

## **For more than a year, you have heard all sorts of things regarding Alaska's alcohol excise tax, but did you know ...**

- ❖ Alaska currently has the lowest tax-per-drink rates in the nation when you consider that most other states assess not only an excise tax, but also sales taxes, alcohol sales taxes, and in many cases, premise taxes.
- ❖ Alaska's existing alcohol excise tax of \$0.03 to \$0.04 per drink is the only state tax on alcohol.
- ❖ Alaska is one of only five states with no state sales tax; the others are Delaware, Montana, New Hampshire, and Oregon.
- ❖ If Alaska increased its excise tax by a dime a drink and also imposed a 3 percent state sales tax, the total tax-per-drink would only be \$0.25 - \$0.26.
- ❖ The average tax-per-drink for beer, wine, and liquor among the states is \$0.30, \$0.32 and \$0.35, respectively.
- ❖ The nation's highest tax-per-drink for beer is in Tennessee, with a \$0.13 per gallon excise tax, 6 percent state sales tax and a 17 percent wholesale tax on beer, totaling \$0.93 tax per drink.
- ❖ The nation's highest tax-per-drink for wine is in Oklahoma, with a \$0.72 per gallon excise tax, 4.5 percent state sales tax, a \$1 per bottle and a 12 percent on-premise tax, totaling \$0.89 tax per drink.
- ❖ The nation's highest tax-per-drink for liquor is in Tennessee, with a \$4 per gallon excise tax, 6 percent state sales tax, an additional \$0.15/case and a 15 percent on premise tax, totaling \$0.87 tax per drink.
- ❖ Alcohol in Delaware, Montana, New Hampshire and Oregon is sold only through the state, and revenue from alcohol is generated from various taxes, fees, and net profits.
- ❖ North Dakota has a 5 percent state sales tax, but charges an additional 2 percent on alcohol, making an effective tax rate on alcohol of 7 percent.
- ❖ Texas charges an extra \$0.05 per drink tax on airline sales.