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

- Higher alcohol prices result in lower consumption, which reduces alcohol harm overall. Higher alcohol prices also lead to substantial reductions in underage drinking and decreased consumption by adult heavy drinkers.
- Increasing alcohol taxes is a highly effective tool in reducing a wide range of harm and consequences among all age groups.
- Higher alcohol taxes are consistently associated with decreases in:
  - Motor vehicle crashes and fatalities;
  - Alcohol-impaired driving;
  - Deaths from liver cirrhosis;
  - Sexually-transmitted diseases;
  - All-cause mortality;
  - Violence; and
  - Alcohol dependence.
- 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.
- Doubling the federal alcohol tax in the U.S. would lead to decreases in:
  - 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.

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%.
- A 10% increase in price would reduce traffic crashes by 5-10%, with even larger reductions (7-17%) for youth.
- 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.
**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.\(^\text{14}\)
- 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.\(^\text{15}\)
- 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.\(^\text{16}\)

**Alcohol-related Violence**

- Higher alcohol prices can reduce rates of homicide and suicide.\(^\text{17}\)
- 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%.\(^\text{18}\)
- Increased prices on alcohol would reduce the rate of domestic violence.\(^\text{19}\)
- 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%.\(^\text{20}\)

**Academic Achievement**

- Increased prices on alcohol would improve study habits among college students.\(^\text{21}\)
- 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%.\(^\text{22}\)
- A 10% increase in beer tax would raise the probability of high school graduation by approximately 3%.\(^\text{23}\)

**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.\(^\text{24}\)

**References**


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