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Alcohol Justice Tells California Governor Newsom: Stop Subsidizing Alcohol Producers and Include an Alcohol Excise Tax Adjustment in the “May Revision” to Raise Billions to Help Balance the State Budget

San Rafael, CA (April 24, 2023) – In a [letter](#) sent to California Governor Gavin Newsom and key state budget leaders [Alcohol Justice](#) is encouraging raising the state’s current alcohol excise tax to a reasonably modern level to contribute an additional \$4.66 billion in State revenue over the next ten years, while reducing youth consumption, alcohol-related violence, disease, and traffic fatalities.

“We are writing out of serious concern regarding two issues confronting California: the state’s estimated \$22.5 billion budget deficit (Walters, 2023), and the nearly 20,000 annual deaths from alcohol-related causes estimated by the state’s Department of Public Health (CADPH; Jimenez, Demeter & Pinsker, 2023),” stated Cruz Avila, Executive Director/CEO of Alcohol Justice in his [letter](#). *“We strongly urge you to consider raising the state’s alcohol excise taxes in the May Budget Revision – a potential win/win that would raise revenue and curb mortality.”*

The last alcohol tax increase in California was in 1992 and just a penny per glass of wine and two cents per can of beer and shot of spirits. Since then, rising inflation has led to a 52% percent decrease in state alcohol tax revenue—the tax now brings back less than 50 cents on the dollar compared its original value. Moreover, the Centers for Disease Control and Prevention estimate California state and local government costs for alcohol-related problems to be \$14.47 billion annually, including healthcare and criminal justice expenses, adding to the state’s economic woes.

Alcohol Justice calculates that \$4.66 billion in new revenue would be generated over ten years by simply adjusting alcohol taxes for inflation. Another option would be to enact a “Nickel a Drink” increase on beer, wine and spirits that would generate \$8.81 billion in new revenue over ten years.

Along with helping to avoid more draconian budget cuts, Alcohol Justice is dedicated to reversing the catastrophe of alcohol-related harm by reducing excessive consumption and providing needed funds to mitigate harms. The California Department of Public Health released an analysis in January this year that stated California suffered 19,335 alcohol-related deaths annually from 2020-2021.

“While the total harmful cost of alcohol to the state is equal to \$2.44 per drink, and the government’s share is \$1.01 cents, current state alcohol taxes make back less than 16% of the cost of that drink,” said Carson Benowitz-Fredericks, Research Director at Alcohol Justice. *“Clearly, Big Alcohol has been very effective in minimizing their taxes and fees and avoiding paying for their fair share of the harm.”*

“Every year thousands of California lives are cut short or forever damaged due to alcohol,” stated Michael Scippa, Director of Public Affairs for Alcohol Justice. *“The human toll and the economic costs are truly staggering. By not adjusting the state’s alcohol excise tax upwards every year the legislature is boosting Big Alcohol profits with a government subsidy. Our elected leaders need to add an alcohol tax adjustment to any budget-balancing plan this year and every year hereafter.”*

For additional information, please visit [Alcohol Justice](#) . While there, you can also use the [Alcohol Justice Alcohol Tax Calculator](#) to explore other options to raise state income from alcohol taxes.

To send a message to Governor Newsom and state budget leaders in support of an alcohol excise tax increase: Text the word FairTax to 716-271-2182.

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