

# The Montcalm Coalition to Prevent Underage Drinking

UNDERAGE  
DRINKING

Not a minor problem

## Public Testimony on SB 331 – Eliminating certain taxes on spirits for off-premises licensees.

INTRODUCTION: The Montcalm Coalition to Prevent Underage Drinking is a coalition of volunteers throughout rural Montcalm County just NW of Lansing. Life Guidance Wellness & Prevention Services provides staffing support for the coalition.

FACTORS FOR CONSIDERATION: Regarding SB 331 per eliminating the 1.85% tax on off-premise licensees for spirits, there are specific factors we would appreciate this committee to consider. They are as follows.

- 1) The National Council on Alcoholism states there are approximately 15 million people addicted to alcohol in the United States. With an average family of four – 60 million of us live in a home where the use of alcohol is extreme. Since the population of the United States is just over 300 million – 1 in 5 of us live in a home where the use of alcohol is problematic. Therefore, 1 in every 5 youth in any classroom lives in this environment.
- 2) Research clearly indicates that the price of alcohol is directly related to its availability to youth. It is also related to the amount of alcohol that is consumed. Therefore, the higher the price on alcohol, the more we prevent alcohol related problems.
- 3) In Montcalm County the Michigan Profile for Healthy Youth (MiPHY) survey of 2008 and 2010 reports that between 22% and 28% of 11<sup>th</sup> grade youth have been binge drinking in the past 30 days. This is also reported as a national trend.
- 4) According to the Center for Science in the Public Interest, most alcohol is consumed by people in the mid- to upper economic levels of income. Therefore, taxes on alcohol are not an unfair burden on the poor that some assume or assert as given truth.
- 5) Tax payers are currently subsidizing the alcohol industry by picking up the burden of financing efforts to address the harm caused by the use of alcohol. In 2008 the MLCC collected \$333 million dollars in taxes on spirits; the tax on beer was another \$41 million. In 2007, the cost of addressing only the problems with underage drinking was \$742 million – not considering the “pain and suffering” factors. This also does not include the funds necessary to address problems related to adult use of alcohol.

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- 6) The alcohol industry viability is not a measure of a successful business climate nor public standard of living. In fact, the alcohol industry is not a value added industry to society. That is, the standard of living is not higher because we have alcohol. The abuse of alcohol is, in fact, a burden to society. The alcohol industry is an industry that we are subsidizing with tax dollars, pulling these dollars away from other services that do add value to our society. As examples, schools, law enforcement, state parks, early childhood initiatives, etc.
  
- 7) Fairness is important. We just cut school funding by \$100 to \$200 per child and we are talking about cutting the tax on an industry that creates more economic harm than benefit in our communities – increasing the burden tax payers must assume. To be truly fair, we would demand that any industry that does business in Michigan bear its own burden of addressing the harm it causes in the production and subsequent use of its product. Tax payers covering the cost of the harm caused by the use of alcohol and cutting school funding is not a fair equation for tax payers nor formula for success for youth.