

FACTBOOK
on
\$STATE BEER TAXES\$



Factbook on State Beer Taxes

Center for Science in the Public Interest
Alcohol Policies Project
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Beer Taxes in the 50 States – A Factbook

Beer is the most consumed and popular alcoholic beverage sold in the United States. According to the Beer Institute, 90 million Americans drink beer.¹ And, by some estimates, underage persons drink as much as 20 percent of all the alcohol consumed,² and probably at least as much as that in beer. In 2002, we downed 6.4 billion gallons and spent more than \$74.4 billion on beer – more than we spent for liquor and wine together (\$42.2 billion for liquor, \$20.5 billion for wine).³ Anheuser-Busch, with its dominant share of the domestic beer market, gained record net sales (that is, gross sales (\$16.3 billion) less beer excise taxes (\$2.2 billion)) of \$14.1 billion in 2003.⁴

In 2000, the government collected \$3.6 billion in federal taxes and \$1.9 billion in state taxes on beer.⁵ Despite the massive harm associated with beer drinking in America (at least \$21.9 billion, based on the proportion of all alcohol consumed in form of beer), the average combined state and federal taxes on a single 12-oz. serving of beer remains about \$.07, and are as low as \$0.052 per serving in some states. In many states, decades have passed since the last beer-tax increase. Beer has become cheaper and more available, and state treasuries have been deprived of billions of dollars in revenue.

In September 2003, the National Academy of Sciences issued its report, *Reducing Underage Drinking: A Collective Responsibility*. Among its many recommendations, that report emphatically promoted the public health and safety benefits of raising state and federal taxes on alcoholic beverages, especially on beer. It referenced numerous studies that suggest that higher taxes will deter underage drinking and provide funds for alcohol prevention and treatment programs. Many of those studies are noted in CSPI's advocacy materials on alcohol excise tax issues.

During the past several years, proposals to increase beer taxes have multiplied in state capitals. A few of them have even been successful. Many state efforts, however, have been hamstrung by a lack of information – about the relationship of a state's taxes to its neighbor states and national standards; about the relationship of beer taxes and economic costs associated with alcohol; about beer-tax rates and state health-care costs; and about the effects of low beer taxes on binge drinking. In fact, one recent survey showed that most Americans did not know the current alcohol-tax rate in their state, but once they were informed of their states' current rates, they fully support an increase.⁶ This Factbook provides figures to fill some of those information holes.

In this short report, we have assembled data to help inform advocates for higher taxes and others. The following charts and graphs provide both inter-state comparisons and intra-state analyses, and offer interesting and relevant associations and correlations. By no means do we suggest that the data presented in some of the charts necessarily prove a cause and effect relationship. Rather, we present the data to promote critical thinking about the breadth of effects that might flow from the failure to modernize beer-tax rates in most states. Together with advocacy materials CSPI has provided for many years – both hard-copy and web-based – this compendium should assist advocates to bring to life the recommendations of the NAS report and to address the budget needs of many state treasuries.

Current Beer Tax Rates

Excise tax rates on beer vary dramatically across the United States. Table 1 provides an alphabetical listing of states with their current tax rate and rank. The average rate of all states equals \$0.26 per gallon, with 32 states falling below that level and 18 states above (Graph 1). The median rate is \$0.185 per gallon.

Graph 1. The rank (from lowest to highest) of current beer taxes.

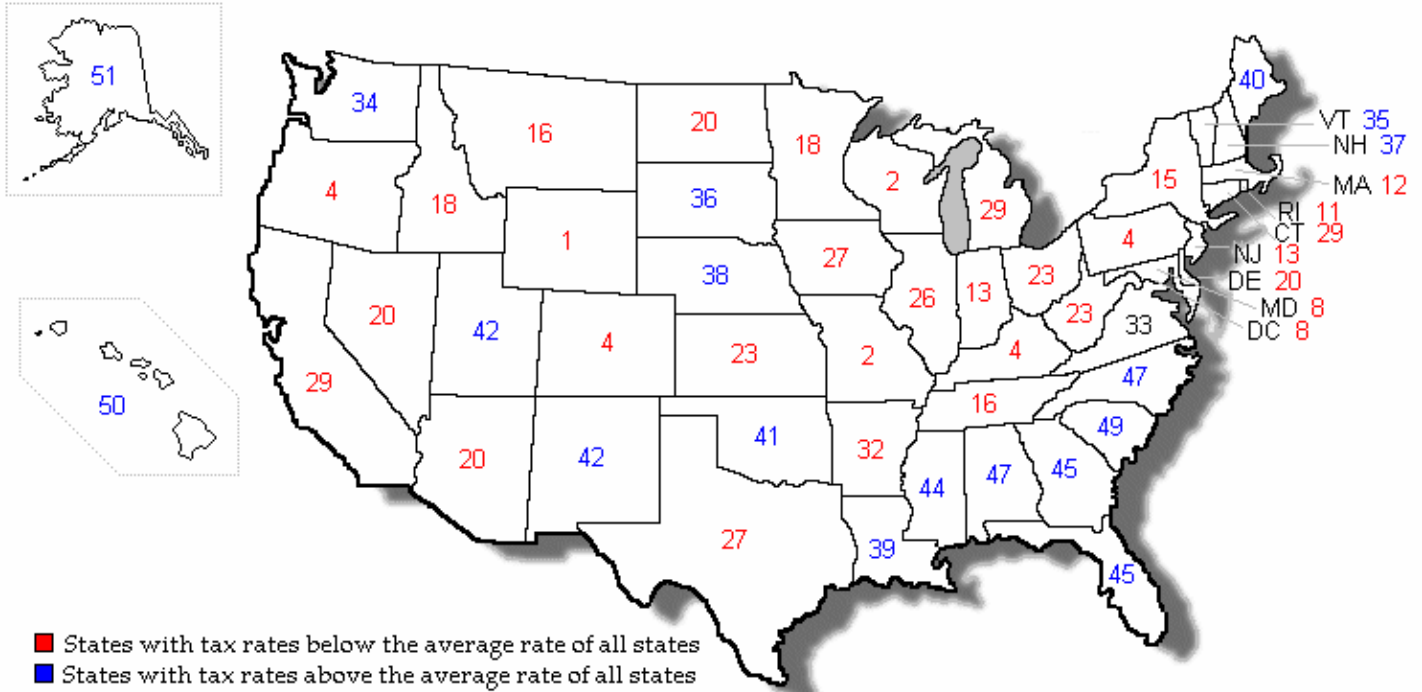
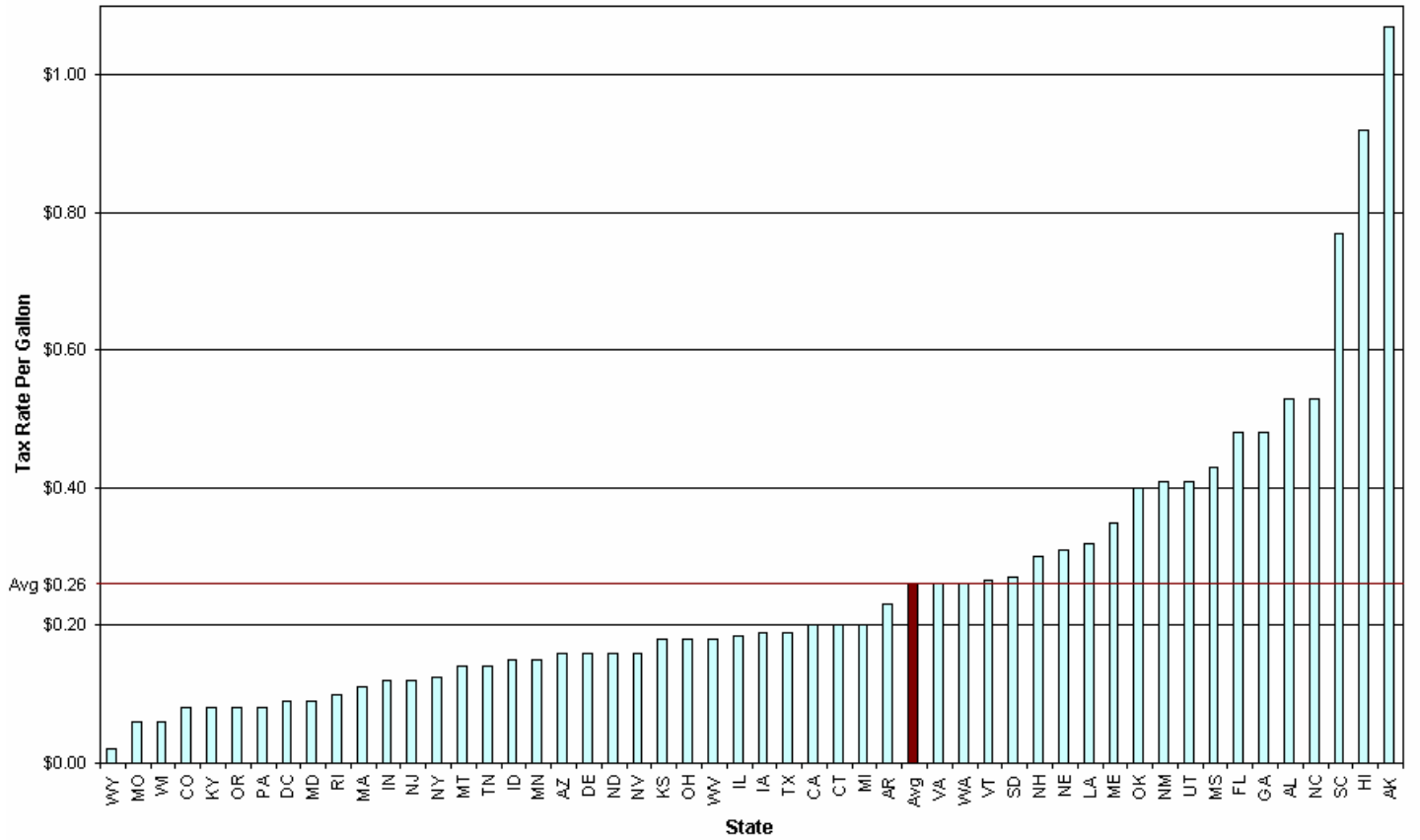


Table 1. State Beer Excise Tax Rates and Rank.⁷

State	Taxes last raised⁸	Current beer-tax rate (per gallon)	Rank (from lowest to highest)
Alabama	1982	\$0.53	47
Alaska	2002	\$1.07	51
Arizona	1983	\$0.16	20
Arkansas	2001	\$0.23	32
California	1991	\$0.20	29
Colorado	1976	\$0.08	4
Connecticut	1989	\$0.20	29
Delaware	1990	\$0.16	20
District of Columbia	1989	\$0.09	8
Florida	1999	\$0.48	45
Georgia	1964	\$0.48	45
Hawaii	1998	\$0.92	50
Idaho	1961	\$0.15	18
Illinois	1999	\$0.185	26
Indiana	1981	\$0.12	13
Iowa	1986	\$0.19	27
Kansas	1987	\$0.18	23
Kentucky	1982	\$0.08	4
Louisiana	1948	\$0.32	39
Maine	1986	\$0.35	40
Maryland	1972	\$0.09	8
Massachusetts	1975	\$0.11	12
Michigan	1966	\$0.20	29
Minnesota	1987	\$0.15	18
Mississippi	1986	\$0.43	44
Missouri	1971	\$0.06	2
Montana	1992	\$0.14	16
Nebraska	2003	\$0.31	38
Nevada	2003	\$0.16	20
New Hampshire	1991	\$0.30	37
New Jersey	1992	\$0.12	13
New Mexico	1993	\$0.41	42
New York	2001 ⁹	\$0.125	15
North Carolina	1969	\$0.53	47
North Dakota	1967	\$0.16	20
Ohio	1993	\$0.18	23
Oklahoma	1987	\$0.40	41
Oregon	1977	\$0.08	4
Pennsylvania	1947	\$0.08	4
Rhode Island	1989	\$0.10	11
South Carolina	1969	\$0.77	49
South Dakota	1988	\$0.27	36
Tennessee	2002	\$0.14	16
Texas	1984	\$0.19	27
Utah	2003	\$0.41	42
Vermont	1981	\$0.265	35
Virginia	1993	\$0.26	33
Washington	1997	\$0.261	34
West Virginia	1966	\$0.18	23
Wisconsin	1969	\$0.06	2
Wyoming	1935	\$0.02	1

Graph 2. More state beer tax rates fall below the average beer tax rate of all states and the District of Columbia than above.



The Effects of Inflation

Over time, because beer excise taxes are imposed as a flat tax on a certain quantity of beverage, inflation erodes the value of beer tax rates. The degree to which those values decline depends on the rate of inflation since states last raised their rates. Twenty-two states have not raised their beer tax rates for 20 years or more and only 11 states have raised taxes within the past ten years. In some states, where beer tax rates have remained constant for a long time, the deflated tax rates per drink have fallen close to zero.

The unweighted average of “real” tax rates (see note below) across all states and the District of Columbia is \$0.16 per gallon, the equivalent of 1.5 cents per beer.

Note: Each calculation of the “real” tax rate is based on the year that each state last raised its beer tax rate. Because of that, the tax rates are not comparable between the states; instead, they reflect the degree to which taxes have eroded within each state. Similarly, when calculating the average of “real” tax rates, we used the deflated tax rates without accounting for the degree to which each tax rate eroded over time.

Table 2. Lowest current state beer-tax rates and corresponding inflation-adjusted values.

State	Current beer-tax rate (per gallon)	Deflated beer-tax rate (per gallon)
1. Wyoming	\$0.02	\$0.00
2. Missouri	\$0.06	\$0.01
Wisconsin	\$0.06	\$0.01
3. Colorado	\$0.08	\$0.02
Oregon	\$0.08	\$0.03
Kentucky	\$0.08	\$0.04
Pennsylvania	\$0.08	\$0.01
4. Maryland	\$0.09	\$0.02
District of Columbia	\$0.09	\$0.06
5. Rhode Island	\$0.10	\$0.07

Table 3. Highest current state beer-tax rates and corresponding inflation-adjusted values.

State	Current beer-tax rate (per gallon)	Deflated beer-tax rate (per gallon)
1. Alaska	\$1.07	\$1.04
2. Hawaii	\$0.92	\$0.81
3. South Carolina	\$0.77	\$0.15
4. Alabama	\$0.53	\$0.28
North Carolina	\$0.53	\$0.11
5. Florida	\$0.48	\$0.43
Georgia	\$0.48	\$0.08

Graph 3. Decade in which states last changed beer taxes.

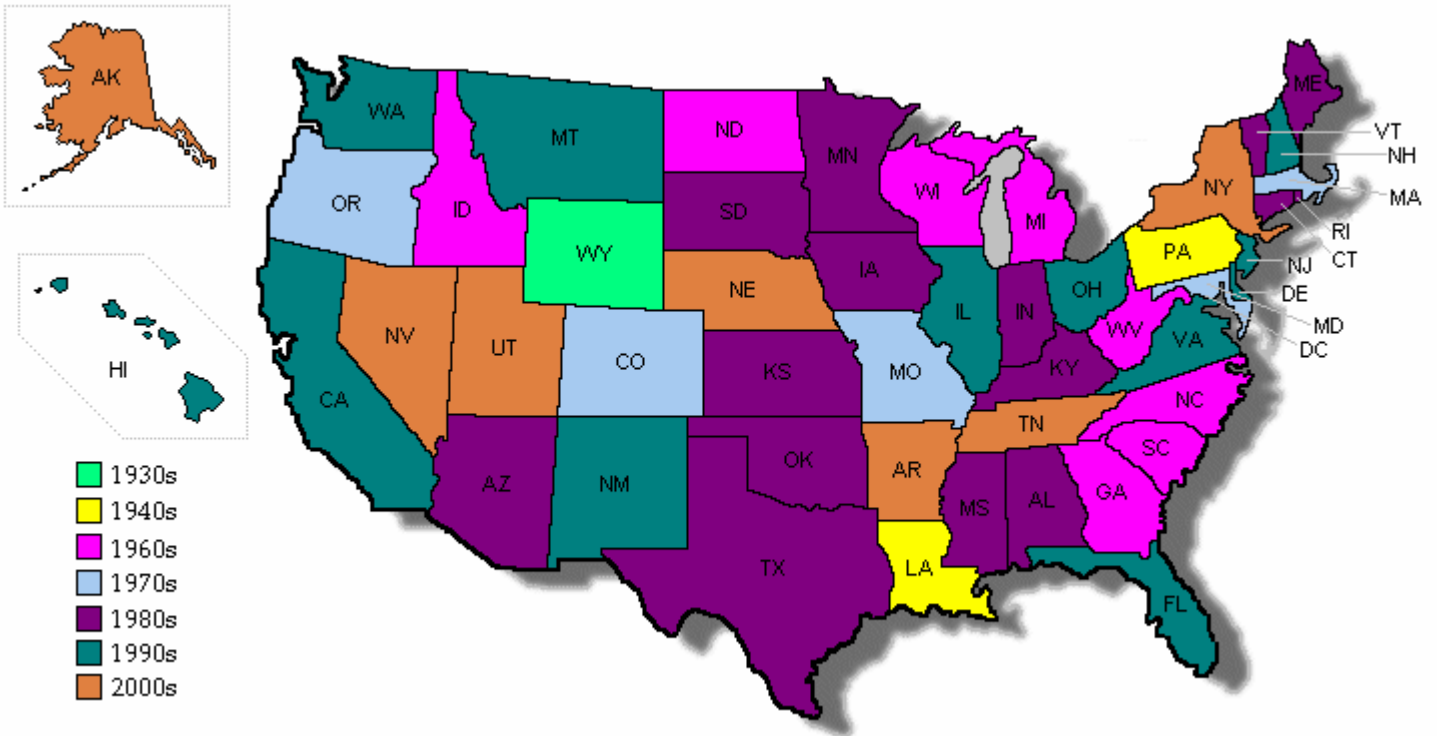


Table 4. Year when states last raised beer taxes. States shaded in grey last raised their beer taxes 20 years ago or more.

* Ranked from lowest to highest

State	Current beer-tax rate [rank] (per gallon)*	Taxes last raised ¹⁰	Most recent tax proposal (as of April 20, 2004)	Deflated tax rate		Percent loss in value
				per gallon	per 12-oz serving	
Wyoming	\$0.02 [1]	1935	2003	\$0.00	\$0.0000	-100.00%
Pennsylvania	\$0.08 [4]	1947	2003	\$0.01	\$0.0009	-87.50%
Louisiana	\$0.32 [39]	1948	2001	\$0.04	\$0.0037	-87.50%
Idaho	\$0.15 [18]	1961	2003	\$0.02	\$0.0019	-86.67%
Georgia	\$0.48 [45]	1964	2003	\$0.08	\$0.0075	-83.33%
Michigan	\$0.20 [29]	1966	2003	\$0.04	\$0.0037	-80.00%
West Virginia	\$0.18 [23]	1966	2003	\$0.03	\$0.0028	-83.33%
North Dakota	\$0.16 [20]	1967		\$0.03	\$0.0028	-81.25%
North Carolina	\$0.53 [47]	1969	2003	\$0.11	\$0.0103	-79.25%
South Carolina	\$0.77 [49]	1969	2003	\$0.15	\$0.0141	-80.52%
Wisconsin	\$0.06 [2]	1969		\$0.01	\$0.0009	-83.33%
Missouri	\$0.06 [2]	1971	2003	\$0.01	\$0.0009	-83.33%
Maryland	\$0.09 [8]	1972	2003	\$0.02	\$0.0019	-77.78%
Massachusetts	\$0.11 [12]	1975	2003	\$0.03	\$0.0028	-72.73%
Colorado	\$0.08 [4]	1976		\$0.02	\$0.0019	-75.00%
Oregon	\$0.08 [4]	1977	2003	\$0.03	\$0.0028	-62.50%
Indiana	\$0.12 [13]	1981		\$0.06	\$0.0056	-50.00%
Vermont	\$0.27 [35]	1981	2003	\$0.13	\$0.0122	-50.94%
Alabama	\$0.53 [47]	1982		\$0.28	\$0.0262	-47.17%
Kentucky	\$0.08 [4]	1982		\$0.04	\$0.0037	-50.00%
Arizona	\$0.16 [20]	1983	2003	\$0.09	\$0.0084	-43.75%
Texas	\$0.19 [27]	1984	2003 (French wine only)	\$0.11	\$0.0103	-42.11%
Iowa	\$0.19 [27]	1986		\$0.11	\$0.0103	-42.11%
Maine	\$0.35 [40]	1986	2003	\$0.21	\$0.0197	-40.00%
Mississippi	\$0.43 [44]	1986		\$0.25	\$0.0234	-41.86%
Kansas	\$0.18 [23]	1987	2003	\$0.11	\$0.0103	-38.89%
Minnesota	\$0.15 [18]	1987	2001	\$0.09	\$0.0084	-40.00%
Oklahoma	\$0.40 [41]	1987		\$0.25	\$0.0234	-37.50%
South Dakota	\$0.27 [36]	1988	2003	\$0.17	\$0.0159	-37.04%
Connecticut	\$0.20 [29]	1989	2003	\$0.13	\$0.0122	-35.00%
District of Columbia	\$0.09 [8]	1989		\$0.06	\$0.0056	-33.33%
Rhode Island	\$0.10 [11]	1989		\$0.07	\$0.0066	-30.00%
Delaware	\$0.16 [20]	1990		\$0.11	\$0.0103	-31.25%
California	\$0.20 [29]	1991	2003	\$0.15	\$0.0141	-25.00%
New Hampshire	\$0.30 [37]	1991		\$0.22	\$0.0206	-26.67%
Montana	\$0.14 [16]	1992	2003	\$0.11	\$0.0103	-21.43%
New Jersey	\$0.12 [13]	1992		\$0.09	\$0.0084	-25.00%
Ohio	\$0.18 [23]	1993	2003	\$0.14	\$0.0131	-22.22%
New Mexico	\$0.41 [42]	1993	2003	\$0.32	\$0.0300	-21.95%
Virginia	\$0.26 [33]	1993	2003	\$0.20	\$0.0187	-23.08%
Washington	\$0.26 [34]	1997	2003	\$0.23	\$0.0216	-11.88%
Hawaii	\$0.92 [50]	1998	2001	\$0.81	\$0.0759	-11.96%
Florida	\$0.48 [45]	1999		\$0.43	\$0.0403	-10.42%
Illinois	\$0.19 [26]	1999		\$0.16	\$0.0150	-13.51%
Arkansas	\$0.23 [32]	2001	2001	\$0.22	\$0.0206	-4.35%
New York	\$0.13 [15]	2001 ¹¹	2003	\$0.11	\$0.0103	-12.00%
Alaska	\$1.07 [51]	2002	2001	\$1.04	\$0.0975	-2.80%
Tennessee	\$0.14 [16]	2002		\$0.14	\$0.0131	0.00%
Nebraska	\$0.31 [38]	2003	2003	\$0.31	\$0.0291	0.00%
Nevada	\$0.16 [20]	2003	2003	\$0.16	\$0.0150	0.00%
Utah	\$0.41 [42]	2003	2003	\$0.41	\$0.0384	0.00%

Table 5. States with the lowest inflation-adjusted beer-tax rates.

State	Taxes last raised ¹²	Current tax rate	Deflated tax rate	
		(per gallon)	per gallon	per drink
Wyoming	1935	\$0.02	\$0.00	\$0.000
Missouri	1971	\$0.06	\$0.01	\$0.001
Pennsylvania	1947	\$0.08	\$0.01	\$0.001
Wisconsin	1969	\$0.06	\$0.01	\$0.001
Colorado	1976	\$0.08	\$0.02	\$0.002
Idaho	1961	\$0.15	\$0.02	\$0.002
Maryland	1972	\$0.09	\$0.02	\$0.002
Massachusetts	1975	\$0.11	\$0.03	\$0.003
North Dakota	1967	\$0.16	\$0.03	\$0.003
Oregon	1977	\$0.08	\$0.03	\$0.003
West Virginia	1966	\$0.18	\$0.03	\$0.003
Kentucky	1982	\$0.08	\$0.04	\$0.004
Louisiana	1948	\$0.32	\$0.04	\$0.004
Michigan	1966	\$0.20	\$0.04	\$0.004

Table 6. States that most recently raised beer taxes.

State	Taxes last raised	New rate	
		per gallon [rank] [*]	per 12-oz serving
Arkansas	2001	\$0.23 [32]	\$0.021
Alaska	2002	\$1.07 [51]	\$0.097
Puerto Rico	2002	\$4.12 [52]	\$0.376
Tennessee	2002	\$0.14 [16]	\$0.013
Nebraska	2003	\$0.31 [38]	\$0.029
Nevada	2003	\$0.16 [20]	\$0.015
Utah	2003	\$0.41 [42]	\$0.038

National Average	\$0.26 per gallon
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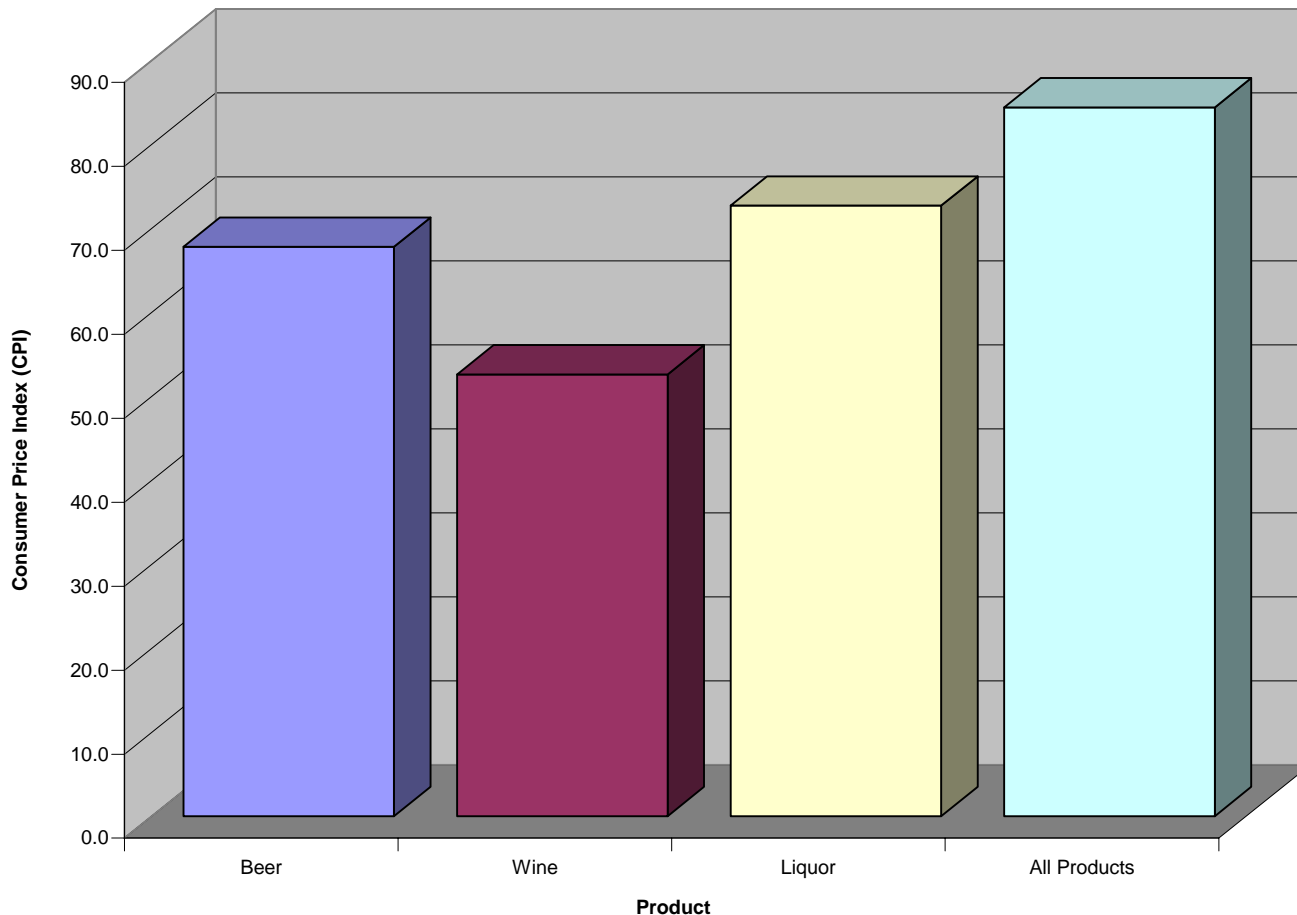
National Median	\$0.185 per gallon
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* Ranked from lowest to highest

State Budget Issues

Inflation and the lack of increases in tax rates over time have contributed to the reduction in effective alcoholic-beverage prices. Prices for off-premise alcoholic beverages¹³ have risen more slowly than for all other consumer products combined. The consumer price index (CPI), which measures the price value of products, illustrates this fact. Between 1983 and 2003, the CPI growth for all products was 19.7 percent higher than for beer, 37.7 percent higher than for wine, and 13.9 percent higher than for liquor.¹⁴

Graph 4. The CPI of all products versus that of each alcoholic product (purchased for home use).



Although alcoholic-beverage producers have occasionally raised prices on their products within the past years (in some markets), in some cases several times, that amount does not fill the gap in price created by eroded tax values. Furthermore, unlike excise taxes, industry-driven price increases do not directly contribute funds to state revenues.

Table 7. Projected 2005 per-capita budget deficits in states with low current beer-tax rates.

State	Projected 2005 budget deficit per capita ¹⁵	Current beer-tax rate [rank] (per gallon)*	Deflated tax rate (per gallon)
New Jersey	\$594.22	\$0.12 [13]	\$0.09
California	\$442.85	\$0.20 [29]	\$0.15
New York	\$268.75	\$0.13 [15]	\$0.11
Massachusetts	\$236.25	\$0.11 [12]	\$0.03
Kansas	\$223.18	\$0.18 [23]	\$0.11
Arizona	\$214.40	\$0.16 [20]	\$0.09
Rhode Island	\$179.33	\$0.10 [11]	\$0.07

National Average \$0.26 per gallon

National Median \$0.185 per gallon

* Ranked from lowest to highest

Most states direct the revenues collected from alcohol taxes into their general funds. Twenty-four states earmark alcohol-tax revenue collections for specific uses, and of those, ten states use the funds for alcohol programs.

Graph 5. States that earmark revenues from alcohol taxes.¹⁶

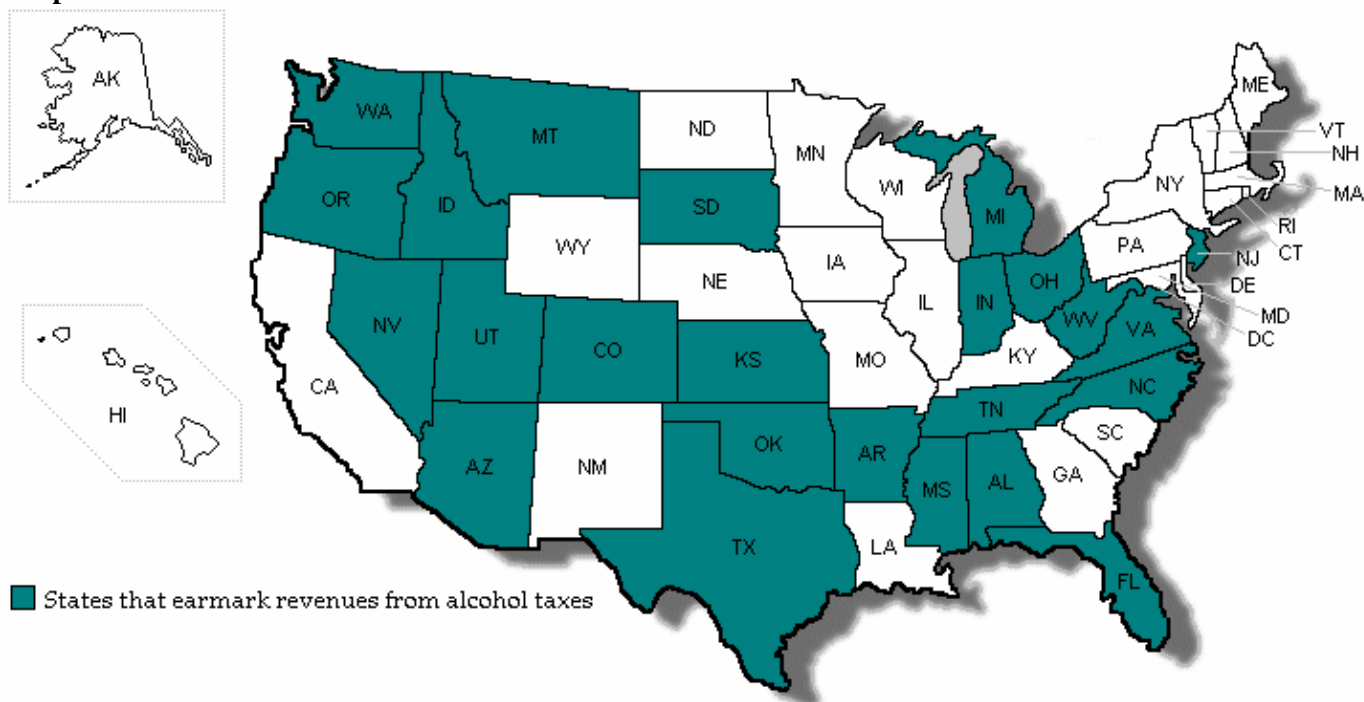


Table 8. States that earmark alcohol-tax collections for alcohol treatment programs.

State	Program
Arizona	Drug and Alcohol Treatment Fund
Idaho	Alcoholism Treatment Account
Kansas	Community Alcoholism and Intoxication Programs Fund
Mississippi	Alcoholism Treatment and Rehabilitation Fund
Montana	Treatment, rehabilitation, and prevention of alcoholism and chemical dependency
New Jersey	Alcohol Education, Rehabilitation and Enforcement Fund
Nevada	Increase services for prevention and treatment of alcoholism and alcohol abuse.
Oregon	Mental Health Alcoholism and Drug Services Account
Tennessee	To assist municipalities and counties in carrying out the provisions of the state's 1973 Comprehensive Alcohol and Drug Treatment Act
Utah	Programs or projects related to prevention, treatment, detection, and prosecution

Graph 6. States that allow local jurisdictions to collect additional alcohol taxes.¹⁷

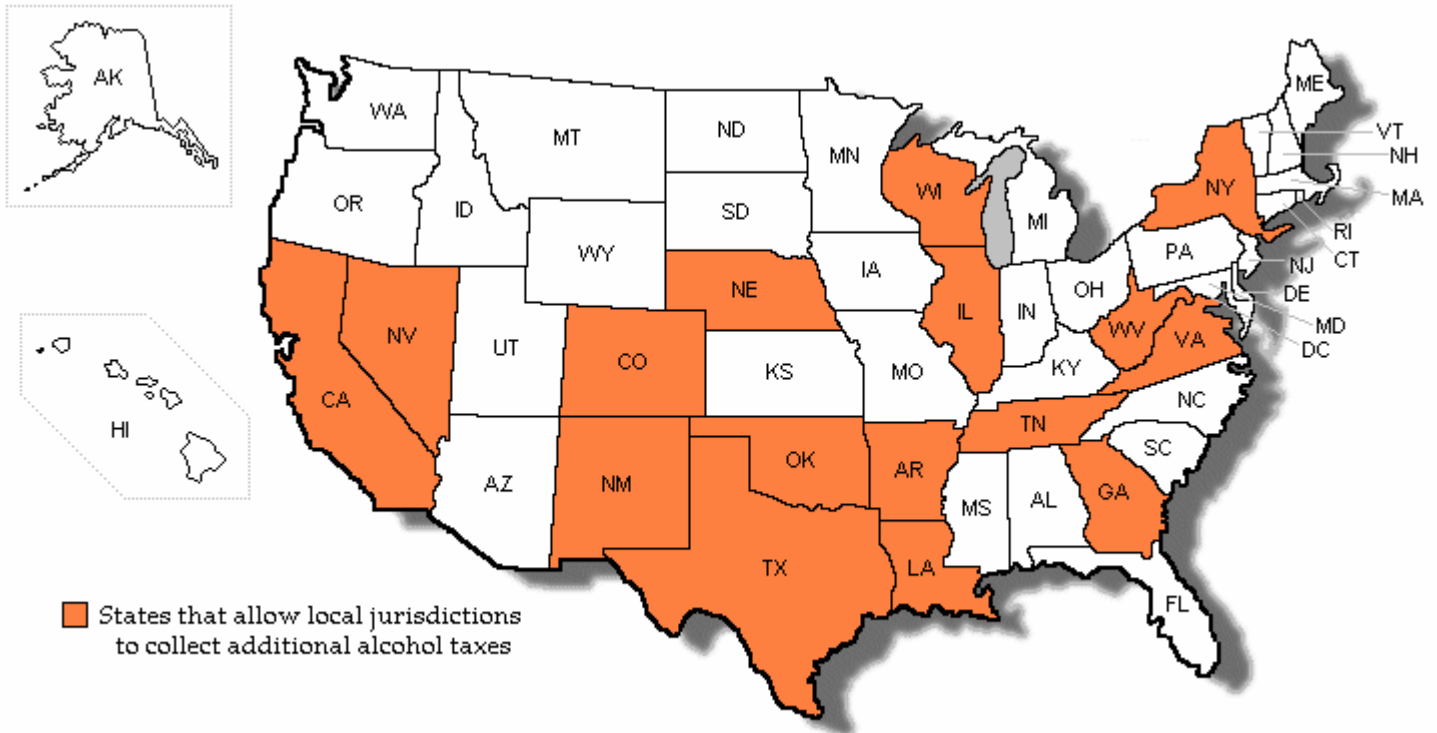


Table 9. Locations of major breweries.

State	Current beer-tax rate [rank]* (per gallon)	Anheuser-Busch	Miller Brewing Company ¹⁸	Coors Brewing Company
California	\$0.20 [29]	✓	✓	
Colorado	\$0.08 [4]	✓		✓
Florida	\$0.48 [45]	✓		
Georgia	\$0.48 [45]	✓	✓	
Missouri	\$0.06 [2]	✓		
New Hampshire	\$0.30 [37]	✓		
New Jersey	\$0.12 [13]	✓		
New York	\$0.125 [15]	✓		
North Carolina	\$0.53 [47]		✓	
Ohio	\$0.18 [23]	✓	✓	
Tennessee	\$0.14 [16]			✓
Texas	\$0.19 [27]	✓	✓	
Virginia	\$0.26 [33]	✓		
Wisconsin	\$0.06 [2]		✓	

* Ranked from lowest to highest

Beer Consumption

Table 10. States with the highest apparent per-capita alcohol consumption from beer (ACB) in 2000.

State	Per capita ACB ¹⁹ (gallons)	Current beer-tax rate [rank]* (per gallon)
Nevada	1.79	\$0.16 [20]
New Hampshire	1.75	\$0.30 [37]
Montana	1.55	\$0.14 [16]
Wisconsin	1.54	\$0.06 [2]
Texas	1.53	\$0.19 [27]

Average beer-tax rate of states with highest per-capita alcohol consumption from beer (ACB) \$0.17

Average rank of beer-tax rates in states with highest per-capita alcohol consumption from beer (ACB) 20

Table 11. States with the lowest apparent per-capita alcohol consumption from beer (ACB) in 2000.

State	Per capita ACB ²⁰ (gallons)	Current beer-tax rate [rank]* (per gallon)
Utah	0.77	\$0.41 [42]
New York	0.92	\$0.125 [15]
Connecticut	0.94	\$0.20 [29]
New Jersey	0.96	\$0.12 [13]
Maryland	1.04	\$0.09 [8]

Average beer-tax rate of states with lowest per-capita alcohol consumption from beer (ACB) \$0.19

Average rank of beer-tax rates in states with lowest per-capita alcohol consumption from beer (ACB) 21

Other factors, such as religiosity, tourism, and racial and economic demographics may play a significant role in the development of policies connected to alcohol and levels of consumption and abstention from alcohol.

Table 12. States with the highest percent of abstainers in 1999.

State	Percent of abstainers ²¹	Current beer-tax rate [rank]* (per gallon)
Oklahoma	71.4 %	\$0.40 [41]
Tennessee	70.3 %	\$0.14 [16]
Utah	70.3 %	\$0.41 [42]
West Virginia	67.4 %	\$0.18 [23]
Arizona	65.5 %	\$0.16 [20]
Kentucky	65.1 %	\$0.08 [4]

Average beer-tax rate of states with highest percent of abstainers \$0.23

Average rank of beer-tax rates in states with highest percent of abstainers 24

Table 13. States with lowest percent of abstainers in 1999.

State	Percent of abstainers ²²	Current beer-tax rate [rank]* (per gallon)
Wisconsin	29.3 %	\$0.06 [2]
Minnesota	33.0 %	\$0.15 [18]
Colorado	34.6 %	\$0.08 [4]
Massachusetts	34.7 %	\$0.11 [12]
New Hampshire	34.7 %	\$0.30 [37]
North Dakota	35.6 %	\$0.16 [20]

Average beer-tax rate of states with lowest percent of abstainers \$0.14

Average rank of beer-tax rates in states with lowest percent of abstainers 16

* Ranked from lowest to highest

Graph 7. Current beer excise taxes and the percentage of 18-20 year olds that binge drink.

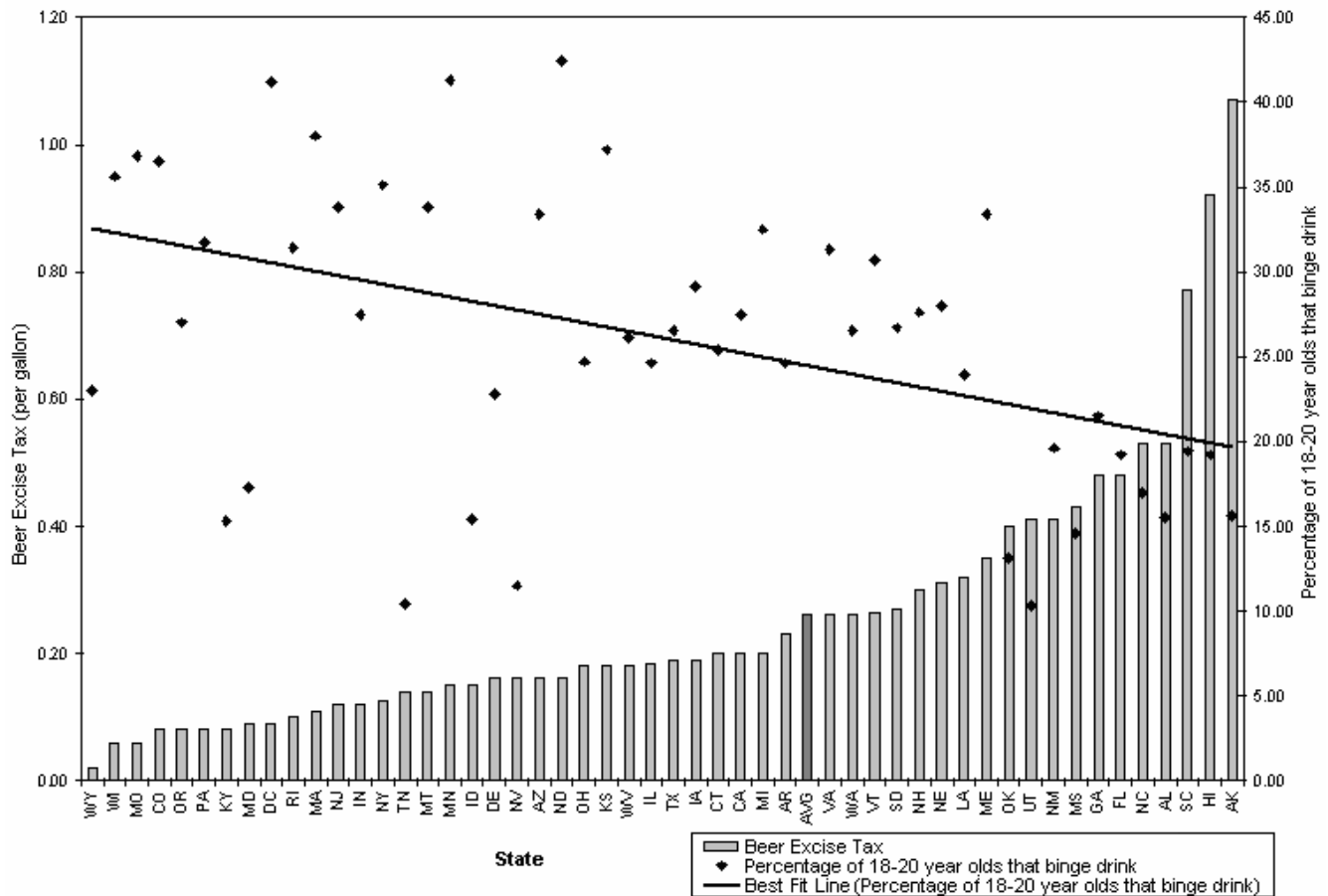


Table 14. Percent of state population that binge drinks (five or more drinks on one or more occasions in the past month) in states with highest current beer-tax rates, 2001.

State	Current beer-tax rate (per gallon)	Percent of 18+ population that binge drinks ²³	Percent of 18-20 population that binge drinks ²⁴
Alaska	\$1.07	18.2 %	15.6 %
Hawaii	\$0.92	10.4 %	19.2 %
South Carolina	\$0.48	12.3 %	19.4 %
North Carolina	\$0.53	9.8 %	17.0 %
Alabama	\$0.53	11.6 %	15.5 %

Average percent of 18+ population that binge drinks 12.5 %

Average percent of 18-20-year-old population that binge drinks 17.3 %

Table 15. Percent of state population that binge drinks (five or more drinks on one or more occasions in the past month) in states with the lowest current beer-tax rates, 2001.

State	Current beer-tax rate (per gallon)	Percent of 18+ population that binge drinks ²⁵	Percent of 18-20 population that binge drinks ²⁶
Wyoming	\$0.02	16.0 %	23.0 %
Wisconsin	\$0.06	25.7 %	35.6 %
Missouri	\$0.06	14.1 %	36.8 %
Colorado	\$0.08	16.7 %	36.5 %
Oregon	\$0.08	14.7 %	27.0 %

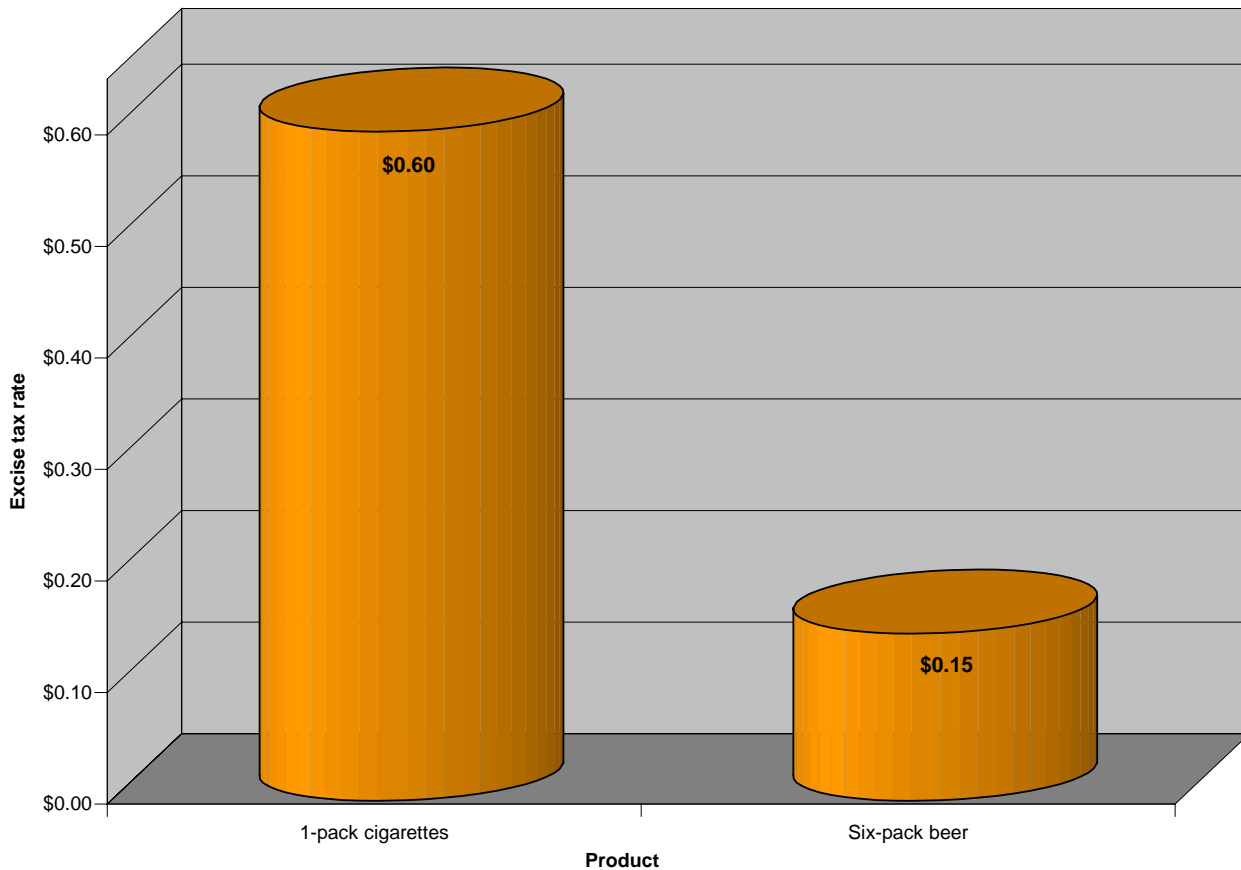
Average percent of 18+ population that binge drinks 17.4 %

Average percent of 18-20-year-old population that binge drinks 31.8 %

Tobacco Taxes Dwarf Beer Taxes

Excise taxes on beer and tobacco vary greatly state by state. Overall, beer tax rates pale in comparison to taxes imposed on tobacco products, including cigarettes. State taxes on cigarettes average \$0.60 per pack across the United States, whereas beer taxes average merely \$0.15 per six pack (Graph 8). During the past decades, states have increased taxes on cigarettes hundreds of times, both to maximize revenue and to deter health-damaging smoking. In contrast, despite enormous costs and harm associated with beer consumption, states have been generally unwilling to raise taxes on beer. Those tax hikes have been few and far between.

Graph 8. State taxes on cigarettes dwarf beer levies.



Graph 9. In Wyoming, the excise tax on 533.3 six-packs of beer equals the excise tax on one carton of cigarettes.



Table 16. Comparing beer and cigarette excise tax rates for the states with the lowest beer-tax rates.

State	Current beer-tax rate		Current state cigarette-tax rate ²⁷ per carton (1 carton = 10 packs)	Quantity of beer that yields the same revenue as a carton of cigarettes	
	per gallon	per six-pack		in gallons	in six-packs
Wyoming	\$0.02	\$0.011	\$6.00	300.0	533.3
Missouri	\$0.06	\$0.036	\$1.70	28.3	47.2
Wisconsin	\$0.06	\$0.036	\$7.70	128.3	213.9
Colorado	\$0.08	\$0.045	\$2.00	25.0	44.4
Kentucky	\$0.08	\$0.045	\$0.30	3.8	6.7
Oregon	\$0.08	\$0.045	\$12.80	160.0	284.4
Pennsylvania	\$0.08	\$0.045	\$10.00	125.0	222.2
District of Columbia	\$0.09	\$0.051	\$10.00	111.1	196.1
Maryland	\$0.09	\$0.051	\$10.00	111.1	196.1
Rhode Island	\$0.10	\$0.056	\$17.10	171.0	305.4

Alcohol-Related Costs

Table 17. Revenues collected and alcohol-related healthcare costs per state. * Lowest to highest

State	Current beer-tax rate [rank] (per gallon) *	Revenues collected from alcohol taxes ²⁸	Revenues collected per-capita ²⁹	Alcohol-related healthcare costs ³⁰	Per-capita alcohol-related healthcare costs ³¹
Alabama	\$0.53 [47]	\$128,848,000	\$28.97	\$572,079,281	\$128.64
Alaska	\$1.07 [51]	\$12,003,000	\$19.15	\$91,661,314	\$146.21
Arizona	\$0.16 [20]	\$51,406,000	\$10.02	\$708,893,559	\$138.17
Arkansas	\$0.23 [32]	\$29,121,000	\$10.89	\$346,500,496	\$129.61
California	\$0.20 [29]	\$288,451,000	\$8.52	\$4,685,543,517	\$138.33
Colorado	\$0.08 [4]	\$30,439,000	\$7.08	\$656,697,902	\$152.68
Connecticut	\$0.20 [29]	\$47,328,000	\$13.90	\$473,322,122	\$138.98
Delaware	\$0.16 [20]	\$11,611,000	\$14.82	\$111,407,430	\$142.17
District of Columbia	\$0.09 [8]	Unavailable		\$82,386,220	\$144.02
Florida	\$0.48 [45]	\$545,488,000	\$34.13	\$2,139,463,829	\$133.86
Georgia	\$0.48 [45]	\$140,367,000	\$17.15	\$1,165,578,980	\$142.38
Hawaii	\$0.92 [50]	\$37,782,000	\$31.19	\$160,865,739	\$132.78
Idaho	\$0.15 [18]	\$6,057,000	\$4.68	\$183,428,932	\$141.76
Illinois	\$0.185 [26]	\$140,643,000	\$11.32	\$1,701,913,272	\$137.04
Indiana	\$0.12 [13]	\$33,078,000	\$5.44	\$851,368,567	\$140.02
Iowa	\$0.19 [27]	\$12,209,000	\$4.17	\$436,434,356	\$149.14
Kansas	\$0.18 [23]	\$77,896,000	\$28.97	\$391,626,883	\$145.67
Kentucky	\$0.08 [4]	\$69,876,000	\$17.29	\$527,776,756	\$130.58
Louisiana	\$0.32 [39]	\$52,392,000	\$11.72	\$543,031,495	\$121.51
Maine	\$0.35 [40]	\$40,900,000	\$32.08	\$183,588,390	\$144.00
Maryland	\$0.09 [8]	\$24,522,000	\$4.63	\$777,300,698	\$146.76
Massachusetts	\$0.11 [12]	\$64,793,000	\$10.21	\$916,028,462	\$144.28
Michigan	\$0.20 [29]	\$136,591,000	\$13.74	\$1,362,163,131	\$137.06
Minnesota	\$0.15 [18]	\$60,610,000	\$12.32	\$777,911,950	\$158.13
Mississippi	\$0.43 [44]	\$39,256,000	\$13.80	\$353,543,189	\$124.28
Missouri	\$0.06 [2]	\$25,912,000	\$4.63	\$793,299,570	\$141.78
Montana	\$0.14 [16]	\$17,541,000	\$19.44	\$126,874,779	\$140.63
Nebraska	\$0.31 [38]	\$17,290,000	\$10.10	\$261,164,317	\$152.61
Nevada	\$0.16 [20]	\$16,468,000	\$8.24	\$296,430,935	\$148.34
New Hampshire	\$0.30 [37]	\$11,462,000	\$9.28	\$189,674,339	\$153.48
New Jersey	\$0.12 [13]	\$79,889,000	\$9.49	\$1,174,375,702	\$139.57
New Mexico	\$0.41 [42]	\$34,738,000	\$19.10	\$239,371,833	\$131.59
New York	\$0.125 [15]	\$179,157,000	\$9.44	\$2,492,422,341	\$131.34
North Carolina	\$0.53 [47]	\$199,844,000	\$24.83	\$1,104,878,939	\$137.26
North Dakota	\$0.16 [20]	\$4,892,000	\$7.62	\$92,564,905	\$144.14
Ohio	\$0.18 [23]	\$81,029,000	\$7.14	\$1,563,504,422	\$137.72
Oklahoma	\$0.40 [41]	\$61,994,000	\$17.97	\$458,652,060	\$132.92
Oregon	\$0.08 [4]	\$12,616,000	\$3.69	\$492,350,681	\$143.90
Pennsylvania	\$0.08 [4]	\$187,662,000	\$15.28	\$1,641,691,603	\$133.68
Rhode Island	\$0.10 [11]	\$9,450,000	\$9.01	\$152,627,117	\$145.59
South Carolina	\$0.77 [49]	\$137,429,000	\$34.25	\$539,629,741	\$134.50
South Dakota	\$0.27 [39]	\$11,070,000	\$14.67	\$112,045,259	\$148.43
Tennessee	\$0.14 [16]	\$78,470,000	\$13.79	\$773,952,096	\$136.04
Texas	\$0.19 [27]	\$541,305,000	\$25.96	\$2,921,123,023	\$140.09
Utah	\$0.41 [42]	\$25,020,000	\$11.20	\$320,748,158	\$143.63
Vermont	\$0.265 [35]	\$15,386,000	\$25.27	\$93,893,715	\$154.22
Virginia	\$0.26 [33]	\$127,638,000	\$18.03	\$1,007,105,099	\$142.28
Washington	\$0.261 [34]	\$168,777,000	\$28.63	\$823,915,352	\$139.79
West Virginia	\$0.18 [23]	\$8,197,000	\$4.53	\$213,380,310	\$118.00
Wisconsin	\$0.06 [2]	\$44,907,000	\$8.37	\$825,729,319	\$153.95
Wyoming	\$0.02 [1]	\$1,349,000	\$2.73	\$73,430,041	\$148.71

Table 18. Per-capita revenue collections from alcohol taxes in proportion to per-capita alcohol-related healthcare costs.

* Lowest to highest

State	Current beer-tax rate [rank] (per gallon) *	Revenues collected per-capita ³²	Per-capita alcohol-related healthcare costs ³³	Proportion of per-capita revenues collected to alcohol-related healthcare costs
Alabama	\$0.53 [47]	\$28.97	\$128.64	1 : 4.4
Alaska	\$1.07 [51]	\$19.15	\$146.21	1 : 1.6
Arizona	\$0.16 [20]	\$10.02	\$138.17	1 : 13.8
Arkansas	\$0.23 [32]	\$10.89	\$129.61	1 : 11.9
California	\$0.20 [29]	\$8.52	\$138.33	1 : 16.2
Colorado	\$0.08 [4]	\$7.08	\$152.68	1 : 21.6
Connecticut	\$0.20 [29]	\$13.90	\$138.98	1 : 10.0
Delaware	\$0.16 [20]	\$14.82	\$142.17	1 : 9.6
District of Columbia	\$0.09 [8]	Unavailable	\$144.02	Not Applicable
Florida	\$0.48 [45]	\$34.13	\$133.86	1 : 3.9
Georgia	\$0.48 [45]	\$17.15	\$142.38	1 : 8.3
Hawaii	\$0.92 [50]	\$31.19	\$132.78	1 : 4.3
Idaho	\$0.15 [18]	\$4.68	\$141.76	1 : 30.3
Illinois	\$0.185 [26]	\$11.32	\$137.04	1 : 12.1
Indiana	\$0.12 [13]	\$5.44	\$140.02	1 : 25.7
Iowa	\$0.19 [27]	\$4.17	\$149.14	1 : 35.8
Kansas	\$0.18 [23]	\$28.97	\$145.67	1 : 5.0
Kentucky	\$0.08 [4]	\$17.29	\$130.58	1 : 7.6
Louisiana	\$0.32 [39]	\$11.72	\$121.51	1 : 10.4
Maine	\$0.35 [40]	\$32.08	\$144.00	1 : 4.5
Maryland	\$0.09 [8]	\$4.63	\$146.76	1 : 31.7
Massachusetts	\$0.11 [12]	\$10.21	\$144.28	1 : 14.1
Michigan	\$0.20 [29]	\$13.74	\$137.06	1 : 10.0
Minnesota	\$0.15 [18]	\$12.32	\$158.13	1 : 12.8
Mississippi	\$0.43 [44]	\$13.80	\$124.28	1 : 9.0
Missouri	\$0.06 [2]	\$4.63	\$141.78	1 : 30.6
Montana	\$0.14 [16]	\$19.44	\$140.63	1 : 7.2
Nebraska	\$0.31 [38]	\$10.10	\$152.61	1 : 15.1
Nevada	\$0.16 [20]	\$8.24	\$148.34	1 : 18.0
New Hampshire	\$0.30 [37]	\$9.28	\$153.48	1 : 16.5
New Jersey	\$0.12 [13]	\$9.49	\$139.57	1 : 14.7
New Mexico	\$0.41 [42]	\$19.10	\$131.59	1 : 6.9
New York	\$0.125 [15]	\$9.44	\$131.34	1 : 13.9
North Carolina	\$0.53 [47]	\$24.83	\$137.26	1 : 5.5
North Dakota	\$0.16 [20]	\$7.62	\$144.14	1 : 18.9
Ohio	\$0.18 [23]	\$7.14	\$137.72	1 : 19.3
Oklahoma	\$0.40 [41]	\$17.97	\$132.92	1 : 7.4
Oregon	\$0.08 [4]	\$3.69	\$143.90	1 : 39.0
Pennsylvania	\$0.08 [4]	\$15.28	\$133.68	1 : 8.7
Rhode Island	\$0.10 [11]	\$9.01	\$145.59	1 : 16.2
South Carolina	\$0.77 [49]	\$34.25	\$134.50	1 : 3.9
South Dakota	\$0.27 [39]	\$14.67	\$148.43	1 : 10.1
Tennessee	\$0.14 [16]	\$13.79	\$136.04	1 : 9.8
Texas	\$0.19 [27]	\$25.96	\$140.09	1 : 5.4
Utah	\$0.41 [42]	\$11.20	\$143.63	1 : 12.8
Vermont	\$0.265 [35]	\$25.27	\$154.22	1 : 6.1
Virginia	\$0.26 [33]	\$18.03	\$142.28	1 : 7.9
Washington	\$0.261 [34]	\$28.63	\$139.79	1 : 4.9
West Virginia	\$0.18 [23]	\$4.53	\$118.00	1 : 26.0
Wisconsin	\$0.06 [2]	\$8.37	\$153.95	1 : 18.4
Wyoming	\$0.02 [1]	\$2.73	\$148.71	1 : 54.5

Graph 10. Current beer excise taxes and per-capita alcohol-related healthcare costs.

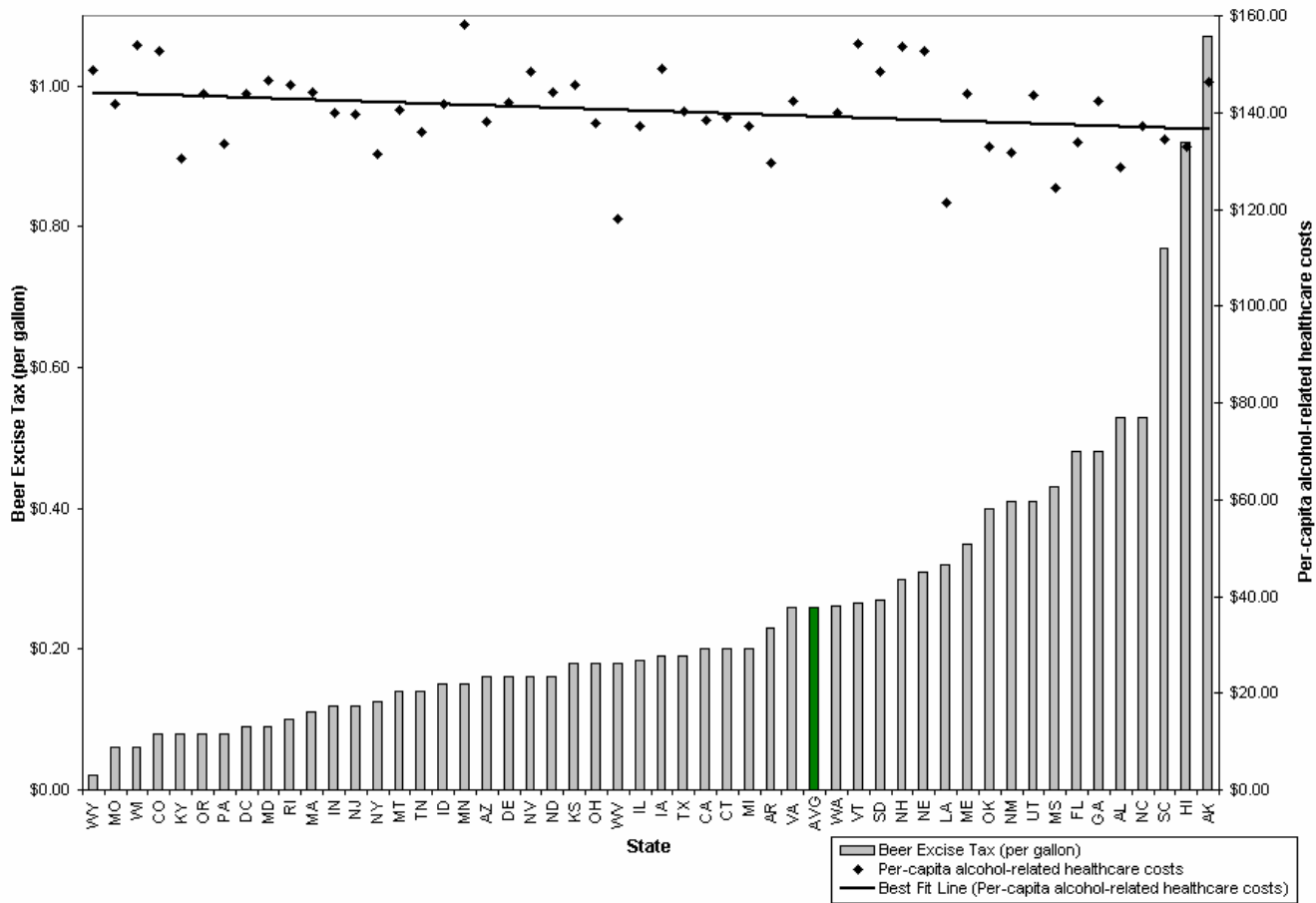


Table 19. Per-capita alcohol consumption from beer (ACB) and healthcare costs in states with the highest beer-tax rates.

State	Current beer-tax rate (per gallon)	Per-capita ACB ³⁴ [rank]* (gallons)	Per-capita “All beverage” consumption ³⁵ [rank]* (gallons)	Per-capita beer-related healthcare costs ³⁶ [rank]*	Per-capita alcohol-related healthcare costs ³⁷	Per-capita personal healthcare expenditures ³⁸
Alaska	\$1.07	1.35 [32]	2.63 [46]	\$74.71 [16]	\$146.21	\$3,370.38
Hawaii	\$0.92	1.33 [31]	2.33 [33]	\$75.95 [18]	\$132.78	\$3,711.81
South Carolina	\$0.77	1.45 [42]	2.37 [35]	\$81.91 [29]	\$134.50	\$3,374.12
Alabama	\$0.53	1.19 [19]	1.88 [9]	\$81.30 [26]	\$128.64	\$3,552.43
North Carolina	\$0.53	1.19 [19]	1.94 [11]	\$84.55 [35]	\$137.26	\$3,314.44
Florida	\$0.48	1.32 [30]	2.55 [43]	\$69.48 [9]	\$133.86	\$3,775.66
Georgia	\$0.48	1.22 [23]	2.17 [20]	\$80.16 [23]	\$142.38	\$3,272.36

* Ranked from lowest to highest

³⁵ “All beverage” refers to alcohol consumption from beer, wine, and distilled spirits combined.

Table 20. Per-capita alcohol consumption from beer (ACB) and healthcare costs in states with the lowest beer-tax rates.

State	Current beer-tax rate (per gallon)	Per-capita ACB ³⁹ [rank]* (gallons)	Per-capita “All beverage” consumption ⁴⁰ [rank]* (gallons)	Per-capita beer-related healthcare costs ⁴¹ [rank]*	Per-capita alcohol-related healthcare costs ⁴²	Per-capita personal healthcare expenditures ⁴³
Wyoming	\$0.02	1.42 [38]	2.46 [40]	\$85.95 [40]	\$148.71	\$3,292.95
Missouri	\$0.06	1.35 [32]	2.25 [26]	\$85.07 [37]	\$141.78	\$3,648.48
Wisconsin	\$0.06	1.54 [48]	2.76 [47]	\$85.75 [39]	\$153.95	\$3,744.63
Colorado	\$0.08	1.35 [32]	2.60 [45]	\$75.98 [19]	\$152.68	\$3,075.61
Kentucky	\$0.08	1.07 [6]	1.74 [4]	\$78.93 [22]	\$130.58	\$3,614.75
Oregon	\$0.08	1.20 [22]	2.28 [29]	\$80.18 [24]	\$143.90	\$3,197.81
Pennsylvania	\$0.08	1.21 [23]	1.90 [10]	\$85.29 [38]	\$133.68	\$4,073.51

Table 21. Comparing average beer consumption and healthcare costs for the seven states with the highest current beer-tax rates and the seven states with the lowest current beer-tax rates.

		Average of top 7 states with the highest current beer-tax rates (see Table 18)	Average of top 7 states with the lowest current beer-tax rates (see Table 19)
Per-capita beer consumption	volume	1.29 gallons	1.31 gallons
	rank*	28.0	28.7
Per-capita “All beverage” consumption	volume	2.27 gallons	2.28 gallons
	rank*	28.1	28.7
Per-capita beer-related healthcare	cost	\$78.29	\$82.45
	rank*	22.3	31.3
Per-capita alcohol-related healthcare	cost	\$136.52	\$143.61
Per-capita personal healthcare	cost	\$3,481.60	\$3,521.11

Numerous factors affect alcohol-related healthcare costs and beer consumption. They include climate, demographics, poverty, population, healthcare access, employment, healthcare coverage, state budget issues, among others. Beer consumption is only one indicator of healthcare costs.

* Ranked from lowest to highest

⁴⁰ “All beverage” refers to alcohol consumption from beer, wine, and distilled spirits combined.

Errata

Since we first published this Factbook on July 16, 2004, we have discovered a few minor inaccuracies in the data presented. This errata sheet notes any changes that have been made, and those corrections have been added to the current posted version.

If the reader notes the need for any further correction, please email us at alcproject@cspinet.org.

Corrections:

Page 1: *Changed* “In 2000, the states and federal government collected \$3.6 billion in taxes on beer,” to “In 2000, the government collected \$3.6 billion in federal taxes and \$1.9 billion in state taxes on beer.”
— 8/3/2004

Tables: *Clarified* Tables 10, 11, 19, 20, & 21. “Alcohol Consumption from Beer (ACB)” refers to the volume of ethanol (ethyl alcohol) consumed from beer. Per-capita consumption of beer itself would be much higher.
Changed [Tables 10, 11, 19, 20, & 21] “Per-capita alcohol consumption” to “Per-capita ‘All beverage’ consumption.” “All beverage” refers to the sum of all beer, wine, and distilled spirits, and “All beverage consumption” refers to the ethanol content (ethyl alcohol) of beer, wine, and distilled spirits combined. — 8/24/2004

References:

- ¹ Rollbackthebeertax.com.
- ² Foster, S.E., Vaughan, R.D., Foster, W.H. & Califano, J.A. (2003). Alcohol consumption and expenditures for underage drinking and adult excessive drinking. *Journal of the American Medical Association*. 289(8): 989-995.
- ³ *Adams Beer Handbook, 2003*.
- ⁴ Anheuser-Busch. *2003 Annual Report* (2004): 41. Online: <http://www.anheuser-busch.com/annual/2003/FinancialSection.pdf>. Accessed 5 March 2004.
- ⁵ <http://www.beerservesamerica.org/taxes/index.phtml>. Accessed 5 March 2004.
- ⁶ American Medical Association survey. May 4, 2004.
- ⁷ As of January 1, 2004. CSPI and the Federation of Tax Administrators.
- ⁸ The Beer Institute and state revenue departments.
- ⁹ New York's beer tax *decreased* in 2001, following two decreases before that in 1996 and 1999. The state last *increased* its beer tax in 1990.
- ¹⁰ See Reference 8.
- ¹¹ See Reference 8.
- ¹² See Reference 8.
- ¹³ 75.2 percent of alcoholic beverages sold are purchased for off-premise consumption. Source: *Adams Beer Handbook, 2003*.
- ¹⁴ U.S. Bureau of Labor Statistics, 2004.
- ¹⁵ Calculated by dividing projected budget deficits by the total state population. Source: Johnson, N. & Zahradnik, B. (2004). *State budget deficits projected for Fiscal Year 2005*. Center on Budget and Policy Priorities. Online: <http://www.cbpp.org/10-22-03sfp2.pdf>. Accessed 5 March 2004.
- ¹⁶ State earmarks revenues from all alcoholic-beverage taxes to some state program (not specifically to alcohol treatment programs), as opposed to the state's general fund. Fiscal Planning Services, Inc. *Dedicated State Tax Revenues* (2002).
- ¹⁷ States where local jurisdiction can collect additional alcoholic beverage taxes. Information taken from *DISCUS Summary of State Laws and Regulations Relating to Distilled Spirits, 2000*.
- ¹⁸ Online: <http://www.millerbrewing.com/brandsbreweries/breweries.asp>. Accessed 5 March 2004
- ¹⁹ "Per capita" pertains to entire population over the age of 14 in that state, not only alcohol consumers. "Alcohol Consumption from Beer (ACB)" refers to the volume of ethanol (ethyl alcohol) consumed from beer. Source: Nephew, T.M., Williams, G.D., Yi, H., Hoy, A.K., Stinson, F.S. & Dufour, M.C. (2003). *Apparent per capita alcohol consumption: National, state, and regional trends, 1977-2000*. NIAAA Surveillance Report #62.
- ²⁰ See Reference 19.
- ²¹ See Reference 19.
- ²² See Reference 19.
- ²³ NIAAA. *State trends in drinking behaviors, 1984-2001* (2003). U.S. Alcohol Epidemiologic Data Reference Manual, Vol. 7, First Edition. NIH Publication No. 02-5213.
- ²⁴ See Reference 23.
- ²⁵ See Reference 23.
- ²⁶ See Reference 23.
- ²⁷ As of January 1, 2004. Federation of Tax Administrators.
- ²⁸ World Tax Database. Online: www.wtdb.org. Accessed 15 January 2004.
- ²⁹ Calculated by dividing state revenue collections by the total state population.
- ³⁰ *Ensuring Solutions to Alcohol Problems*. Online: <http://www.ensuringsolutions.org/pages/pm.html#pb1>. Accessed 15 January 2004.
- ³¹ Calculated by dividing alcohol-related health-care costs by the total state population. Source: See Reference 29.
- ³² Calculated by dividing state revenue collections by the total state population.
- ³³ See Reference 30.
- ³⁴ See Reference 19.
- ³⁵ See Reference 19. "All beverage" refers to the sum of all beer, wine, and distilled spirits. "All beverage consumption" refers to the ethanol content (ethyl alcohol) of beer, wine, and distilled spirits combined.
- ³⁶ We calculated the part of state alcohol-related healthcare costs due to beer consumption by using the proportion of all ethanol consumption made up by beer and multiplying that percentage by the total alcohol-related healthcare costs. Note: The portion of alcohol-related healthcare costs due to beer consumption may, in fact, be higher than our calculations because beer accounts for 81% of all alcohol consumed in hazardous amounts (Sources: See Reference 18. Also, Rogers, J.D. & Greenfield, T.K. (1999). Beer drinking accounts for most of the hazardous alcohol consumption reported in the United States. *Journal of Studies on Alcohol*. 60: 732-739).
- ³⁷ See Reference 30.
- ³⁸ Calculated by dividing personal healthcare expenditures by the total state population. Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group. *1998 State Health Expenditures* (September 2002). Online: <http://www.cms.hhs.gov/statistics/nhe/state-estimates-residence/>. Accessed 28 May 2004.
- ³⁹ See Reference 19.

⁴⁰ See Reference 19. “All beverage” refers to the sum of all beer, wine, and distilled spirits. “All beverage consumption” refers to the ethanol content (ethyl alcohol) of beer, wine, and distilled spirits combined.

⁴¹ See Reference 36.

⁴² See Reference 30.

⁴³ See Reference 38.