

Slide # 1

Alcohol Taxes *Save* Lives & Money



alcoholtaxessavelives.org

The Guide to Community Preventive Services
THE COMMUNITY GUIDE
 What Works to Promote Health

Community Preventive Services
 Task Force

- Established in 1996 by the U.S. Department of Health and Human Services to identify population health interventions that are scientifically proven to save lives, increase lifespans, and improve quality of life.
- Conducts systematic reviews, with Task Force oversight, by scientists and subject matter experts from the Centers for Disease Control and Prevention (CDC) in collaboration with a wide range of government, academic, policy, and practice-based partners.

thecommunityguide.org

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Summary of Task Force Recommendations

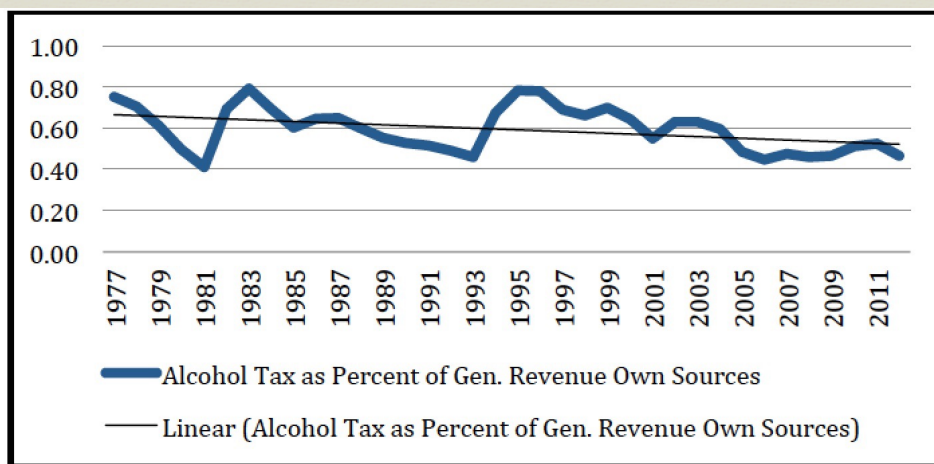
(Results from the Systematic Review of 73 qualified studies)

The Community Preventive Services Task Force recommends increasing the unit price of alcohol by raising taxes based on strong evidence of effectiveness for reducing excessive alcohol consumption and related harms. Public health effects are expected to be proportional to the size of the tax increase.

www.thecommunityguide.org/alcohol/increasingtaxes.html

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Alcohol Excise Taxes Haven't Been Raised Since 1993



New Mexico's Alcohol Tax Revenues as a Percentage of Total General Revenue – 2010 Real Dollars

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Alcohol industry lobbyists say:

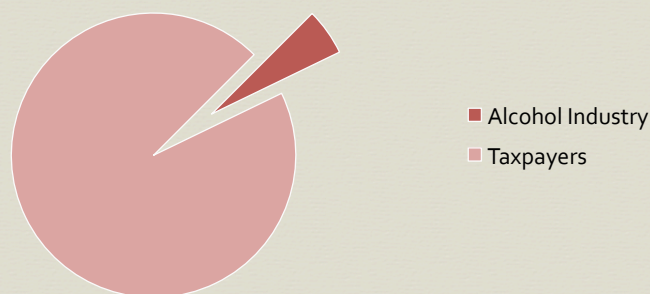
"Why should we pay another penny to the general fund when you're not even spending all the money we give you for alcohol treatment & prevention?"

The cost of excessive drinking to New Mexico's local and state governments was \$793,500,000 in 2006. These are costs for extra police, court cases, detention & medical care caused by excessive drinkers.

The same year, New Mexico received alcohol tax revenues of \$42,252,000, only 5.3% of the costs paid out by local and state government.

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Current Excessive Drinking Harms Paid For By:



Alcohol Taxes Save Lives & Money says:

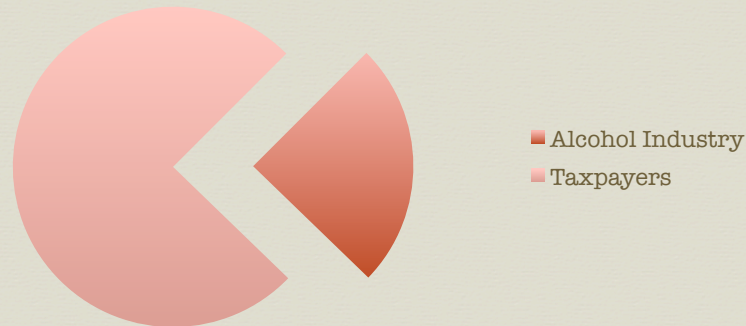
*"Why should taxpayers pay **20 times** what the alcohol industry pays to the general fund to cover the costs of harms they profit from?"*

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This is no time to take the tranquilizing drug of gradualism.

- Dr. Martin Luther King, Jr.

Who Pays Excessive Drinking Harms with
A 25¢ Per Drink Excise Tax Increase?



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**New Mexicans pay \$406 per person a year
in taxes to subsidize excessive drinking**

*That's a \$1.00 a drink taxpayers are forced
to pay whether or not they drink.*

Alcohol Taxes Save Lives & Money believes
it's deceitful for politicians to say they're
against taxes, but then require taxpayers to
pay \$400 a year, hidden in Personal Income
& Gross Receipts Taxes, to cover the costs of
excessive drinking.

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Half of New Mexicans Don't Drink

Distribution of Alcohol Consumption Among Adults (age 18+) in New Mexico's Population



■ Excessive Drinkers
■ Non-Excessive Drinkers
■ Abstainers
 (no alcohol in the last 30 days)

Source: Center for Disease Control's 2011 Behavioral Risk Factor Surveillance System survey of adults aged 18 years and older

Excessive drinking is defined as underage drinking, drinking while pregnant, heavy drinking, and binge drinking.

Binge Drinking:

- For women, 4 or more drinks per occasion
- For men, 5 or more drinks per occasion

Heavy Drinking:

- For women, 8 or more drinks per week
- For men, 15 or more drinks per week

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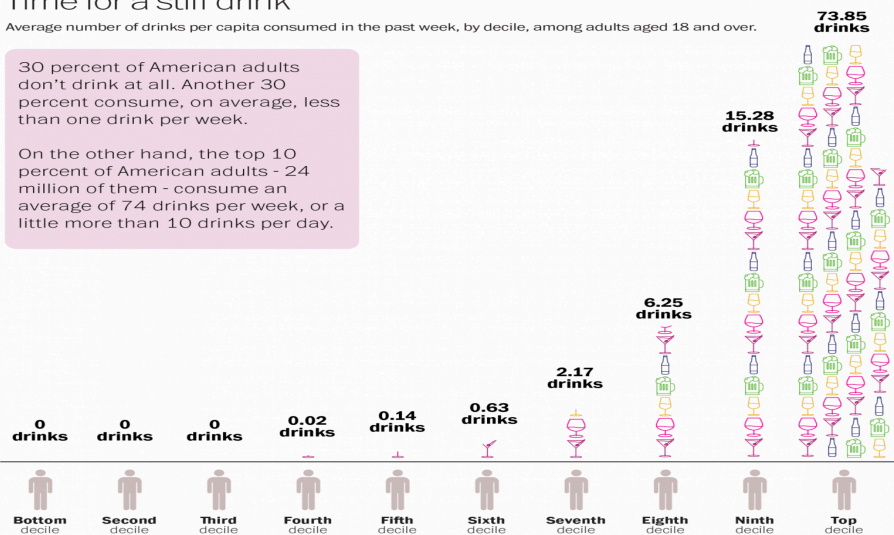
US Rates of Adult Drinking by Percentile

Time for a stiff drink

Average number of drinks per capita consumed in the past week, by decile, among adults aged 18 and over.

30 percent of American adults don't drink at all. Another 30 percent consume, on average, less than one drink per week.

On the other hand, the top 10 percent of American adults - 24 million of them - consume an average of 74 drinks per week, or a little more than 10 drinks per day.



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Consumers Will Pay In Proportion To How Much They Drink



The 49% of New Mexicans who don't drink, won't pay a penny more.

The 32% of New Mexicans who do not drink excessively will only pay an average of \$9.85 additional per year to help cover the harms caused by alcohol.

Excessive drinkers will pay an average additional cost of \$51.14 per year.

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25¢ Per Drinking Alcohol Excise Tax Translated to the NM Tax Code

| The Liquor Excise Tax is imposed on a wholesaler as follows (7-17-5): | | | | Current Tax | | | | With Proposed 25¢ per drink Increase | | | |
|---|--------|-----------|--------|-------------|--------|-----------|--------|--------------------------------------|--|--|--|
| Spirits | \$0.07 | per drink | \$1.60 | per liter | \$0.32 | per drink | \$7.24 | per liter | | | |
| Fortified wine | \$0.18 | per drink | \$1.50 | per liter | \$0.43 | per drink | \$3.61 | per liter | | | |
| Cider | \$0.04 | per drink | \$0.41 | per gallon | \$0.29 | per drink | \$3.08 | per gallon | | | |
| Beer (except microbrew) | \$0.04 | per drink | \$0.41 | per gallon | \$0.29 | per drink | \$3.08 | per gallon | | | |
| Microbrew (1st 10k gallons) | \$0.01 | per drink | \$0.08 | per gallon | \$0.26 | per drink | \$2.75 | per gallon | | | |
| Microbrew (10k-15k gallons) | \$0.03 | per drink | \$0.28 | per gallon | \$0.28 | per drink | \$2.95 | per gallon | | | |
| Wine (except small wineries) | \$0.07 | per drink | \$0.45 | per liter | \$0.32 | per drink | \$2.14 | per liter | | | |
| Small wineries (1st 80k liters) | \$0.01 | per drink | \$0.10 | per liter | \$0.26 | per drink | \$1.79 | per liter | | | |
| Small wineries (>80k<150k liters) | \$0.03 | per drink | \$0.20 | per liter | \$0.28 | per drink | \$1.89 | per liter | | | |
| Small wineries (>150k<1.5M liters) | \$0.04 | per drink | \$0.30 | per liter | \$0.29 | per drink | \$1.99 | per liter | | | |

Current Revenues: \$45,169,804

Projected Revenues: \$199,206,713

A Standard Drink is defined as:

- 1.5 oz. spirits
- 4 oz. fortified wine
- 5 oz. wine
- 12 oz. beer & cider

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Alcohol price and per capita consumption

Price elasticity of alcohol consumption (i.e., the expected percentage change in alcohol consumption when the price increases by 1%)

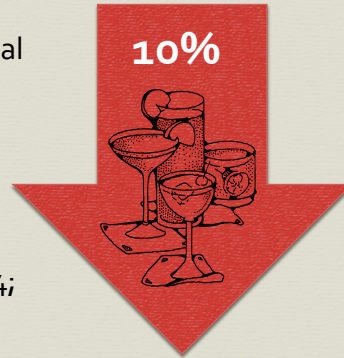
Beer consumption: -0.50 (interquartile interval [IQI]: -0.91 to -0.36; 18 studies)

Wine consumption: -0.64 (IQI: -1.03 to -0.38; 22 studies)

Spirits consumption: -0.79 (IQI: -0.90 to -0.24; 21 studies)

Total alcohol (ethanol) consumption: -0.77 (IQI: -2.00 to -0.50; 11 studies)

A 25¢ per drink alcohol excise tax increase would result in a 10% decrease in alcohol consumption due to the increased cost of alcohol



Source: www.thecommunityguide.org/alcohol/increasingtaxes.html

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It is estimated that New Mexico Medicaid paid over \$99 million to treat illness created by excessive drinking in 2015

| | |
|---|-------|
| Health care costs of excessive alcohol consumption covered by Medicaid only | 99.14 |
| Medicaid health care costs of excessive alcohol consumption covered by state government | 21.81 |
| Medicaid health care costs of excessive alcohol consumption covered by Federal government | 77.33 |

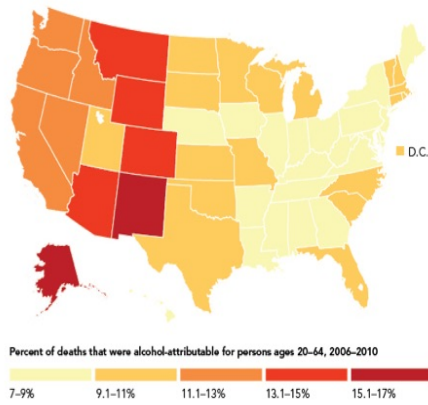
Raising New Mexico alcohol excise taxes by 25 cents per drink would save Medicaid nearly \$10 million a year in reduced health care costs created by excessive drinking.

| | |
|--|------|
| Reduced Medicaid expenditures | 9.90 |
| Reduced Non-Medicaid health care costs to state's general fund | 6.48 |

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This Is Where People Are Drinking Themselves To Death

On average, about one in 10 deaths among working-age people in the U.S. can be attributed to alcohol. These causes of death include violence, alcohol poisoning and motor vehicle collisions, as well as conditions like breast cancer and heart disease.



Source: Centers for Disease Control THE HUFFINGTON POST

New Mexico is #1 in America for people drinking themselves to death!

16.4% of all working age deaths in New Mexico are attributable to Alcohol.

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A 25¢ per drink increase in alcohol excise taxes id conservatively modeled to:

Save 52 lives a year initially, with the number growing each year as more and more long term diseases are prevented.



Prevent 306 violent acts a year

Prevent 12,375 cases of alcohol dependence or abuse every year



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Alcohol use among New Mexicans between the ages of 12 and 20 is projected to decrease by 13%

That's **7,150**
fewer youth
drinking a
year!



Binge drinking among youth would decrease annually by 4,680 teens & young adults

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In 2000, the United States Department of Health and Human Services listed alcohol as a human carcinogen.

According to National Cancer Institute data for 2008-2012, alcohol was a risk factor in 26.2% of the total cancer deaths in New Mexico each year. This is equivalent to 876 out of 3,341 total cancer deaths.

On average, an estimated 128 of New Mexico's cancer deaths can be attributed to alcohol consumption each year, including 37 deaths from female breast cancer.

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Using conservative modeling, a 25 cents per drink increase in New Mexico's alcohol excise tax will prevent 13 cancer deaths and 41 new cases of cancer from occurring each year.

| Cancer Site | Total # of New Cases | | % Attributed to Alcohol Consumption | | Total New Cancer Cases Attributed to Alcohol Consumption | | Annual Reduction in New Cancer Cases with Alcohol Excise Tax |
|------------------|----------------------|--------------|-------------------------------------|-------|--|------------|--|
| | Men | Women | Men | Women | Men | Women | |
| Female Breast | n/a | 1,332 | n/a | 15.00 | n/a | 200 | 20 |
| Colon and Rectal | 429 | 378 | 7.38 | 8.38 | 32 | 32 | 6 |
| Esophagus | 72 | 16 | 25.00 | 18.75 | 18 | 3 | 2 |
| Laryngeal | 49 | 9 | 26.75 | 17.50 | 13 | 2 | 1 |
| Liver | 151 | 57 | 13.75 | 11.75 | 21 | 7 | 3 |
| Oropharyngeal | 160 | 63 | 46.75 | 32.25 | 75 | 20 | 9 |
| Total | 861 | 1,855 | | | 159 | 264 | 41 |

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A 25¢ per drink increase in New Mexico's alcohol excise tax would result in \$154,090,910 in new state revenues.

When pumped into the economy, these additional revenues are projected to create over 2,800 new jobs, even after subtracting out losses in the alcohol industry

Looking for a **new job** in **healthcare?**



The decrease in alcohol consumption is projected increase economic productivity in New Mexico by \$128,133,200 annually because of less missed work days, fewer on the job accidents, and lower insurance costs.

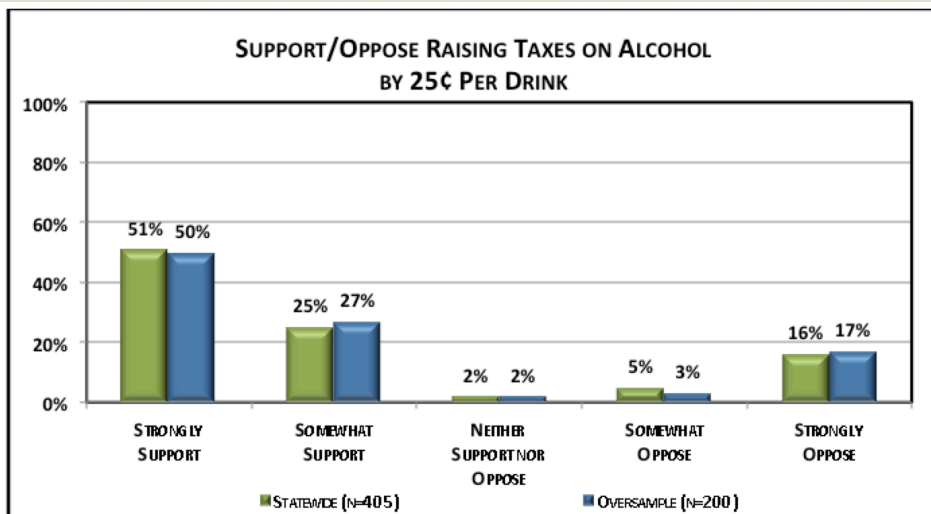
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The \$154 Million in increase revenues from raising alcohol taxes could be used to ease the state budget crisis or fund the required 5% match in FY 17 (10% in FY20) to the federal funds that have provided Medicaid Expansion health insurance coverage to more than 250,000 newly enrolled New Mexicans.

Instead of paying funds to Medicaid for coverage of illnesses caused by excessive drinking, we can require excessive drinkers to pay their fair share and leverage those funds into \$1.5 Billion health care boon for our state.

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76% of New Mexico Voters Support increasing alcohol taxes 25¢ a drink

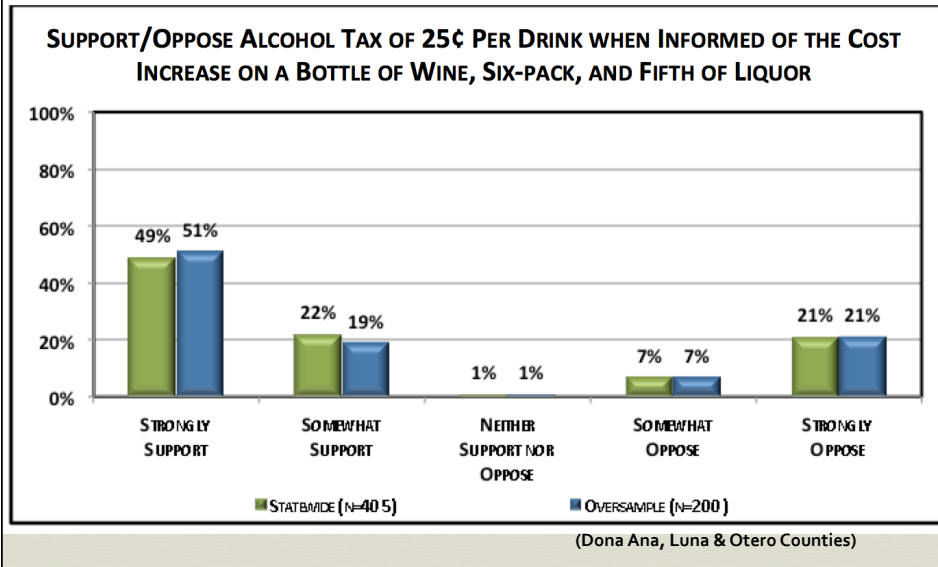


(Dona Ana, Luna & Otero Counties)

Strongly Support By Party Affiliation:
Democrat 58% Republican 41%

Strongly Oppose By Party Affiliation:
Democrat 10% Republican 28%

Slide # 23 Support still holds strong when informed costs for a bottle of wine would increase \$1.25, \$1.50 for a six-pack of beer, and \$4.00 for a fifth of hard liquor.



Slide # 24 Raising Alcohol Taxes is preferred 7 to 1 over raising gas Taxes and 21 to 1 over raising taxes on food in grocery stores

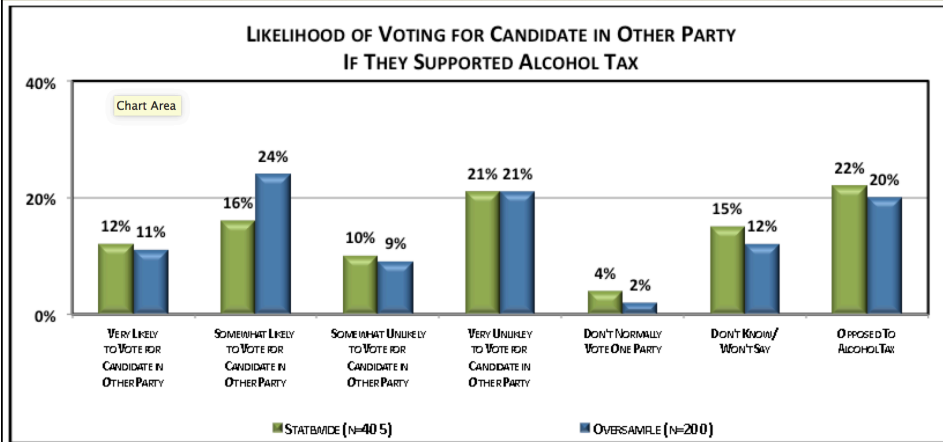
PREFERRED WAY TO RAISE TAXES TO SUPPLEMENT THE PROJECTED BUDGET SHORTFALL

TOP 7 RESPONSES

| | STATEWIDE (N=405) | OVERSAMPLE (N=200) |
|--|-------------------|--------------------|
| AIDED RESPONSES | | |
| RAISING TAXES ON ALCOHOL | 63% | 64% |
| RAISING TAXES ON GASOLINE | 9% | 7% |
| TAXING FOOD IN GROCERY STORES | 3% | 3% |
| VOLUNTEERED RESPONSES | | |
| NONE OF THESE/WOULDN'T WANT TAXES RAISED | 11% | 12% |
| CIGARETTES/TOBACCO | 3% | 4% |
| TAX THE RICH/INCOME TAX | 2% | 2% |
| DON'T KNOW/WON'T SAY | 3% | 4% |

(Oversample is Dona Ana, Luna & Otero Counties)

Slide # 25 **12% of voters are VERY LIKELY to cross party lines to vote for a candidate supporting increased alcohol taxes if the candidate in their preferred party does not support it**

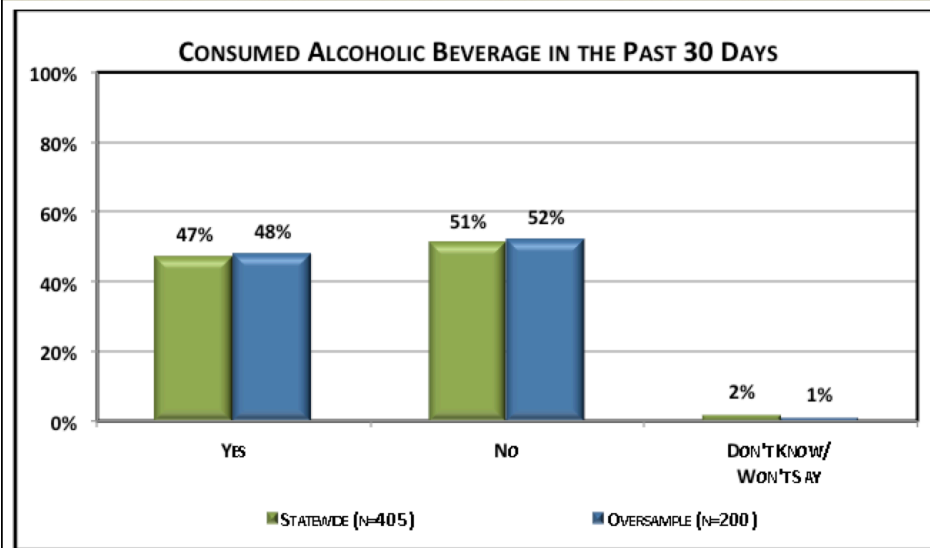


(Oversample is Dona Ana, Luna & Otero Counties)

Very Likely to Vote for Candidate in Other Party by Party Affiliation:
 Democrat 13% Republican 10%

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Half of New Mexicans Don't Even Drink Alcohol



(Oversample is Dona Ana, Luna & Otero Counties)