

MEMORANDUM

SENATE TAXATION

EXHIBIT NO. 6

DATE 2-11-05

BILL NO. SB 343

TO: NBWA Government Affairs

FROM: Andy Dodson

DATE: January 6, 2004

RE: Excise tax proposals – passed and failed

In 2004, twenty three states considered increasing the excise tax on beer, with no bills passing. In 2003, thirty states considered increasing the excise tax on beer, with five states having signed excise tax increases into law. In 2002, three states increased excise taxes. Listed below are details for both 2002, 2003 and 2004. In 2004, the hospitality industry deals with the one-two punch of budget deficits and the National Academy of Sciences (NAS) report, which recommends "Congress and state legislatures should raise excise taxes ... and excise tax rates for all alcoholic beverages should be indexed to the consumer price index so that they keep pace with inflation without the necessity of further legislative action." A number of anti-alcohol groups, including Center for Science in the Public Interest (CSPI), have latched onto the NAS report as justification for increasing taxes, and are lobbying in statehouses across the country.

2004

Arkansas	raises beer tax from \$0.23 to \$0.28 per gallon	<i>failed</i>
California	AB 216, fee on producers based revenue from youth market	<i>failed</i>
Colorado	raises the tax rate on all alcohol by \$0.024	<i>failed</i>
Connecticut	state budget increases alcohol taxes ten percent	<i>failed</i>
Hawaii	HB 2695 imposes a \$0.25 per gallon surcharge on alcohol	<i>failed</i>
Iowa	SF 2050 increases excise tax on beer from \$0.19 to \$0.38	<i>failed</i>
Kansas	SB 305 increases beer tax from \$0.18 to \$0.30	<i>failed</i>
Kentucky	replaces excise tax by increasing sales tax from 9% to 11.94%	<i>failed</i>
Louisiana	allowed municipalities to impose additional alcohol taxes	<i>failed</i>
Maryland	HB 889 triples excise tax on beer from \$0.09 to \$0.27	<i>failed</i>
Michigan	raises gross sales tax on alcoholic beverages from 65% to 74%	<i>failed</i>
Minnesota	increases tax on malt beverages from 8 cents to \$1.14 per gallon	<i>failed</i>
Missouri	raises beer tax from \$0.06 to \$0.24 per gallon	<i>failed</i>
New Jersey	allows city of Newark to implement a local tax on alcohol	<i>failed</i>
New Mexico	SB377 allows counties the vote to raise excise taxes up to 5%	<i>failed</i>
New York	increases tax on beer from 13 cents to 31 cents a gallon	<i>failed</i>
N. Carolina	increases taxes on 12 oz. beer from \$0.05 to \$0.10	<i>failed</i>
Pennsylvania	raises tax on beer by 213%	<i>failed</i>
Rhode Island	7% across the board tax on beer, wine and sprits	<i>failed</i>
S. Dakota	\$0.05 tax per drink	<i>failed</i>
Texas	increases tax on beer from 14% to 23%	<i>failed</i>
Washington	doubles the base beer tax from \$0.04 to \$0.08 per gallon	<i>failed</i>
W. Virginia	increases tax on beer, wine and spirits by 15%	<i>failed</i>