

Study: Alcohol Tax Hikes Beneficial To Public Health

By Ashley Booker • Apr 21, 2015



Researchers say Kansas could see a decrease in alcohol-related car crashes if legislators approve Gov. Sam Brownback's proposed tobacco and alcohol tax increases.

Increasing alcohol taxes decreased alcohol-related car crashes and related health problems, according to researchers from the University of Florida.

The same researchers say Kansas could see similar benefits if legislators approve Gov. Sam Brownback's proposed tobacco and alcohol tax increases. The increases are part of a package to help the state close a deficit of about \$750 million.

"I think there is little question that the state can expect a health benefit, reduced deaths, reduced injuries and reduced health care costs associated with those as a result of this tax increase," said Alex Wagenaar, lead author of the study and a professor in the department of health outcomes and policy at the University of Florida's College of Medicine.

Wagenaar said when an alcohol tax is increased, higher prices cause people to change their drinking habits, which in turn affects alcohol-related death rates and injuries.

[His study](#) found that after Illinois in 2009 increased taxes on beer, wine and spirits, it saw a 26 percent reduction in monthly rates of fatal alcohol-related car crashes. The Journal of Public Health released the study in March, and it will be published in an upcoming issue.

The decrease was much the same for drivers who were alcohol-impaired and extremely drunken drivers, at 22 percent and 25 percent, respectively. Younger drivers saw large declines in fatal alcohol-related accidents, at 37 percent.

Wagenaar said the effect wasn't limited to certain demographics; the tax influenced Illinois' entire driving population.

The [Kansas bill](#) would increase the alcohol tax on gross receipts, or total revenue, from 8 percent to 12 percent for retailers and distributors.

The tax would be tacked on to liquor store purchases and supply orders from bars and restaurants, which researchers say typically recoup that through higher prices for consumers.

Wagenaar said while the 2009 Illinois tax is different than Brownback's proposed tax, Kansas will still see similar effects on health.

"The health effects are based on the tax increasing the price of alcohol and that leading to a change in people's drinking patterns," Wagenaar said. "And that change in drinking is what ripples through and saves lives and reduces injuries."

Christopher Mann, a member of the Mothers Against Drunk Driving Kansas Advisory Board and its national board of directors, said MADD doesn't have a position on the alcohol tax bill because the tax money earned doesn't cover alcohol misuse or prevention programs.

But he said the bill would have a positive impact if it functions as researchers say it might.

"Any decrease in fatalities or injuries related to drunk or impaired driving is a win for all (drunk driving) victims in Kansas, or across the nation," Mann said.

Wagenaar said to save lives, the tax should be increased regularly to keep up with inflation. The problem with the Illinois tax is that it was a one-time increase in cents per gallon, he said, and after a few years of inflation it won't amount to much.

"Alcohol is so inexpensive now," Wagenaar said. "Because these taxes by and large have not been adjusted for inflation."

Because it would be levied as a percentage of sales, the proposed Kansas tax would keep up with inflation.

Researchers at Johns Hopkins Bloomberg School of Public Health created an [online tool](#) to help people see how alcohol tax increases would affect customers and future jobs within their state.

David Jernigan, an associate professor at Johns Hopkins who helped create the tool, said the proposed Kansas tax on gross receipts is most comparable to the web tool's 5 percent sales tax increase, which shows excessive drinkers will pay more than three-fourths of the tax.

“Sellers of alcohol generally do pass these taxes on to the consumer, and the heaviest consumers will pay the most tax,” he said.

One of the arguments opponents have used is that the tax would be regressive — one that takes a larger percentage from low-income people — but Jernigan said that’s not the case.

“Unlike a lot of other health behaviors, alcohol use tends to rise with income,” he said. “In particular, in most states, binge drinking is common among people who make over \$75,000 per year — which means these taxes are often much less regressive than people often think they are.”

If the Kansas tax functions like the sales tax in the tool, Jernigan said it could generate about 750 jobs as it brings more money into the state’s general fund.

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