

# Raising Alcohol Taxes Reduces Harm



## The Policy

Increasing taxes and prices on alcoholic beverages is an effective, inexpensive, public health strategy for reducing alcohol-related harm and excessive consumption.<sup>1,2,3</sup> Higher alcohol prices result in lower consumption, which reduces alcohol harm overall.<sup>4,5,6</sup> Higher alcohol prices also make substantial reductions in underage drinking<sup>4,7</sup> and consumption levels of heavy drinkers.<sup>6,8</sup> A 10% increase in alcohol prices would lead to a 3-10% decrease in societal alcohol consumption.<sup>9</sup>

Increasing alcohol taxes is a highly effective tool in reducing a wide range of harm and consequences among all age groups.<sup>4,10</sup> Higher alcohol taxes are consistently associated with decreases in:

- Motor vehicle crashes and fatalities;<sup>4, 10</sup>
- Alcohol-impaired driving;
- Deaths from liver cirrhosis;<sup>4, 7, 11</sup>
- Sexually-transmitted diseases;<sup>10, 12</sup>
- All-cause mortality;<sup>6, 7, 10</sup>
- Violence, including youth suicide;<sup>13</sup> and
- Alcohol dependence.<sup>9, 14</sup>

Doubling the federal alcohol tax in the U.S. would result in decreases in: alcohol-related mortality (35%); traffic crash deaths (11%); sexually transmitted diseases (6%); violence (2%); and crime (1.4%).<sup>16</sup>

Significant reductions in the numbers of deaths (ranging from 11-29%) were attributed to alcohol tax increases in 1983 and in 2002 in the state of Alaska.<sup>15</sup>

## Alcohol-related Car Crashes

- Adjusting the federal beer tax for the inflation rate since 1951 would have reduced auto fatalities among youth between the ages of 18 and 20 by 15%.<sup>17</sup>
- A 10% increase in price would reduce traffic crashes by 5-10%, with even larger reductions (7-17%) for youth.<sup>4</sup>
- A 10% increase would reduce drinking and driving by 7.4% among males and by 8.1% among females, with even larger reductions (12.6% and 21.1%) among those 21 years or younger.<sup>18</sup>
- Higher alcohol taxes significantly reduce alcohol-related traffic fatalities.<sup>4, 11, 16</sup>

## Alcohol-related Illness

- A 10% increase in price would reduce cirrhosis mortality from 8.3-12.8% after the levels of heavy drinking adjusted to the price change in future years.<sup>19</sup>
- A \$1 increase in state alcohol taxes would reduce gonorrhea rates by 2.1%, while a 20-cent increase in the tax on a six-pack of beer would reduce gonorrhea rates by 8.9%, with similar effects on syphilis rates.<sup>20</sup>
- A 10% increase in the average state excise tax on beer reduced AIDS rates by a range of 5.1-8.5% in males between the ages of 12 and 21.<sup>21</sup>

## Alcohol-related Violence

- Higher alcohol prices can reduce rates of homicide and suicide.<sup>22</sup>

- A 10% increase in beer tax would reduce the probability of any child abuse by 1.2%, and reduce the probability of severe child abuse by 2.1%.<sup>23</sup>
- Increased prices on alcohol would reduce the rate of domestic violence.<sup>24</sup>
- A 10% increase in beer tax would reduce the overall number of college students involved in some sort of violent behavior by 200,000, or about 4%.<sup>25</sup>

## Bottom Line

Raising alcohol taxes and prices is one of the most effective public health policies available to reduce alcohol-related harm, with broad support from the general public. A large majority of Americans (67%) are in favor of tax increases on alcohol.<sup>26</sup>

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