

Beer tax increase leaves a bad taste

Michigan's craft-brewing industry is on the rise: More than 70 brewers across the state have helped catapult Michigan to among the nation's Top 10 beer-producing states.

Michigan microbreweries and brewpubs have something for every beer connoisseur, from chocolate stouts and brown sugar ales to crisp pilsners and peppy lagers. Michigan isn't just the Great Lakes State — it's The Great Beer State.

But now some politicians in Lansing want to increase the tax on beer, a move that would have a devastating effect on some Michigan microbreweries/brewpubs.

Michigan's beer taxes are already higher than those in any other Great Lakes State. For example, according to the Federation of Tax Administrators' Web site (<http://www.taxadmin.org/FTA/rate/beer.html>) our beer taxes are more than 233 percent higher than Wisconsin's!

Increasing Michigan's beer taxes would cripple many of the state's breweries, some of which are just getting by in our already rocky economy. Raising the beer tax even further could also dissuade budding Michigan beer-makers from ever brewing their first drop.

It takes more than quality barley and hops to make a good Michigan beer; it also takes labor, transportation costs and manufacturing costs. And the state charges taxes each step of the way. In fact, by the time a glass of Michigan craft-brewed beer gets to your table, about 44 percent of it is pure taxes, according to a recent Standard & Poor's study.

In other words, for Michigan taxpayers, consumers and local brewers, the glass is already half empty. The burgeoning micro-brewing industry can't afford to drain that glass even more.

Michigan's breweries contribute \$318.7 million each year to the state's economy. Nearly 1,000 people work at Michigan breweries, and more than 5,000 work for wholesalers. All told, the Michigan beer industry supports 58,000 jobs and contributes \$4.3 billion to the state's economy. Yes, billion!

With Michigan's economy struggling, we should be doing more to promote things that could draw people to our state, like our excellent beers. Instead, some in Lansing want to do the opposite and send beer drinkers out of the state, thus driving microbreweries out of business.

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Sure, some Michigan microbrew drinkers will remain loyal and keep buying locally. But maybe our legislators need to remember that most people who buy from microbreweries are middle class taxpayers who are already hurting from the state's slumping economy — they can't swallow much more.

Everyone loses when Lansing lawmakers raise beer taxes. Call you legislator and tell them to say "no" to a higher beer tax.

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