

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.^{1,2,3} Higher alcohol prices result in lower consumption, which reduces alcohol harm overall.^{4,5,6} Higher alcohol prices also make substantial reductions in underage drinking^{4,7} and consumption levels of heavy drinkers.^{6,8} A 10% increase in alcohol prices would lead to a 3-10% decrease in societal alcohol consumption.⁹

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

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

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%).¹⁶

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.¹⁵

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%.¹⁷
- A 10% increase in price would reduce traffic crashes by 5-10%, with even larger reductions (7-17%) for youth.⁴
- 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.¹⁸
- Higher alcohol taxes significantly reduce alcohol-related traffic fatalities.^{4, 11, 16}

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.¹⁹
- 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.²⁰
- 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 21.²¹

Alcohol-related Violence

- Higher alcohol prices can reduce rates of homicide and suicide.²²

- 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%.²³
- Increased prices on alcohol would reduce the rate of domestic violence.²⁴
- 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%.²⁵

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.²⁶

References

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