Alcohol Taxes: An Evidence-Based Strategy that Works

Excessive alcohol use is responsible for approximately 3,100 deaths in Illinois each year¹ and excessive drinking cost the nation almost $250 billion in 2010.² Excessive alcohol use includes binge drinking, heaving drinking, and drinking by those younger than 21.

Increasing alcohol taxes at the local level can help communities create social, physical, and economic environments that discourage excessive alcohol consumption, thereby reducing alcohol-related fatalities, costs, and other related harms.

Alcohol tax rates have not kept pace with inflation over time and consequently become less effective each year in reducing excessive drinking and alcohol-related harms.

The Center for Disease Control’s Prevention Status Report (PSR) provides a three-level rating scale of green, yellow, or red – to show the extent to which the state has implemented a policy or practice in accordance with supporting evidence and/or expert recommendations. The state of Illinois received a red rating for State beer excise tax due to the fact Illinois’s beer excise tax per gallon was less than $0.50 per gallon. (Illinois received a green rating for distilled spirits and yellow rating for wine).

<table>
<thead>
<tr>
<th>Rating</th>
<th>State beer excise tax</th>
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</thead>
<tbody>
<tr>
<td>Green</td>
<td>&gt;$1.00 per gallon</td>
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<tr>
<td>Yellow</td>
<td>$0.50 - $0.99 per gallon</td>
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<tr>
<td>Red</td>
<td>&lt;$0.50 per gallon</td>
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Illinois’s beer excise tax per gallon is currently $0.23, one of the lowest tax rates in the nation.

Increasing taxes and prices on alcohol beverages is an effective, inexpensive, public health strategy for reducing alcohol-related harm and excessive consumption.³ As the price of alcohol increases, consumption decreases. In addition, higher alcohol prices make substantial reductions in underage drinking.⁴

Higher alcohol taxes are consistently associated with decreases in:

- Motor vehicle crashes and fatalities
- Alcohol-impaired driving
- Deaths from liver cirrhosis
- Sexually-transmitted diseases
- Binge drinking
- Violence, including youth suicide
- Alcohol dependence
- Chronic disease
- Rates of crime and violence
- Domestic violence and child abuse

A 10% increase in the price of alcohol beverages is associated with a 5% to 8% decrease in drinking.⁵

Costs to society and government of excessive alcohol use far outweighs current tax revenues.

There is strong, public support for increasing alcohol taxes, especially to support social programs.

References

Additional resources: www.changelabsolutions.org and CDC Prevention Status Reports www.cdc.gov/psr/