

House Republicans Condemn Call for Alcohol Tax Increase

Posted by [TBN\(Staff\)](#) On 09/16/2020

ANNAPOLIS, Md. – House Republicans today condemned the first of what is likely to be many tax increase proposals coming from General Assembly Democrats: an 11% increase in Maryland's alcohol tax.

House Democrats are planning to increase Maryland's alcohol tax from 9% to 10%, a move harkening back to the tax and spend failures of the O'Malley-Brown era.

"Maryland is in the middle of an economic crisis", said House Minority Leader Nic Kipke. "Our small businesses are hurting, particularly our restaurants, bars, and mom-and-pop shops. Many of these businesses are hanging on by a thread, making enough to cover bills if they're lucky. This type of tax increase could be the final straw that puts many out of business."

A 2016 study in the American Journal of Drug and Alcohol abuse found that, in the 18 months following the last increase in the alcohol tax in 2011, Maryland saw a 3.8% decline in total alcohol sales. Average per capital sales of spirits declined 5.1%, beer sales were 3.2% lower, while wine sales dropped 2.5%.

In 2011, the alcohol tax increase was advertised as a way to increase funding for the developmentally disabled. By the time the deal was passed, the developmentally disabled community received a fraction of what it was promised. This new tax increase proposal is being marketed as a way to pay for health disparity programs.

"Eliminating health disparities is an important goal, particularly given the impacts the COVID-19 pandemic has had on minority communities," said Kipke. "But, there is no guarantee that this is where the money will go. As Maryland faces a gloomy budget outlook, the probability that the General Assembly would swap these dollars to pay for something else is high. There is plenty of precedent."

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