

Written Testimony of Chris Wagner
Project Extra Mile
LB 614 – Revenue Committee
March 1, 2019

Chairman Linehan and Members of the Committee:

I am the Executive Director for Project Extra Mile, a network of community partnerships across the state working to prevent excessive alcohol consumption and its tragic consequences. I am writing to express our support for LB 614 and specifically its proposed increase to the alcohol excise tax on spirits.

Project Extra Mile has always supported evidence-based policies for preventing and reducing alcohol-related harms in our state, and abundant scientific research demonstrates that increasing alcohol taxes is one of the most effective methods for doing so.

Hundreds of peer-reviewed studies tell us that increasing alcohol taxes will save lives and reduce other alcohol-related harms in communities across our great state because the industry passes these increases onto their customers. Nonpartisan experts such as the American Medical Association, the American Public Health Association, the American Society of Clinical Oncology, the Community Preventive Services Task Force, the National Academies of Sciences, Engineering, and Medicine, the Non-Communicable Diseases Alliance and the World Health Organization all recommend increasing these taxes based on the overwhelming evidence that excessive drinkers reduce their consumption levels when prices increase.

Nebraska is the fifth-worst binge drinking state in the nation with 20.6% of adults currently engaging in that behavior. We also have four communities (Lincoln, Omaha, North Platte, and Sioux City) in the top 100 worst binge drinking cities in the country (CDC, 2017). Excessive drinking has given us the second-worst alcohol-impaired driving rate in the country with 955 episodes per 1,000 population (Jewett et al., 2015). In addition, the Nebraska Department of Transportation – Highway Safety Office reports 721 lives have been lost in alcohol-related traffic crashes over the last ten years (NDOT-HSO, 2018) with 40% of those fatalities being someone other than the drinking driver (National Academies of Sciences, Engineering, & Medicine, 2018).

Worse still, alcohol-impaired traffic fatalities are only a fraction of the 703 estimated annual alcohol-attributable deaths in Nebraska (NE DHHS, 2017). Alcohol also leads to and contributes to health complications such as high blood pressure, heart disease, stroke, liver disease and at least seven types of cancer.

There are also economic costs – excessive drinking cost our state \$1.16 billion in 2010 alone, \$491 million of which was paid by taxpayers (Sacks et al., 2015). Broken down per drink, the costs to Nebraska businesses and taxpayers were \$1.61 per drink and

\$0.68 per drink to government respectively. In contrast, LB 314 & LB 497 are seeking to recoup a mere fraction of those costs - \$0.10 per drink. Currently, drinkers pay between three to four cents per drink in excise taxes. LB 614 would increase that amount on spirits to \$0.05 per drink. Clearly, such an increase is warranted.

At the same time, I want to express our concern for the absence of proportional increases to beer and wine excise taxes. It is our position that maximizing the health and safety benefits of alcohol tax increases requires that all beverage types be raised simultaneously.

We can increase revenue to bring property tax relief while decreasing excessive drinking and the harms that we're all paying for through increased alcohol taxes, and we would urge you to support the increase put forth in LB 614 and those in other bills seeking to raise alcohol taxes. Increases across the board will be the most effective way to reduce excessive drinking and its harms in our communities and provide the most revenue to address our state's needs. Thank you for your considering our comments.

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