

Research indicates that increasing the beer tax by 10% would decrease alcohol consumption by 0.48% per capita, which, in turn, should reduce rapes by 1.32%, robbery by 0.9%, murder by 0.3%, and assaults by 0.3% (Cook & Moore 1993). Furthermore, it is estimated that raising the price of alcohol by one percent would decrease the rate of wife abuse by 3.1-3.5% (Markowitz 1999). Another study says that increasing the beer excise tax would also reduce domestic violence against children. It claims that a 10% increase in the beer excise tax would reduce overall domestic violence against children by 1.2% and would reduce severe domestic violence by 2.3% (Markowitz and Grossman 1998).

Medical Problems:

The Center for Disease Control and Prevention estimates that a \$0.20 state tax increase per six-pack of beer could reduce U.S. gonorrhea rates by almost 9 percent. This conclusion was based on a study done from 1981 to 1995 on alcohol policy changes. The study found that two-thirds of state beer tax increases were associated with a decrease in the gonorrhea rates for teenagers and three-quarters of the beer tax increases were associated with a decrease in gonorrhea rates among young adults (Chesson 2000). Harrell Chesson, the author of the study, said that these teens and young adults "are more likely to have sex and they are more likely to have sex without a condom, with multiple partners and with high-risk partners," when they drink. In 1991, California increased its beer tax from 4 cents to 20 cents per gallon, and teenage gonorrhea rates among young men dropped 30% the following year (Cimons 2000). A study shows that for each 10% increase in the liquor tax, cirrhosis deaths decreased 9%. The author cites studies showing that cirrhosis rates were reduced dramatically during

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States	Excise Tax Rates (\$ per	Sales Taxes Applied	Other Taxes
Alabama	0.00	Yes	2.5% (beer) 4.0% (wine)
Alaska	0.00	No	None
Arizona	0.00	Yes	7.0% (beer) 7.0% (wine)
Arkansas	0.00	Yes	7.0% (beer) 7.0% (wine)
California	0.00	Yes	7.25% (beer) 7.25% (wine)
Colorado	0.00	Yes	2.9% (beer) 2.9% (wine)
Connecticut	0.00	Yes	7.0% (beer) 7.0% (wine)
Delaware	0.00	Yes	7.0% (beer) 7.0% (wine)
Florida	0.00	Yes	7.0% (beer) 7.0% (wine)
Georgia	0.48	Yes	8.0% (beer) 8.0% (wine)
Hawaii	0.00	Yes	4.71% (beer) 4.71% (wine)
Idaho	0.00	Yes	7.0% (beer) 7.0% (wine)
Illinois	0.00	Yes	9.25% (beer) 9.25% (wine)
Indiana	0.00	Yes	9.0% (beer) 9.0% (wine)
Iowa	0.00	Yes	9.0% (beer) 9.0% (wine)
Kansas	0.00	Yes	9.0% (beer) 9.0% (wine)
Kentucky	0.00	Yes	8.0% (beer) 8.0% (wine)
Louisiana	0.00	Yes	7.0% (beer) 7.0% (wine)
Maine	0.00	Yes	7.0% (beer) 7.0% (wine)
Maryland	0.00	Yes	7.0% (beer) 7.0% (wine)
Massachusetts	0.00	Yes	7.0% (beer) 7.0% (wine)
Michigan	0.00	Yes	9.0% (beer) 9.0% (wine)
Minnesota	0.00	Yes	9.0% (beer) 9.0% (wine)
Mississippi	0.00	Yes	7.0% (beer) 7.0% (wine)
Missouri	0.00	Yes	9.0% (beer) 9.0% (wine)
Montana	0.00	Yes	7.0% (beer) 7.0% (wine)
Nebraska	0.00	Yes	9.0% (beer) 9.0% (wine)
Nevada	0.00	Yes	7.0% (beer) 7.0% (wine)
New Hampshire	0.00	Yes	7.0% (beer) 7.0% (wine)
New Jersey	0.00	Yes	7.0% (beer) 7.0% (wine)
New Mexico	0.00	Yes	7.0% (beer) 7.0% (wine)
New York	0.00	Yes	9.0% (beer) 9.0% (wine)
North Carolina	0.00	Yes	7.0% (beer) 7.0% (wine)
North Dakota	0.00	Yes	9.0% (beer) 9.0% (wine)
Ohio	0.00	Yes	9.0% (beer) 9.0% (wine)
Oklahoma	0.00	Yes	9.0% (beer) 9.0% (wine)
Oregon	0.00	Yes	7.0% (beer) 7.0% (wine)
Pennsylvania	0.00	Yes	8.0% (beer) 8.0% (wine)
Rhode Island	0.00	Yes	7.0% (beer) 7.0% (wine)
South Carolina	0.00	Yes	7.0% (beer) 7.0% (wine)
South Dakota	0.00	Yes	9.0% (beer) 9.0% (wine)
Tennessee	0.00	Yes	7.0% (beer) 7.0% (wine)
Texas	0.00	Yes	7.0% (beer) 7.0% (wine)
Utah	0.00	Yes	7.0% (beer) 7.0% (wine)
Vermont	0.00	Yes	7.0% (beer) 7.0% (wine)
Virginia	0.00	Yes	7.0% (beer) 7.0% (wine)
Washington	0.00	Yes	7.0% (beer) 7.0% (wine)
West Virginia	0.00	Yes	7.0% (beer) 7.0% (wine)
Wisconsin	0.00	Yes	9.0% (beer) 9.0% (wine)
Wyoming	0.00	Yes	7.0% (beer) 7.0% (wine)

Missouri	0.06	Yes	
Montana	0.14	n.a.	
Nebraska	0.22	Yes	
Nevada	0.09	Yes	
New Hampshire	0.3	n.a.	
New Jersey	0.12	Yes	
Nevada	0.41	Yes	
New York (1)	0.135	Yes	\$0.12/gallon in New York City
North Carolina	0.19	Yes	over 4% on 100% gallon, 14% on-premise and \$0.05/drink on airline sales
North Dakota	0.35	Yes	over 3.2% sold through state

Figure 1: State Beer Excise Tax Rates

* Sales tax applied to on-premise sales only.

(1) Tax rate scheduled to decrease to 12.5 cents per gallon 4/1/01.

Source: Federation of Tax Administrators <http://www.taxadmin.org/fta/rate/beer.html>

