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Md. should raise its alcohol tax to cut the deficit

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WITH ALL THE groaning and wailing about hard times and austere budgets from Maryland Gov. Martin O'Malley (D) and some lawmakers, you'd think that the state had reached the limits of its revenue-generating options. In fact, it has reached the limits only of its leaders' readiness to confront one of the most powerful and deep-pocketed special interests in Annapolis: the alcohol lobby.

The last time that Maryland lawmakers summoned the political courage to raise the tax on a glass of whiskey, President Dwight D. Eisenhower was sending the first U.S. military advisers to Vietnam, Disneyland was preparing its grand opening in California and a hard-headed pol named Richard Daley was running for mayor in Chicago. That was 1955.

Since then, the alcohol lobby has blocked all attempts to raise the tax on spirits, and, since 1972, on beer and wine. The result is that Maryland, which has one of the nation's lowest tax rates on alcohol, has effectively forfeited hundreds of millions of dollars in cumulative revenue that it would have had if it had indexed the tax to inflation.

Today, Mr. O'Malley, Senate President Thomas V. Mike Miller Jr. (D-Calvert) and House Speaker Michael E. Busch (D-Anne Arundel), all facing reelection in the fall, protest that a recession is no time to raise taxes of any kind. (Never mind that more than 30 states have raised taxes or fees since the recession began.) In fact, the benefits to the state's finances, and to public health, would far outweigh the almost imperceptible impact a tax increase would have on a drink.

If, for example, Maryland raised taxes on spirits, beer and wine just to the national average -- which would add just pennies to a drink or a bottle of beer -- it could collect \$72 million annually. And if it raised the tax by a dime a drink, the resulting \$214 million in annual revenue would start to make a dent in the state's \$2 billion deficit -- or, as Del. William A. Bronrott and Sen. Richard S. Madaleno Jr., Montgomery County Democrats, have proposed, improve Medicaid coverage for poor adults and funding for badly neglected services for people suffering from mental retardation, mental illness and disabilities such as cerebral palsy, autism or Down syndrome.

But the benefits of raising the alcohol tax go beyond closing the state's budget shortfall or improving anemic services. As a powerful new study by two Johns Hopkins professors makes clear, a higher levy on beer, wine and spirits would also save lives by cutting liquor consumption, especially binge drinking among youths and alcoholics.

David H. Jernigan and Hugh Waters of the Johns Hopkins Bloomberg School of Public Health surveyed more than 100 studies on the effect of alcohol taxes on drinking habits and public health. The conclusions are stark. In addition to yielding badly needed tax revenue, the study estimated, the

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