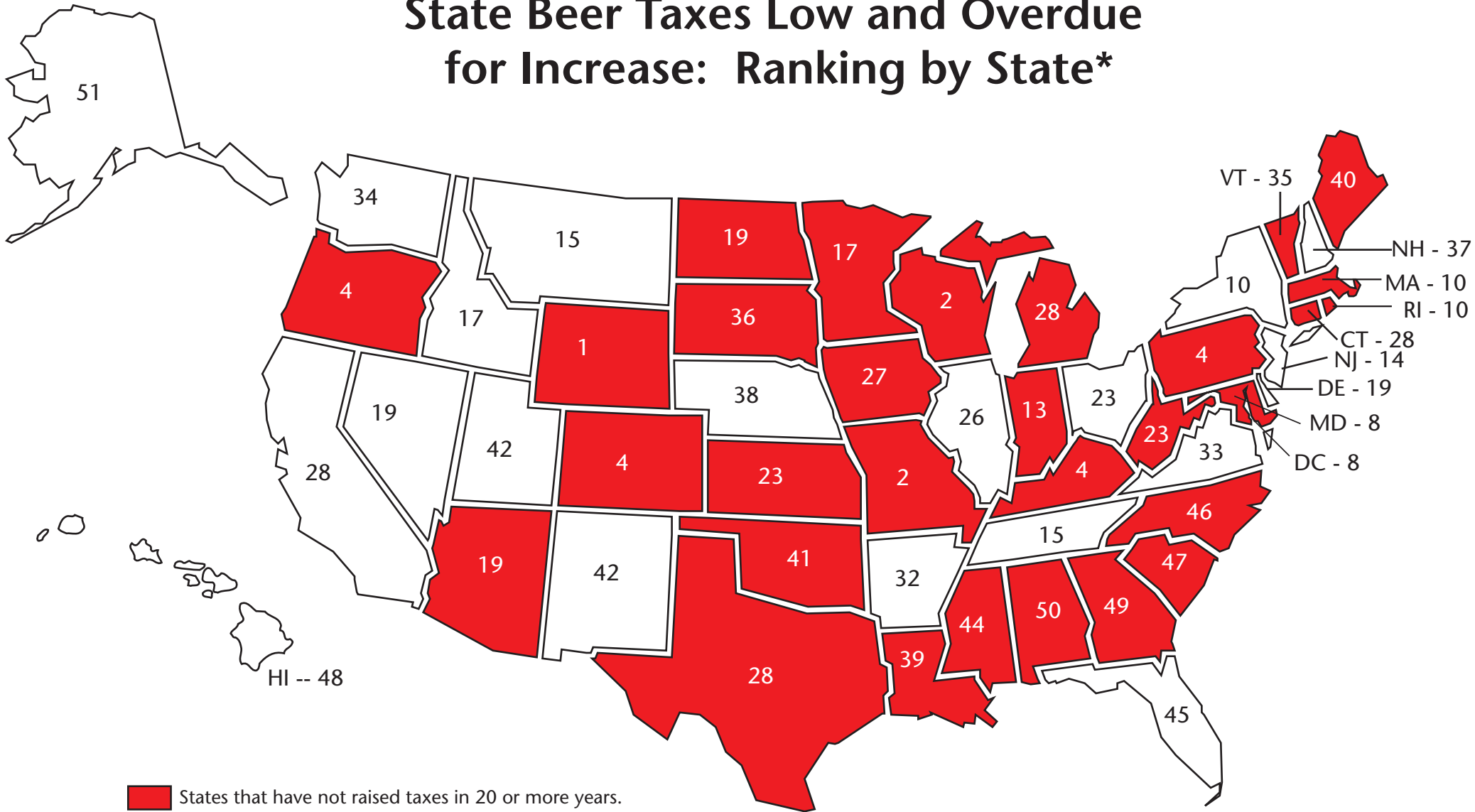


# State Beer Taxes Low and Overdue for Increase: Ranking by State\*



\*NOTES: Rankings from lowest (1) to highest (51).

National average is \$0.278 per gallon, U.S. median is \$0.185 per gallon. Both include excise taxes only. See attached chart for additional wholesaler, sales or other applicable taxes.

Data compiled by CSPI from the Federation of Tax Administrators (<http://www.taxadmin.org/fta/rate/beer.html>) and the Tax Foundation ([http://www.taxfoundation.org/files/variousstaterates\\_2009-20090128.xls](http://www.taxfoundation.org/files/variousstaterates_2009-20090128.xls)). Any slight discrepancies are due to rounding.

**States Ranked by Alcohol Tax Rates: Beer**  
(as of March 2009)

<b>Ranking</b>	<b>State</b>	<b>Beer Tax (per gallon)</b>	<b>Sales Tax Applied</b>	<b>Year Taxes Last Raised</b>
1	Wyoming	\$0.02	4%	1935
2	Missouri	\$0.06	4.225%	1971
	Wisconsin	\$0.06	5%	1969
4	Colorado	\$0.08	2.9%	1976
	Kentucky*	\$0.08	6%	1982
	Oregon	\$0.08	-- n/a --	1977
	Pennsylvania	\$0.08	6%	1947
8	Maryland*	\$0.09	6%	1972
	D.C.*	\$0.09	8%	1989
10	Massachusetts*	\$0.11	5%	1975
	New York*	\$0.11	4%	2003 <sup>±</sup>
	Rhode Island*	\$0.11	7%	1989
13	Indiana	\$0.115	7%	1981
14	New Jersey	\$0.12	7%	1992
15	Montana	\$0.14	-- n/a --	1992
	Tennessee*	\$0.14	7%	2002
17	Idaho*	\$0.15	6%	2003
	Minnesota*	\$0.15	-- n/a --	1987
19	Arizona*	\$0.16	5.60%	1983
	Delaware	\$0.16	-- n/a --	1990
	Nevada	\$0.16	6.5%	2003
	N. Dakota*	\$0.16	7%	1967
23	Kansas*	\$0.18	8%	1987
	Ohio*	\$0.18	5.50%	1993
	West Virginia	\$0.18	6%	1966
26	Illinois*	\$0.185	6.25%	1999
27	Iowa	\$0.19	6%	1986
28	California	\$0.20	7.25%	1991
	Connecticut	\$0.20	6%	1989
	Michigan	\$0.20	6%	1966
	Texas*	\$0.20	6.25%	1984
32	Arkansas*	\$0.23	6%	2003
33	Virginia	\$0.2565	5%	1993
34	Washington*	\$0.26	6.50%	1997
35	Vermont*	\$0.265	6%	1981
36	South Dakota	\$0.27	4%	1988
37	New Hampshire	\$0.30	-- n/a --	1991
38	Nebraska	\$0.31	5.5%	2003
39	Louisiana*	\$0.32	4%	1948
40	Maine*	\$0.35	5%	1986
41	Oklahoma*	\$0.40	4.50%	1987
42	New Mexico*	\$0.41	5.38%	1993
	Utah	\$0.41	4.65%	2003
44	Mississippi	\$0.4268	7%	1986
45	Florida*	\$0.48	6%	1999
46	North Carolina	\$0.5318	4.25%	1969
47	South Carolina	\$0.768	6%	1969
48	Hawaii*	\$0.93	4%	1998
49	Georgia*	\$1.01	4%	1967
50	Alabama*	\$1.05	4%	1982
51	Alaska	\$1.07	-- n/a --	2002
	<b>U.S. Median</b>	<b>\$0.185</b>		
	<b>U.S. Average</b>	<b>\$0.278</b>		

Rankings are for excise tax rates only.

Tax rates compiled from the Federation of Tax Administrators (<http://www.taxadmin.org/fta/rate/beer.html>) and the Tax Foundation ([http://www.taxfoundation.org/files/variousstaterates\\_2009-20090128.xls](http://www.taxfoundation.org/files/variousstaterates_2009-20090128.xls)).

Any slight discrepancies are due to rounding. Additional excise, wholesaler, and sales taxes for each state are explained below.

<sup>±</sup>New York's beer tax *decreased* in 2003, following 3 prior decreases in 2001, 1999 and 1996. The state last *increased* their beer tax in 1990. The 2003 decrease brought the tax back to its 1990 value.

**\* NOTES ( States in order of ranking):**

KENTUCKY:	Additional 11% wholesale tax and 6% sales tax applied.
MARYLAND:	\$0.02 per 12-oz additional tax is levied in Garrett County.
DISTRICT OF COLUMBIA:	An additional 8% sales tax is applied to off-premise sales and an additional 10% sales tax is applied to on-premise sales.
MASSACHUSETTS:	5% sales tax is applied to on-premise sales only. An additional 0.57% tax is applied to private club sales.
NEW YORK:	Additional tax of \$0.12 per gallon is assessed in New York City.
RHODE ISLAND:	An additional \$0.022 per gallon tax is levied on packaged beer and is earmarked for the state's litter/recycling tax.
TENNESSEE:	An additional wholesale tax of 17% for the use of the counties and municipalities levied.
IDAHO:	If beer over 4% alcohol by volume (abv), an additional \$0.45/gallon tax is levied.
MINNESOTA:	If beer is under 3.2% abv, tax is \$0.077 per gallon and a 9% sales tax is levied.
ARIZONA:	Arizona does not have a true "sales tax" but rather a GRT (gross receipts tax) which is collected at the firm level instead of at retail, and applies to a broad range of intermediate goods, unlike sales taxes which in theory apply only to end products. Arizona's GRT is called the transaction privilege tax.
NORTH DAKOTA:	Bulk beer is taxed an additional \$0.08 per gallon.
KANSAS:	8% sales tax only applicable to beer over 3.2% abv sold off-premise. Beer above 3.2% abv sold on-premise subject to a 10% sales tax. Beer under 3.2% abv is subject to a 4.25% sales tax on- and off-premise.
OHIO:	Additional \$0.16/gallon tax assessed in Cuyahoga County. Ohio has a GRT that is levied in addition to its 5.5% sales tax, called the Commercial Activity Tax (CAT). It is being phased in to replace Ohio's Corporate Franchise Tax. Firms with receipts over \$1 million pay the CAT; firms with receipts between \$150K and \$1 million pay a minimum tax of \$150. The rate from April 2008 through March 2009 is 0.208% and will increase to the final rate of 0.26% on 4/1/2009.
ILLINOIS:	Additional \$0.12 per gallon tax assessed in Chicago and on beer sold in clubs, plus additional 10% retail tax for all beer sold in clubs. \$0.06 per gallon additional tax levied in Cook County.
TEXAS:	Beer over 4% abv is subject to an additional \$0.198 per gallon tax, to a 14% on-premise tax and to \$0.05/drink airline sales tax. Texas has a 1% GRT(0.5% for retailers) that is levied in addition to its 6.25% sales tax (called the franchise tax).
ARKANSAS:	Beer under 3.2% abv taxed at \$0.16 per gallon. An additional 3% tax applied to off-premise sales and 10% tax applied to all on-premise sales.
WASHINGTON:	7% surtax is included in the excise tax. Environmental tax of \$150 per \$1 million value at the producer, wholesaler and retailer levels also added. Washington has a GRT in addition to its 6.5% sales tax, called the Business and Occupation Tax, and is levied at various rates. The major rates are 0.471% for retail sales, 0.484% for wholesale and manufacturing, and 1.5% for service and other activities.
VERMONT:	Beer 6-8% abv taxed at \$0.55 per gallon. Sales tax is applied to off-premise sales only. 10% sales tax applied to on-premise sales.
LOUISIANA:	Municipalities and counties may levy additional tax of up to \$1.50 per barrel.
MAINE:	Additional 5% on-premise tax levied.
OKLAHOMA:	Beer under 3.2% abv taxed at \$0.36 per gallon. 4.5% sales tax rate is applied to off-premise sales only; on-premise sales taxed at 13.5%

NEW MEXICO: New Mexico has no sales tax but does have a GRT. The rate varies by municipality, with a minimum of 5.375%.

FLORIDA: Additional on-premise retail tax of \$0.0267 per 12-oz applied.

HAWAII: Additional \$0.53 per gallon tax levied on draft beer sold. Hawaii has no sales tax but does have a GRT. The rate varies depending on the business activity; it is 0.15% on insurance commissions, 0.5% on certain activities such as wholesaling, and 4% on most activities at the consumer level.

GEORGIA: Rate includes excise tax of \$0.48/gallon plus \$0.53 per gallon uniform local tax. All municipalities and counties can assess an additional draft beer tax of \$0.387 per gallon.

ALABAMA: Rate given includes excise tax rate of \$0.53 per gallon and \$0.52 per gallon uniform local tax.