



A PENNY IS MUCH MORE THAN JUST A PENNY

The state legislature is proposing an 8 percentage point increase in the liquor enforcement tax. While some may think this is insignificant, a nominal 8 percentage point tax translates to a \$2.38 price increase for every case of beer purchased by the state's consumers.

In fact, this proposed tax increase amounts to a 100 percent hike in the current liquor enforcement tax rate.

The Legislature should consider how this tax impacts beer consumers and the state economy before falling for simplistic statements about the size of the tax. It is not just an 8 percentage point tax increase – it is a lot more.

Kansas beer consumers already pay enough in taxes. Now is not the time to further hit consumers in the wallet.

- Kansas consumers are being squeezed by higher prices for a wide range of products and services. While the enforcement tax rate hasn't increased in recent years, the revenue generated by it grows as the price of beer increases year to year.
- An additional 8 percentage point tax will cost consumers in Kansas around \$61.00 million by increasing the price of beer by \$2.38 per case. The tax will only raise \$31.95 million in new revenues for the state, or less than 0.19 percent of the state's \$16.44 billion in spending.¹

The impact on Kansas' economy goes even further. An 8 percentage point tax hike will reduce private-sector employment and other state tax collections.

- An 8 percentage point tax hike will have a high economic price. In fact, it is estimated that the tax increase will result in lost beer sales of 2.34 million cases, negatively impacting workers at retail stores, restaurants, taverns, hotels and entertainment venues throughout the state. It is likely that 1,474 jobs will be lost if this proposal becomes law.²





- With 64,007 people already looking for work in the state, now is not a good time to add more workers to the unemployment lines through a job-killing tax increase.³
- The reduced sales and employment levels in Kansas resulting from the tax increase will reduce other government revenues by as much as \$8.45 million.⁴

Beer consumers already pay their fair share in beer taxes...and beer tax revenues have increased.

- Beer is one of the most heavily taxed products sold in America. In Kansas, 39.7 percent of what consumers pay for each beer sold goes to pay taxes - and collections are increasing, up by 43.3 percent since 2004.⁵

In Spite of Recent National Statistics the Economy in Kansas Has Not Improved Much for the Average Family	
Unemployment Rate:	4.3
Number of Unemployed:	64,007
Lost Jobs from Tax Increase:	1,474
Current per Capita Taxes:	\$2,526
Cost of Beer Tax:	\$61,004,414
Percent Cost of Beer Tax:	39.7

¹ Spending for 2013, Based on Data from the US Department of Commerce, Bureau of the Census.
² Based on a model of the beer economy developed for MillerCoors by John Dunham and Associates, 2014. This data includes direct job impacts, as well as supplier and induced numbers.
³ The Bureau of Labor Statistics. Available on-line at: <http://www.bls.gov/bls/unemployment.htm>. Data for November-2016.
⁴ John Dunham and Associates' calculations based on the 2014 Economic Impact of the Beer Industry. Available on-line at: www.beerservesamerica.com
⁵ John Dunham and Associates calculations based on data from the US Census Bureau.

