



Put In Your 2¢ Worth...

About 2¢ a drink yields \$44 million annually to reduce the impact of alcohol problems in Missouri.

Question:

What effect is a two-cent-per-drink surcharge likely to have on wholesale and retail alcohol businesses in Missouri?

Answer:

No effect at all to a minimal effect. The state excise charge is an extremely small part of the “cost of doing business” in this state. The cost would be passed along to consumers, as are other costs, such as advertising and promotion. Increases in retail prices of beer and spirits have occurred many times over the past 35 years, without any change at all in the state excise charges on those products.

MISSOURI ALCOHOL IMPACT FACT #27

- Missouri's rates on beer were doubled in 1970 (from 3 cents per gallon to 6 cents per gallon) without any significant effect on sales over time. Officials in the Missouri Dept. of Agriculture tell us that the two 6-cent per gallon increases in excise charges on wine have had no appreciable effect on sale of wine.
- Investment advisors tell us that the alcohol industry is virtually recession-proof. When people are sad because of the state of the economy, they drink. When people are happy and want to celebrate their success, they drink. At all points in between, they find reasons to drink, and small variations in price do not deter them.
- The new rates would NOT put Missouri businesses at a comparative disadvantage in relation to neighboring states. The new rates would either still be lower than neighboring states or so low that the difference is negligible. “Border crossings” to states which might have slightly lower rates are highly unlikely, given the cost of fuel.
- There are too many variations in price, depending on venue, to attribute changes in consumer buying habits to variations in the rate of excise charges. Beer is still advertised at retail prices below those in Missouri, even though Illinois' excise rate is 3 times as high as Missouri's rate.
- Many other states have both substantially higher excise rates and higher rates of *per capita* consumption. Florida has a *per capita* consumption rate (absolute alcohol) of 2.55 gallons, compared with Missouri's 2.25. Florida's excise rates are \$0.48 per gallon on beer, \$2.25 per gallon on wine, and \$6.50 per gallon on distilled spirits. Those rates are exactly 8 times Missouri's rate on beer, more than 5 times Missouri's rate on wine, and more than 3 times Missouri's rate on distilled spirits.

For more information call one of the Missouri's Alcohol Impact Coalition members below:

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