

Raising alcohol taxes reduces deaths

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Raising taxes on beer, wine and liquor immediately reduces the number of deaths from alcohol-related diseases such as liver disease, oral or breast cancers, and alcohol poisoning, according to a new study published in the online edition of the American Journal of Public Health.

In the first study of its kind to directly measure the effect of state alcohol tax changes on deaths from alcohol-related diseases, researchers found that raising alcohol taxes had two to four times the impact of other common prevention efforts such as school programs or media campaigns.

"The findings are quite astounding," said Alexander C. Wagenaar, PhD, with the University of Florida College of Medicine. "A simple adjustment of the tax rate resulted in a substantial drop in the death rate." The study was funded by the Substance Abuse Policy Research Program of the Robert Wood Johnson Foundation.

Researchers reviewed two separate tax increases on alcoholic beverages in 1983 and 2002 in Alaska, and tracked the number of people who died from alcohol-related diseases in the state for years before and following the tax hikes.

Alaska is one of the first states to implement a noticeable tax increase, which is one of the reasons the authors decided to examine it. In 1983, Alaska's tax on beer increased to 63 cents per gallon, compared to 46 cents in 1982, and increased to \$1.20 in 2002.

"Alaska was cognizant of its alcohol problems and decided do something meaningful. We are now benefiting from the results of their unique experiment which shows what other states could gain if they were to implement a similar tax increase," Wagenaar said.

Compared to all other states and factoring in nationwide trends—due to improved health care and other factors—the authors discovered that the 1983 tax increase was immediately followed by a 29 percent reduction in deaths (23 deaths averted per year), and the 2002 tax increase reduced the number of deaths by 11 percent (an additional 21 deaths averted per year). In addition, the authors found that the impact of the tax increase did not quickly dissipate, but remained over the long-term.

"The bottom line is that when we see an intervention that can reduce the death rate of any chronic disease such as cancer or heart disease by a few percent across the whole population, we consider it an important success," Wagenaar said. "In this case, the death rate for alcohol-related diseases dropped suddenly by at least 11 percent and at minimal cost."

One of the biggest problems with alcohol taxes in general, he said, is the way that alcoholic beverages are currently taxed in most states and at the federal level. Most states implement tax rates on beer, wine and spirits by the gallon. As a result, the real dollar amount drops over the long term since the taxes are not adjusted for inflation each year. While many states and the federal government have made minor adjustments to their tax rates, nationwide the average real dollar tax amount on alcohol has dropped substantially since the 1950s.

Source: Burness Communications

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