

State Lawmakers Propose Increasing Alcohol Tax to Fund Addiction Treatment

A new bill introduced in the Assembly and Senate proposes increasing the alcohol tax to fund addiction prevention and recovery programs in the state.

The increase would amount to an additional 3-cent charge per can of beer, 2 cents per glass of wine and 10 cents per shot of liquor, said Assemblyman Michael DenDekker, who sponsored the bill. The additional revenue would total more than \$260 million per year, doubling the current budget allocation to alcohol and substance-abuse treatment programs.

"The slight increase in the cost of an alcoholic beverage from the tax is negligible," added DenDekker, whose district includes Jackson Heights, East Elmhurst and Woodside in Queens.

The bill calls for the revenue to be a supplement to—not replacement of—funds that already go toward alcohol and substance-abuse addiction prevention and recovery programs, including grants for education and recovery services approved by the state Department of Health. Addiction treatment professionals and advocates have long called for added funds for prevention and recovery, particularly amid the ongoing opioid epidemic.

"New York state needs more inpatient treatment for uninsured and underinsured individuals," DenDekker said in a statement, "as well as transitional supportive housing for those recently discharged from an inpatient facility for substance and alcohol abuse."

Because the funding would be dedicated to treatment services, the money would not come in and "go out the back door" to other projects, such as infrastructure, said John Coppola, executive director of the New York Association of Alcoholism and Substance Abuse Providers.

For example, critics have said that the \$300 million in tax revenues that could be generated if recreational marijuana is legalized in the state would fund things other than addiction treatment because it has not been set aside for a specific use.

Any alcohol tax increase would be felt by the food and beverage industry.

"We generally oppose tax increases, but it's because it's going to hurt our members' profitability," said Scott Wexler, executive director of the Empire State Restaurant & Tavern Association, not because the association is against revenue going to a general government fund or specific programming.

Monitoring potential alcohol tax increases in an environment where costs are going up in a number of different areas—such as credit card processing fees—is important, Wexler said. But the proposed increase is not on the radar of association members just yet.

"It would be unusual for something like this to be enacted outside of the budget," he said. "This is perhaps a longer-term concern for us more than a near-term concern."