

Raising Alcohol Taxes Reduces Harm



Increasing taxes and prices on alcoholic beverages is an effective¹ and inexpensive² public health strategy for reducing alcohol consumption and alcohol-related harm.

- Higher alcohol prices result in lower consumption, which reduces alcohol harm overall.^{3, 4} Higher alcohol prices also lead to substantial reductions in underage drinking³ and decreased consumption by adult heavy drinkers.⁴
- Increasing alcohol taxes is a highly effective tool in reducing a wide range of harm and consequences among all age groups.³
- Higher alcohol taxes are consistently associated with decreases in:
 - Motor vehicle crashes and fatalities;³
 - Alcohol-impaired driving;
 - Deaths from liver cirrhosis;⁵
 - Sexually-transmitted diseases;⁶
 - All-cause mortality;
 - Violence; and
 - Alcohol dependence.^{7, 8}
- 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.⁹
- Doubling the federal alcohol tax in the U.S. would lead to decreases in:¹⁰
 - Alcohol-related mortality (35%);
 - Traffic crash deaths (11%);
 - Sexually transmitted diseases (6%);
 - Violence (2%); and
 - Crime (1.4%)
- An alcohol tax system based on the alcohol content of beverages can reduce both consumption and harm.^{4, 11}

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%.¹²
- A 10% increase in price would reduce traffic crashes by 5-10%, with even larger reductions (7-17%) for youth.³
- 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.¹³

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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.¹⁴
- 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.¹⁵
- 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 21.¹⁶

Alcohol-related Violence

- Higher alcohol prices can reduce rates of homicide and suicide.¹⁷
- 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%.¹⁸
- Increased prices on alcohol would reduce the rate of domestic violence.¹⁹
- 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%.²⁰

Academic Achievement

- Increased prices on alcohol would improve study habits among college students.²¹
- A 10-cent per case of beer price increase would improve a student's probability of attending and graduating from a four-year college or university by 6.3%.²²
- A 10% increase in beer tax would raise the probability of high school graduation by approximately 3%.²³

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 proportion of Americans (67%) are in favor of tax increases on alcohol.²⁴

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