexually Transmitted Infections A Natural Experiment. *Am J Prev Med*; 2015

10 Ibid 2.

11 Ibid 2.

12 Tax foundation (2015), taxfoundation.org.

13 Alcohol Justice-The Industry Watchdog, Tax/Fee Revenue Calculator. http://alcoholjustice.org/tax_calculator.html