



## Alcohol and Addiction – Alcohol Excise Taxes 82<sup>nd</sup> Legislative Session

It has been 27 years (1984) since alcohol excise taxes were increased in the State of Texas. Bringing Texas beer and wine taxes in line with the current liquor or cigarette taxes could raise \$768 million to \$1.4 billion in revenue for our state during this budget crisis.

### Raising Alcohol Rates (Beer and Wine) by \$1.00 – Equaling the Recent Increase for Cigarettes

- Beer is currently taxed at roughly 19¢/gallon and wine is currently taxed at roughly 20¢/gallon
- Beer tax generated \$103 million in 2010, by adding \$1.00 we would generate \$630 million annually
- Wine tax generated \$11 million in 2010, by adding \$1.00 we would generate \$64 million annually

**Add \$1.00 to the current tax rate for beer and wine to generate over 4x more revenue from alcohol annually.**

Revenue Source	Current Tax Rate	Revenue: 2010	Proposed Tax Rate	Estimated Revenue at New Rate
Beer	19.4¢/gal 1.2¢/12-oz can	\$103,958,378.23	\$1.19/gal 11¢/12-oz can	\$637,682,835.53
Liquor	\$2.40/gal 2.8¢/1.5 oz	\$66,671,098.85	(no change)	\$66,671,098.85
Wine (<14% alcohol)	20.4¢/gal 4.08¢/750 ml bottle	\$10,939,860.01	\$1.20/gal 24¢/750 ml bottle	\$64,352,117.71
<b>TOTAL</b>		<b>\$181,569,337.09</b>		<b>\$768,706,052.09</b>

### Raising Alcohol Rates (Beer and Wine) by \$2.20 – To More Closely Match the Current Liquor Tax

- Beer is currently taxed at 19¢/gallon and wine is currently taxed at roughly 20¢/gallon
- Beer tax generated \$103 million in 2010, by adding \$2.20 we would generate \$1.2 billion annually
- Wine tax generated \$11 million in 2010, by adding \$2.20 we would generate \$128 million annually

**Add \$2.20 to the current tax rate for beer and wine to generate nearly 8x more revenue from alcohol annually.**

Revenue Source	Current Tax Rate	Revenue: 2010	Proposed Tax Rate	Estimated Revenue at New Rate
Beer	19.4¢/gal 1.2¢/12-oz can	\$103,958,378.23	\$2.30/gal 22¢/12-oz can	\$1,232,496,236.75
Liquor	\$2.40/gal 2.8¢/1.5 oz	\$66,671,098.85	(no change)	\$66,671,098.85
Wine (<14% alcohol)	20.4¢/gal 4.08¢/750 ml bottle	\$10,939,860.01	\$2.40/gal 48¢/750 ml bottle	\$128,704,235.41
<b>TOTAL</b>		<b>\$181,569,337.09</b>		<b>\$1,427,871,571.01</b>