

Let's Be Real About the Beer Tax

by Judy Cushing

Oregonians have been bombarded with false information and outrageous predictions about a proposed beer tax increase. It's time to look at the reality.

- Oregon's beer tax has not been raised in 32 years.
- Oregon's beer tax is less than a penny per 12-ounce container, effectively the nation's *lowest* beer tax. Those states with a slightly lower beer tax than Oregon have a sales tax that puts their total tax higher than ours. The industry has grabbed headlines with its cries of a 1,900 percent increase. The fact is, any increase looks large when multiplied against almost nothing.
- There is no evidence a beer tax increase would cause job losses or financial ruin for our thriving Oregon brewers. And, in fact, the vast majority of the \$320 million that would be raised would come from the major out-of-state beer companies.
- Beer producers say a considerable increase would translate to an additional \$2 per pint. That's demonstrably false. A week ago we purchased a six-pack of Widmer brew in Vancouver, Wash. – where the beer tax is three times that of Oregon's and Washington's sales tax is 6.2 percent. We discovered that a six-pack of Widmer was *cheaper* at \$8.69 at a Vancouver Fred Meyer store compared with \$9.49 at a Portland Fred Meyer. Who's pocketing the change? The industry talks about a price markup by middlemen, distributors and retailers based on a higher tax. That shouldn't happen and, based on the examples above, it doesn't!

As Rep. Ben Cannon noted in his testimony before the House Revenue Committee, a survey of convenience stores in eight other Western states – states with excise taxes up to 500 percent higher – found no relationship between the excise tax level and beer price.

- Oregonians love their Oregon-grown wine and craft brew industries. Regardless of an increase in the beer tax, Oregonians will continue consuming their favorite suds. The industry's argument that up to 3,000 jobs would be lost is preposterous!
- The cost of alcohol and drug addiction to Oregon is staggering. Prisons cost more than prevention. Oregonians paid an estimated \$3.2 billion in 2006 for alcohol-related crime, violence, lost productivity and health costs. Those are costs all of us pay. Make no mistake: Alcohol treatment and prevention can and will save Oregonians money, and it saves lives.

It seems that in the Oregon Capitol changing the tax on beer is “off limits,” sacred ground and politically stupid. Could it be because of the long-standing, cozy relationship many legislators have with industry lobbyists?

A beer tax increase may be hard for lawmakers to swallow, but something is terribly wrong when Oregon's young people can't get treatment and alcohol and drug prevention in schools is almost non-existent.

The sober truth is that Oregon can't afford to wait any longer!

Judy Cushing is president/CEO of Oregon Partnership, a statewide nonprofit that exists to end alcohol and other drug abuse.