



Excise Tax Position

The Michigan Brewers Guild is against any increase in the State excise tax on beer. Beer excise taxes are unfair and divisive. They are narrowly focused on one product and industry. They single out one group of consumers to pay for government services that benefit all.

Beer excise taxes are destructive and a detriment to Michigan breweries. They put Michigan's breweries, especially those that sell a majority of their beer in Michigan, at a competitive disadvantage to competing breweries in the region and across the nation. These Michigan brewers already have to build their home market at an inflated market price over neighboring states. In some cases our State excise tax rate is 300% higher than our neighbors! Increasing this imbalance will impede growth and send more retail dollars out of state; ultimately decreasing the potential for more State revenue.

Excise taxes are incrementally increased by the time they reach the consumer. Beer excise taxes are producer taxes, levied on the manufacturer. These "producer taxes" create an increased wholesale cost that is by law, marked-up at least twice before reaching the consumer (wholesaler & retailer). Proponents of excise taxes frequently miscalculate the cost to consumer by omitting the beer's path to consumer.

Beer excise taxes are regressive in nature because they are more burdensome to modest income families. In fact, the Citizens for Tax Justice and the Institute on Taxation estimated that families whose income are in the bottom 20% pay a tax burden 5 times greater than people with incomes in the top 20%.

Resources and support

Michigan Beer & Wine Wholesalers Association
"Excise Taxes – Bad Policy" – May, 2006

www.mbwwa.org

Beer Institute
"Beer Tax Facts"

www.beerinstitute.org