

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*).

Rating	State beer excise tax
Green	>\$1.00 per gallon
Yellow	\$0.50 - \$0.99 per gallon
Red	<\$0.50 per gallon

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

1. Centers for Disease Control and Prevention (CDC). [Alcohol-Related Disease Impact \(ARDI\) Website](#).
2. Sacks JJ, Gonzales KR, Bouchery EE, Tomedi LE, Brewer RD. [2010 National and State Costs of Excessive Alcohol Consumption](#). American Journal of Preventive Medicine 2015.
3. Task Force on Community Preventive Services. Increasing alcohol beverage taxes is recommended to reduce excessive alcohol consumption and related harms. American Journal of Preventive Medicine 2010.
4. Reducing Underage Drinking: A Collective Responsibility. The National Academies Press, Washington, DC. 2004.
5. Wagenaar AC, Livingston MD, Staras SS. [Effects of a 2009 Illinois Alcohol Tax Increase on Fatal Motor Vehicle Crashes](#). American Journal of Public Health 2015.

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