TRANSFORMING PUBLIC WILL INTO POLITICAL POWER

Vincent DeMarco

1. Have a plan—based on evidence
   - Where do Dem/Rep stand on the issue?
   - Where does the public stand?

2. Do a good public interest poll
   - Base—USE DON'T OFFEND
   - Middle
   - Against

3. Build a powerful coalition
   - Use a resolution—1-page to summarize position and solution
   - Have a good story
   - Go to the hilt
   - Get to know reporters

4. Use the media to the hilt
   - Earned media
   - Use 501(c)(4)s
   - Paid media
   - Radio
   - Press conferences
   - Rallies
   - Hearings

5. Make your issue an election issue
   - Turn resolution into a candidates/legislative resolution
   - Use your coalition and descend upon candidates

6. Go to the legislature
   - PRAISE!
   - Accountability!

Q: What is our strong message?
A: Have to do it in a way that engages the public

Q: What is the public will usually there?
A: Need to answer questions

Q: Does the process change social norms with enacting legislation?
A: Yes

Q: Most effective unit of change?
A: Work at local jurisdictions to build
   - What is the problem?
   - Best way to solve?
   - Best unit?
Alcohol Problems 101

• Leading drug problem among youth
• 3rd leading actual cause of death among all people in the US
• Approximately 83,000 deaths per year; approximately 4,300 of these are among young people under age 21
• 21 has saved thousands of young lives, but other policies (like taxes) do not support it
Alcohol taxes and public health

• Alcohol taxes are good for public health
  – Reduce consumption
  – Raise revenues that can be spent on things people want, like health care, prevention and treatment
  – Consistently politically popular, especially if the revenues are earmarked for things people want
Alcohol Taxes Influence Prices, Which Influence Consumption

• The Law of Demand: the quantity demanded of a product will rise in inverse relationship to its price
• In this respect, alcohol is an ordinary commodity
• When prices increase, people drink less
  – Heavy drinkers
  – Young people
• When people drink less, there are fewer alcohol problems
Federal Beer Tax and Tax Revenues
1945-2013, Inflation Adjusted

Source: Brewers Almanac, 2013, ATTTB, 2014, and Chaloupka calculations
Federal Alcohol Excise Taxes

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Inflation-Adjusted</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Per Gallon</td>
<td>Per Drink</td>
</tr>
<tr>
<td>Beer</td>
<td>$0.19</td>
<td>1.8 cents</td>
</tr>
<tr>
<td>Wine</td>
<td>$0.20</td>
<td>less than 1 cent</td>
</tr>
<tr>
<td>Distilled Spirits</td>
<td>$2.40</td>
<td>3 cents</td>
</tr>
</tbody>
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- Last raised in 1991
Maryland, 2008

• Beer, wine taxes had not been raised since Nixon was President (1972)
• Distilled spirits taxes had not been raised since Eisenhower was President (1955)
• Alcohol taxes low in absolute terms:
  – Less than a penny a drink for beer, less then 2¢ a drink for wine and distilled spirits
• Alcohol taxes low compared to neighboring states
• Brought in $28 million to state treasury
“The Potential Benefits of Alcohol Taxes in Maryland”

- Alcohol use causes 1,278 deaths per year in Maryland and 7,470 violent crimes.
- Alcohol is responsible for 1 in 3 deaths among 15-20 year-olds in Maryland.

A dime a drink increase in the state’s alcohol tax would:

- Raise $214 million in new revenues for the state
- Save $249 million in costs incurred in the state as a result of alcohol use
- Prevent 14,987 cases of alcohol dependence, 37 deaths, 13 forcible rapes, 316 assaults, 21 robberies, 67 incidents of severe violence against children
Increasing Alcohol Excise Taxes: Arguments in Favor

Benefits to raising taxes on alcohol include:
1. Health and safety benefits
2. Fairness
3. Economic Efficiency
4. Tax Revenue
5. Public Support for Alcohol Tax Increases
1. Health and Safety Benefits

**Decreased Alcohol Consumption** will lead to decreases in:

- Binge drinking
- Motor vehicle crashes
- Violence & other crimes
- Health problems
- Unplanned pregnancies
- Hospitalizations
- Child abuse
- Unintentional injuries

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Doubling the federal alcohol tax would lead to an average:

- 35% decrease in alcohol related mortality
- 11% drop in traffic crash deaths
2. Fairness: Taxes Do Not Cover the Costs of Alcohol to Governments

- Excessive drinking cost the state of Maryland $4.17 billion in 2006 (CDC)
- Costs include losses in workplace productivity, healthcare, criminal justice, and motor vehicle crashes
- Government paid 42% of the cost, or $0.80 per drink consumed in the U.S.
- Federal and state alcohol taxes total approximately 12¢ a drink
3. Efficiency Arguments

Alcohol taxes correct for “negative externalities” of alcohol use - bad things that happen to others because of the drinker’s drinking (make consumers pay for the damage / costs they incur)

Alcohol taxes can also correct for inefficiencies of the alcohol marketplace - Alcohol producers are an oligopoly – two beer companies control more than 80% of the US market – enabling them to artificially manage prices.
4. Revenue Needs: Maryland alcohol taxes over time

![Graph showing alcohol excise taxes as percent of total revenue over time from 1977 to 2005. The percentage decreases steadily from approximately 0.8% in 1977 to a small value by 2005.](image-url)
5. Public support:
Voter Support For Maryland “Dime a Drink” in 2010

- **Health Priorities**
  - Strongly Favor: 45
  - Favor, Not Strongly: 21
  - Oppose, Not Strongly: 7
  - Strongly Oppose: 23
  - Not sure: 3

- **Address Deficit**
  - Strongly Favor: 39
  - Favor, Not Strongly: 16
  - Oppose, Not Strongly: 10
  - Strongly Oppose: 31
  - Not sure: 4
Increasing Alcohol Excise Taxes: Barriers to Raising Taxes

Barriers to raising taxes on alcohol include:

- Potential Negative Effects:
  - Cross-border shopping
  - Loss of jobs
  - Regressivity
- Producer Industry Opposition
- Public Concern about Raising Taxes
- Lack of Organized Constituency
Producer Opposition

• Since 2001, 336 out of 365 state alcohol tax bills have been defeated
• 2013: 60 bills introduced; one state (Rhode Island) increased the excise tax but at the same time repealed the sales tax on alcohol
• 2012: Alcohol producers gave nearly $16 million to state politicians nationwide (National Institute on Money in State Politics)
Unlike many other health problems, harmful use of alcohol rises with income.

Binge Drinking in Maryland (past 30 days), by income group
Report #2

“The Potential Economic Effects of Alcohol Excise Tax Increases in Maryland”

• Alcohol costs the State of Maryland at least $3.5 billion per year

• The drop in consumption from a dime a drink increase in the state’s alcohol excise tax will lead to an increase in economic productivity worth $131.7 million per year.

• Most Marylanders will pay very little of this tax. Drinkers who do not drink in a risky way would pay on average an additional $10.83 per year.

• Any cross-border shopping that occurs as a result of the tax will not impede the State’s ability to raise the anticipated revenue.
IOM Conclusion

• Congress commissioned the IOM in 2003 to produce recommendations on how to reduce underage drinking.

• The IOM reported that the failure of alcohol excise taxes to keep up with inflation has:

“...considerably exacerbated the underage drinking problem. Raising these taxes at both the federal and state level is justified by established principles of public finance, by public health considerations, and by the specific goals of Congress in creating this committee.”
MARYLAND TAX REPORTS

• Two reports written for Maryland are available on-line at:
Share of crime guns in Missouri with short sale-to-crime intervals by year

Guns sold post repeal

Guns sold post repeal
Sources of traced crime guns over time

- Share of traced crime guns first sold in MO
- Share of traced crime guns first sold outside MO

Purchase permit law repealed August 28, 2007
Percentage change in the number of Illinois’ traced guns originating from Missouri sales before (2006-2007) vs. after (2011-2012) repeal
Murder rates per 100,000 population in Missouri vs. U.S., 1999-2012
Change in age-adjusted gun homicide rates 2008-2010 vs. 1999-2007 in Missouri and its border states
Percentage change in age-adjusted firearm homicide rates, 2008-2010 vs. 1999-2007
Percentage change in firearm homicide rates
Missouri counties, 2008-2010 vs. 1999-2007

- St. Louis
- St. Louis Co.
- Jackson Co.
- 9 metro fringe co.
Percent favoring universal background checks and licensing gun owners by local law enforcement in national survey

Barry et al., 2013

- Background checks for all gun sales
- Licensing of gun owners by local law enforcement

- All respondents
- Gun owners
- NRA members