

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON HUMAN RESOURCES AND FACILITIES

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
May 27, 1981

The Senate Committee on Human Resources and Facilities was called to order by Chairman Joe Neal at 8:12 a.m., Wednesday, May 27, 1981 in Room 323 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Joe Neal, Chairman  
Senator James N. Kosinski, Vice Chairman  
Senator Richard E. Blakemore  
Senator Wilbur Faiss  
Senator Virgil M. Getto

COMMITTEE MEMBERS ABSENT:

Senator James H. Bilbray (excused)

GUEST LEGISLATORS:

Assemblyman John Marvel  
Senator Norman D. Glaser  
Senator William J. Raggio  
Assemblyman Bill Brady

STAFF MEMBERS PRESENT:

Connie S. Richards, Committee Secretary

ASSEMBLY BILL NUMBER 247 (EXHIBIT C)

Mr. Noel E. Manoukian, Associate Justice, Nevada Supreme Court noted that the consumption of alcohol has impacted the nation's justice system greatly. He said alcoholism knows no age, race, or economic level, but transcends all levels of society. There are few facilities for treatment of alcohol and drug abusers in Nevada, especially non-profit or public facilities due to a lack of funding. Assembly Bill No. 247 aims at all underserved areas in the state, not only the rural counties, but the urban areas as well. He explained that the bill was referred to a number of committees before finally passing out of

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the Assembly and he urged the committee to consider the bill favorably and not to re-refer the bill to any committee.

Assemblyman John Marvel, sponsor of Assembly Bill No. 247 urged its passage with no referral.

Senator Norman Glaser told the committee he feels the concept is a good one as it makes sense that those who drink liquor should help with the problem created by alcohol. He said treatment centers experience a funding problem and urged the passage of the bill with no re-referral.

Senator Kosinski pointed out that one of the arguments most frequently used against the bill is that earmarking is not a favorable way to fund specific programs.

Assemblyman Marvel noted that several taxes in the State of Nevada are earmarked for specific programs and noted that only a portion of the tax on liquor will be earmarked for treatment facilities.

Senator William J. Raggio spoke in support of the concept of Assembly Bill No. 247. He said there is a need for additional funds for alcohol abuse treatment. He said the issue of alcoholism cannot be ignored as it is one of the most serious social problem existing in the State of Nevada today. He said the tax will generate about \$600,000 toward the programs. He said he would share the concerns of the liquor industry if the additional tax took away the competitiveness within the industry. The danger of earmarking is a real one and the legislature must consider such provisions carefully.

Assemblyman Bill Brady spoke in support of Assembly Bill No. 247. He pointed out that the tax increase is included only on hard liquor, not on beer and wine. As an employer, he said, alcoholism is a very serious problem that needs to be dealt with through the provision of facilities and programs funded by the state. He said those programs existing are extremely expensive.

Senator Virgil M. Getto spoke in support of Assembly Bill No. 247. He noted for the committee that Churchill County has been a leader in the development of programs for alcohol abuse and has treated a large number of clients and up to this time has had only 44 percent of all clients return for treatment.

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Mr. Larry Ketzenberger, Las Vegas Metropolitan Police Department spoke in support of Assembly Bill No. 247. He said the need for centers for the treatment of alcoholism is very great and noted that there is not enough room in jails to use them as civil protection centers. Mr. Ketzenberger said he has observed a large variation in the price of liquor from store to store in Nevada and a few cents on a bottle of liquor will make little difference in the competitiveness among stores. When the price of cigarettes went up due to taxation, people continued to buy cigarettes and will continue to buy liquor even if the price is increased slightly.

Senator Getto asked Mr. Ketzenberger whether there are any treatment centers in Las Vegas.

Mr. Ketzenberger replied that there are, but they are private industry for profit centers and are expensive and therefore cannot serve all people with an alcohol problem.

Mr. Charles Williams, Captain, Reno City Police Department told the committee that approximately 80 percent of all felony and misdemeanor arrests are related to alcohol in some way. He said he feels that the earmarking of funds in this case is a necessity and he advocates the bill.

Mr. Richard Ham, Chief, Bureau of Alcohol and Drug Abuse spoke in support of Assembly Bill No. 247. (See Exhibit D.)

Mr. Elmer R. Rusco, American Civil Liberties Union of Nevada spoke in support of Assembly Bill No. 247. He told the committee the state has no right to incarcerate people who have not been accused of a crime but need medical treatment that is not available. He said people have the right to receive that medical attention if a problem exists and added that persons accused of a crime should receive medical screening.

Mr. David Hagen, United States Brewers Association spoke in opposition to Assembly Bill No. 247. He said the association does not support earmarking.

Mr. Kurt Brown spoke in opposition to earmarking tax revenues for alcohol treatment centers (see Exhibit E).

Mr. Ben Akert, Representative, Ben's Discount Liquors spoke

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in opposition to Assembly Bill No. 247. He said many people from other states buy liquor in Nevada because it is less expensive. These people may start buying their liquor at home if additional taxes are placed on liquor in Nevada.

Mr. Arthur Senini, President, Wine and Sprit Wholesalers of Nevada spoke in opposition to Assembly Bill No. 247 (see Exhibit F).

Mr. Rich Graves, Retailer, Sparks spoke in opposition to Assembly Bill No. 247. He reiterated views expressed by Mr. Akert and said 80 percent of Nevada's retail liquor business goes out of the state and Nevada's liquor consumption is three times the national average. He said much of this business will be lost if additional taxes are imposed.

Mr. C. O. Watson, Secretary, Wine and Spirits Wholesalers of Nevada spoke relative to Assembly Bill No. 247 (see Exhibit G).

Ms. Nancy Roget, Director of operation Bridge which provides individual, group, and family counseling for youth, young adults, and their families in Clark County urged the committee to pass Assembly Bill No. 247 as the need for funds for alcohol abuse centers is greater than ever before.

Ms. Allison Joffee, Representative, Council on Substance Abuse in Nevada (CASAN) explained that she runs a program called OIKOS, a substance abuse program for teenagers and their families. She said this program involves very little overhead as furniture is donated, rent for the actual facility is low and counselors receive very low pay and work in the field because of the intrinsic rewards rather than for money.

Mr. Dick Ham presented a letter from the Nevada State Medical Association urging passage of Assembly Bill No. 247 (see Exhibit H).

Senator Getto moved to "Do Pass" Assembly Bill No. 247.

Senator Faiss seconded the motion.

Senator Kosinski asked if there was any reason why the committee could not wait until the following day to take action on the bill.

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Senator Getto replied that "time is of the essence" at this point in the session.

The motion carried. (Senator Kosinski voted "No", Senator Bilbray was not present.)

ASSEMBLY BILL NUMBER 412

Due to the lack of time, the committee agreed to review Assembly Bill No. 412 the following legislative day.

There being no further business, the meeting adjourned at 10:27 a.m.

Respectfully submitted:

  
Connie S. Richards, Committee Secretary

APPROVED BY:

  
Senator Joe Neal, Chairman

DATE: June 4, 1981

SENATE AGENDA

COMMITTEE MEETINGS

EXHIBIT A

Committee on Human Resources and Facilities, Room 323 :

Day Wednesday, Date May 27, Time 8:00 a.m.

A. B. No. 247--Increases excise tax on liquor and directs use of increased revenues for treatment of alcoholism.

A. B. No. 412--Provides for regulation of manufactured housing.  
WORK SESSION.

## SENATE COMMITTEE ON HUMAN RESOURCES AND FACILITIES

DATE: May 27, 1981

## EXHIBIT B

PLEASE PRINT	PLEASE PRINT	PLEASE PRINT	PLEASE PRINT
NAME	ORGANIZATION & ADDRESS	TELEPHONE	
ELMER R RUSCO	ACLU OF NEVADA	747-6727	
<del>Joseph Storti</del>	EASTERN NEVADA COUNCIL <sup>ELKO</sup>	738-8004	
Bill White	NASAC	747-1009	
Charles Williams	City of Reno	785-2130	
John Marvel	Assemblyman Dist # 34		
<del>Edmondson</del>	Neu Health Division	985-4750	
A. SEMINI	U.S. W.N.	323-3101	
G.P. Veterans	Vol. W War	786-6456	
JOE FRANCOISUR	DART DISCOUNT LIQUOR	588-5787	
Larry Ketzner	LVMPO	386-3486	
<del>Joseph Kieles</del>	LUCIE & SON DISE	322-3456	
BEN AKERT	BEN'S DISCOUNT LIQUORS	379-3373	
BOB REVERT	NEV BEER & BEV ASSOC	702-648-5926	
KURT BROWN	CAPITAL BEVERAGES	882-2122	
DAVID WAGNER	U.S. BREWERS ASSN	786-2356	
<del>Neil Mark Wilson</del>	A.S. Co.	885-5195	
JOHN QUINN	HTTY 3105 ARLINGTON BLVD	786-5344	
MARY ROBERT	3507 W. CHAS. - L.V.	870-6525	
Allison Tiffon	DIKUS 4875 1st St. Reno	997-4357	
John Williams	GEMINI 1015 N. SIERRA BLVD Reno	323-8110	
Laura Russell	1715 N. Sierra Nevada Blvd	323-8110	
Bill Pagan	GEMINI 1015 N. SIERRA BLVD	323-8110	
G.P. Fitcher	New LEAZOR of Calif.	882-2121	

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

**A. B. 247**

ASSEMBLY BILL NO. 247—COMMITTEE ON TAXATION

FEBRUARY 27, 1981

Referred to Committee on Health and Welfare

**SUMMARY**—Increases excise tax on liquor and directs use of increased revenues for treatment of alcoholism. (BDR 40-892)

**FISCAL NOTE:** Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: Yes.

**EXPLANATION**—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to alcohol and drug abuse; raising the excise taxes on alcoholic beverages; providing for application of the added tax revenue to services for the prevention and treatment of alcohol abuse and alcoholism; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

- 1 SECTION 1. Chapter 458 of NRS is hereby amended by adding  
2 thereto a new section which shall read as follows:  
3 *All money received by the bureau pursuant to section 3 of this act*  
4 *must be used to increase services for the prevention of alcohol abuse and*  
5 *alcoholism and for the detoxification and rehabilitation of abusers. In*  
6 *allocating the money for the increase of services, the bureau shall give*  
7 *priority to:*  
8 1. *The areas where there exists a shortage of personnel to conduct*  
9 *treatment for alcoholism and alcohol abuse. The bureau must determine*  
10 *the areas of shortage on the basis of data available from state and local*  
11 *agencies, data contained in the comprehensive state plan for alcohol and*  
12 *drug abuse programs, and other appropriate data.*  
13 2. *The needs of counties to provide civil protective custody, pursuant*  
14 *to NRS 458.270, for persons who are found in public places while under*  
15 *the influence of alcohol.*  
16 SEC. 2. NRS 458.100 is hereby amended to read as follows:  
17 458.100 1. All gifts or grants of money which the bureau is author-  
18 ized to accept must be deposited in the state treasury for credit to a fund  
19 to be known as the state grant and gift account for alcohol and drug abuse  
20 in the department of human resources' gift fund.  
21 2. *Money in the account which has been received:*  
22 (a) *Pursuant to section 3 of this act must be used for the purposes*  
23 *specified in section 1 of this act.*



1 (b) From any other source must be used for the purpose of carrying  
2 out the provisions of this chapter and other programs or laws adminis-  
3 tered by the bureau.

4 3. All claims must be approved by the chief before they are paid.

5 SEC. 3. Chapter 369 of NRS is hereby amended by adding thereto  
6 a new section which shall read as follows:

7 *Each month, the state controller shall transfer to the account for alco-*  
8 *hol and drug abuse in the department of human resources' gift fund, from*  
9 *the tax on liquor containing more than 22 percent of alcohol by volume,*  
10 *the portion of the tax which exceeds \$1.90 per wine gallon.*

11 SEC. 4. NRS 369.330 is hereby amended to read as follows:

12 369.330 Except as otherwise provided in this chapter, an excise tax  
13 is hereby levied and **[shall] must** be collected respecting all liquor and  
14 upon the privilege of importing, possessing, storing or selling liquor,  
15 according to the following rates and classifications:

16 1. On liquor containing more than 22 percent of alcohol by volume,  
17 **[\$1.90] \$2.05** per wine gallon or proportionate part thereof.

18 2. On liquor containing more than 14 percent up to and including  
19 22 percent of alcohol by volume, 50 cents per wine gallon or proportion-  
20 ate part thereof.

21 3. On liquor containing from one-half of 1 percent up to and includ-  
22 ing 14 percent of alcohol by volume, 30 cents per wine gallon or pro-  
23 portionate part thereof.

24 4. On all malt beverage liquor brewed or fermented and bottled in  
25 or outside this state, 6 cents per gallon.

26 SEC. 5. Section 2 of this act shall become effective at 12:01 a.m. on  
27 July 1, 1981.

EXHIBIT D

ASSEMBLY BILL 247  
BACKGROUND INFORMATION

PREPARED BY  
THE BUREAU OF ALCOHOL  
AND DRUG ABUSE

MAY, 1981  
REVISED

## ASSEMBLY BILL 247: A SUMMARY

Assembly Bill 247, Second Amendment, calls for a \$.15 per gallon increase in the excise tax applied to Distilled Spirits only. Beer and wine excise tax would not be increased. A modest increase in the excise tax will generate an additional \$660,000 in revenues for the detoxification and treatment of Nevadans who have problems with alcoholism and drug addiction.

AB 247 is not intended as a simple tax bill. It was designed and constructed for a very specific purpose: To provide additional revenue to implement sorely needed alcohol and drug abuse services throughout the State. This is important for two reasons:

- 1) The tax increase called for in AB 247 is tied to concrete plans for funding services that are currently lacking and urgently needed. For example; diverting alcohol abusers from our jails to treatment thereby relieving overcrowding and seeing that the public inebriate gets necessary care.
- 2) When considering this measure, legislators are not merely debating another tax increase proposal. AB 247 provides an opportunity to meet pressing community needs in a fair and relatively painless manner. Those who use alcohol will be helping those who abuse alcohol. Nevadans who do not drink will be partially freed of that burden.

### HISTORY OF AB 247

AB 247 is not a measure generated by the State Bureaucracy. This measure was initiated by a group of rural citizens who banded together into a Rural

Substance Abuse Task Force for the purpose of finding solutions to the worsening problems of alcoholism and drug abuse in the state. Foremost among these concerns was (1) the appalling lack of adequate alcohol and drug abuse services in many of the rural areas of the state and in many sections of Nevada's major cities, and (2) the critical need for funds to address the growing problem of the public inebriate who, under Nevada Law, must be placed in Civil Protective Custody (CPC) and provided treatment. Law enforcement personnel throughout the State are literally inundated with civil protective custody arrests - so much so that any given day, CPC cases account for a third of the total State jail population. At the same time, there continues to be communities in Nevada (especially in the rural areas) where alcohol abuse (and to a lesser degree drug abuse) is rampant, but where treatment services are non-existent. AB 247 was designed to generate revenue to realistically begin to tackle these problems.

AB 247 AS A TAX MEASURE

Nevada's current rate of tax on beverage alcohol is among the four lowest in the nation. The increases proposed in AB 247 are modest in the extreme.

The Nevada Legislature has not raised the excise tax on alcoholic beverages since 1969, when the tax was increased by over 35%. Given (1) the span of time between adjustments of this tax, (2) the extremely modest amount of increase called for and (3) the overwhelming need to take action addressing the serious and growing alcohol and drug abuse problem in the State, AB 247 offers a potentially attractive, reasonable and relatively painless alternative for funding possible solutions.

It has the distinct advantage of not affecting any consumer who doesn't use the product and is therefore immune to the disease of alcoholism.

Any citizen who doesn't drink alcoholic beverages doesn't pay any tax.

CONCLUSION

Historically, the Nevada Legislature has recognized the seriousness of alcohol abuse in the State and has enacted an impressive array of related legislation focused on the problem. In 1959, the Legislature created the Division of Alcoholism through NRS Chapter 458. Subsequently, the Bureau of Alcohol and Drug Abuse was created and given specific mandates and resources for addressing the multifaceted problem of substance abuse (1973). Intoxication and the abuse of alcohol was decriminalized in 1973. Under Civil Protective Custody legislation (1973), provision was made to divert public inebriates from the criminal justice system into treatment. In 1975, election of treatment in lieu of incarceration was provided for certain alcohol-related offenses under NRS 458.300. Currently, this legislature is considering legislation mandating treatment for drunk drivers (SB 83). It would appear that a measure such as AB 247 is a logical and eminently reasonable continuation in the chronology of this state's commitment to combat alcoholism and the social ills that accompany this insidious disease.

Fact Sheet for AB-247

- Nineteen states have a dedicated Alcohol Tax aimed at treatment of alcohol abusers. (See attached list of states)
- Nevada is the fourth lowest excise tax state for Distilled Spirits. The District of Columbia (\$1.50) Maryland (\$1.50) and New Mexico (\$1.50) are lower.
- National average for distilled spirits is \$2.71 per wine gallon. (128 fl. oz.)
- Nevada's last tax increase was in 1969 when excise tax on Distilled Spirits was raised from \$1.40 per wine gallon to \$1.90 per wine gallon. (35.71%) The Excise Tax was raised to \$1.40 in 1961 from \$.80 (a 75% increase). It had been at \$.80 since 1947.

AB-247 as originally drafted requested a 10% increase in Excise Tax on all alcoholic beverages, which is the lowest increase in the state's history.

AB-247, Second Amendment - calls for a \$.15 per gallon increase (7.9%) in Distilled Spirits only. This small increase would generate an estimated \$660,376.00 for alcohol programs state wide. This represents an overall increase in Excise Tax collected in the state of 5.6%.

IT IS IMPORTANT TO NOTE THIS IS AT THE EXCISE TAX LEVEL AND NOT AT THE RETAIL LEVEL. (IF IT WERE PASSED ON DIRECTLY IT WOULD AMOUNT TO FOUR CENTS ON EACH LITER SOLD. IN TERMS OF PERCENTAGE INCREASE, THIS WOULD BE SIX TENTHS OF A PERCENT ON SMIRNOFF VODKA OR THREE POINT FIVE TENTHS OF A PERCENT ON JACK DANIELS.

NOTE: There was no excise tax on distilled spirits until 1935 when \$.40 was imposed. The tax went to \$.60 in 1945 and 1946. (a 50% increase). It went up  $33\frac{1}{3}\%$  in 1947 to \$.80.

- Of the 32 license states (as opposed to states which control all aspects of distribution sale) Florida has the highest excise tax on distilled spirits at \$4.75 per gallon. Minnesota charges \$4.39 per gallon. Third is Massachusetts with a rate of \$4.05, followed by Alaska, Oklahoma and Tennessee all at \$4.00.

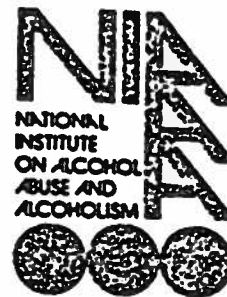
\*Source: Annual Statistical Review 1979 - Distilled Spirits Industry, published by the Distilled Spirits Council of the United States. (DISCUS)

- According to DISCUS Nevada ranks first in Revenue per capita from combined state and local alcohol beverage collections.

However, we are 29th in hard dollars collected.

These data include excise tax, sales tax, and license fees.

Nevada also ranks Number One in per capita consumption. However, this ranking only takes into consideration census population and does not include tourist population.



## State Dedicated Alcohol Taxes (January 1, 1980)

Following is a summary of laws by State pertaining to taxes levied on the purchase of alcoholic beverages, the proceeds of which are dedicated to the treatment or prevention of alcoholism. (Citations refer to the specific section or sections in the State statutes or code where the law is found.)

- Alabama** In addition to all other taxes there is levied a tax at the rate of 10 percent of the selling price of all spirituous or vinous liquors, one-half of which is to be used by various programs including alcoholism programs. (28-3-201, 28-3-202)
- Arkansas** This law imposes a \$25 fine (in addition to any other penalty) on persons convicted of driving while intoxicated. These proceeds are to be placed in the Alcohol Safety Rehabilitation Programs Fund. (75-1029.5)
- Idaho** This law places a specified tax on liquor; the proceeds from this tax are to be placed in the Liquor Control Fund and are to be used for alcohol treatment and rehabilitation programs. (23-402 through 23-404)
- Indiana** An additional fee of \$30 is required for retailer's and dealer's permits and is to be used for alcoholism treatment, prevention, and rehabilitation programs. (7-4-3-1)
- Iowa** A specified portion of the license fee for manufacturers, storage and wholesale distributors of alcoholic beverages shall be appropriated to local county authorities and shall be deposited in the county's institutions fund for the care and treatment of alcoholics. (123.36)
- Massachusetts** Fifty percent of revenues from private club license fees is to be deposited in the State alcoholic treatment fund. (41-26-22)
- Ten percent of revenue from tax on alcohol and spirits is to be deposited in the State or community alcoholism and intoxication programs fund. (41-501)
- Maryland** Allegany county allocates 20 percent of State taxes on alcoholic beverages and license fees for alcoholic beverage dispensaries, collected in that county, for alcoholism treatment and rehabilitation programs. (Adopted by Motion of County Commissioners.)
- Michigan** A specified percentage of retailer's license fees collected in the State shall be credited to a special fund for the purpose of promoting programs for prevention, rehabilitation, care, and treatment of alcoholics. (436.47)
- In addition to all taxes imposed by law, there is imposed and levied a specific tax equal to 1.85 percent of the total selling price of spirits; the tax is to be used for the treatment of alcoholics. (436.131)
- Mississippi** A 3 percent tax is placed on alcohol products to be used solely for alcoholism treatment and rehabilitation programs. (27-71-7)
- Montana** A percentage of the license tax on liquor establishments is to be deposited in a fund for alcoholism treatment, prevention, and rehabilitation. (16-1-404, 16-1-408)
- North Carolina** Seven percent of liquor profits and a \$.05 per bottle tax provide funds for education purposes relating to the use of alcohol and rehabilitation of alcoholics. (13A-17)
- Ohio** One-half of one percent of liquor permit fees (matched by an equal amount from the State general fund) is allocated for alcoholism treatment control programs. (4301.10, 4301.30 4301.02, et. seq.)



- Oregon One-third of manufacturers' excise taxes on alcoholic beverages is to be allocated to the State and counties for alcoholism programs. (430.380)
- South Carolina A specified percentage of revenue received from the sale of liquor shall be returned to the counties on a per capita basis to be used for education purposes relating to the use of alcohol and rehabilitation of alcoholics. (61-5-150)
- South Dakota A tax of \$.30 per barrel on beer and \$.05 per gallon on liquor shall be deposited in a fund for alcoholism programs. (35-5-21.3)
- Tennessee Two percent of taxes on beer and light liquor shall be dedicated to alcoholism treatment, rehabilitation, and prevention programs. (57-217)
- Specified percentage of taxes collected on distribution and sale of hard liquor shall be allocated to alcoholism programs - 1978-1979 fiscal year 1.16 percent allocated; 1979-1980 amount allocated is 2.33 percent; 1980-1981 amount allocated is 3.5 percent. (57-135)
- Virginia A specific portion (15 percent) of State liquor taxes shall be appropriated for liquor programs. (415.1)
- Washington Revenues from Class H license fees in excess of \$1 million per biennium plus 20 percent of Class A-F license fees accrue for alcoholism programs. (66.08.180)
- Cities and counties may share in the use of other city or county alcoholism programs or facilities if they contribute 2 percent of their share of liquor taxes to support those shared programs or facilities. (70.96)
- West Virginia Price of alcoholic beverages shall be increased to produce an additional annual revenue of \$1 million on an annual volume of business for the care and treatment of alcoholic people. (60-3-9C)

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 BUREAU OF ALCOHOLISM  
 AND DRUG ABUSE

## Issue of Competition from California

The California excise tax on Distilled Spirits is higher than Nevada's. Our neighboring state to the West charges \$2.00 per wine gallon for spirits 100 proof or lower and \$4.00 for Distilled Spirits over 100 proof (as opposed to \$1.90 per gallon in Nevada).

California is a wine producing state and that industry is given a significant tax incentive by its legislature. Consequently, California's excise tax on Beer and Wine is lower than Nevada's, at present. However, there are at least three bills pending in the California Legislature which would reverse that situation. The most germane to AB 247 is the Waters Bill (attached) which raises the excise tax quite significantly for Alcohol Treatment. Additionally, California Assembly Speaker Willie Brown has been quoted in the press as favoring a liquor tax (among other measures) as a way of balancing the California budget. Assemblywoman Jean Morehead also has introduced a bill which will charge a nickel per drink across-the-bar to finance DUI. If any or all of these bills pass, California distributors will be paying much more.

We have surveyed retail and discount stores in Reno, Carson City, Las Vegas, Fernley, Santa Rosa, California, Sacramento, San Diego and South Lake Tahoe. The results of the survey revealed no appreciable difference in the price off the shelf between Nevada and California. We found marked differences in some items in similar stores; but in the main, the same kinds of price spread could be found everywhere. No one area stood out as THE place to buy liquor. We found that judicious shopping in any city could yield bargains of as much as \$4.60 for Jack Daniels (1 liter size). The same could be said of all areas. The bargains on the cheaper spirits (Smirnoff Vodka, 1 liter size) were about \$2.00.

It would appear from our survey that the consumer, regardless of where he lives, in California or Nevada, is not getting any benefit of lower excise tax. He has to shop for the best price in town.

## RETAIL PRICE SURVEY

A random sample of retail beer and liquor prices was made in Nevada and California in April and May 1981.

The results are outlined below in chart form:

### Beer (Carson City)

	<u>HIGH</u>	<u>LOW</u>	<u>DIFFERENCE</u>
Coors (6 pak 12 oz.)	\$2.40	\$1.99	\$.41
Michelob (6 pak 12 oz.)	\$2.80	\$2.49	\$.31

### Distilled Spirits (One Liter Size)

<u>CARSON CITY</u>	<u>HIGH</u>	<u>LOW</u>	<u>DIFFERENCE</u>
Smirnoff Vodka	\$7.39	\$6.59	\$.80
Gilbey Gin	\$6.69	\$6.19	\$.50
Cutty Sark Scotch	\$11.19	\$12.99	\$1.70
Jim Beam	\$7.49	\$6.89	\$.60
Canadian Club	\$11.90	\$9.69	\$2.21
Jack Daniels	\$11.49	\$9.99	\$1.50

<u>LAS VEGAS</u>	<u>HIGH</u>	<u>LOW</u>	<u>DIFFERENCE</u>
Smirnoff Vodka	\$7.29	\$6.29	\$1.00
Gilbey Gin	\$8.13	\$5.49	\$2.64
Cutty Sark	\$13.09	\$8.69	\$4.40
Jim Beam	\$7.39	\$6.59	\$.80
Canadian Club	\$10.79	\$7.59	\$2.20
Jack Daniels	\$11.99	\$7.39	\$4.60

<u>SANTA ROSA, CALIFORNIA</u>	<u>HIGH</u>	<u>LOW</u>	<u>DIFFERENCE</u>
Smirnoff Vodka	\$6.99	\$5.99	\$1.00
Gilbey Gin	\$6.65	\$6.58	\$.07
Cutty Sark	\$11.99	\$9.88	\$2.11
Jim Beam	\$7.99	\$6.99	\$1.00
Canadian Club	\$11.49	\$10.49	\$1.00
Jack Daniels	\$11.98	\$11.29	\$.69

<u>SAN DIEGO, CALIFORNIA</u>	<u>HIGH</u>	<u>LOW</u>	<u>DIFFERENCE</u>
Smirnoff Vodka	\$6.79	\$6.19	\$.60
Gilbey Gin	\$6.69	\$5.89	\$.80
Cutty Sark	\$13.09	\$9.99	\$3.10
Jim Beam	\$6.89	\$6.39	\$.50
Canadian Club	\$11.79	\$9.19	\$2.60
Jack Daniels	\$11.39	\$9.39	\$2.00

The survey was made simply by walking into a store and checking prices on the shelf. Types of stores included Super Markets, Liquor Stores and Discount Stores. Interestingly, we found that more often than not the Discount Store was significantly higher than the other stores.

**ASSEMBLY BILL**

No. 957

Introduced by Assemblywoman Maxine Waters

March 16, 1981

An act to add Section 11842 to the Health and Safety Code, and to amend Sections 32151 and 32201 of, and to add Section 32503 to, the Revenue and Taxation Code, relating to alcohol, to take effect immediately, tax levy.

## LEGISLATIVE COUNSEL'S DIGEST

AB 957, as amended, M. Waters. Alcoholic beverage tax.

The existing Alcoholic Beverage Tax Law imposes an excise tax at specified rates on beer, still wines, champagne, hard cider, and distilled spirits. Proceeds from the tax are deposited in the State Treasury to the credit of the Alcoholic Beverage Control Fund.

This bill would increase the rate of such *those* taxes at unspecified *specified* rates commencing January 1, 1982, and would provide that the revenues derived from the increase in taxes shall be deposited in the Alcohol Services and Research Account in the General Fund.

This bill would create in the General Fund an Alcohol Services and Research Account. The funds in the account would be required to be used for alcohol programs and services for the general population and public inebriates. The bill would authorize the Legislature to appropriate funds from the account commencing with the 1982 Budget Act.

*This bill would take effect immediately as a tax levy.*

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

1 distilled spirits selling distilled spirits with respect to  
2 which no tax has been paid within areas over which the  
3 federal government exercises jurisdiction, at the  
4 following rates:

5 On all distilled spirits of proof strength or less, two  
6 dollars (\$2) per wine gallon, and at a proportionate rate  
7 for any quantity until January 1, 1982, and on and after  
8 January 1, 1982, ~~/\$~~ *two dollars and*  
9 *fifty-one and two-tenths cents (\$2.512)* per wine gallon  
10 and at a proportionate rate for any quantity, and on all  
11 nonliquid distilled spirits containing 50 percent or less  
12 alcohol by weight \_\_\_\_\_ (\$\_\_\_\_\_) per ounce  
13 avoirdupois, and at a proportionate rate for any quantity.

14 All distilled spirits in excess of proof strength, and all  
15 nonliquid distilled spirits containing more than 50  
16 percent alcohol by weight, shall be taxed at double the  
17 above rate.

18 SEC. 4. Section 32503 is added to the Revenue and  
19 Taxation Code, to read:

20 32503. Notwithstanding the provisions of Section  
21 32502, all revenues derived from the increase in taxes  
22 imposed under Sections 32151 and 32201 commencing  
23 January 1, 1982, shall be transmitted to the State  
24 Treasurer for deposit in the Alcohol Services and  
25 Research Account in the General Fund established  
26 pursuant to Section 11842 of the Health and Safety Code.

27 SEC. 5. *This act provides for a tax levy within the*  
28 *meaning of Article IV of the Constitution and shall go into*  
29 *immediate effect.*

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AND DRUG ABUSE

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The people of the State of California do enact as follows:

1 SECTION 1. Section 11842 is added to the Health and  
2 Safety Code, to read:

3 11842. There is hereby created in the General Fund  
4 the Alcohol Services and Research Account. Funds in the  
5 account may be expended by the Division of Alcohol  
6 Programs in the Department of Alcohol and Drug  
7 Programs, pursuant to the provisions of this division only  
8 when appropriated by the Legislature to the department  
9 through the Budget Act.

10 The funds deposited in the account shall be used for  
11 alcohol programs and services for the general population  
12 as provided for in this division. Funds shall also be used  
13 to provide alcohol services to the public inebriate. During  
14 each fiscal year for which funds in the account have been  
15 appropriated to the department through the Budget Act,  
16 any funds not allocated for use by the department may be  
17 appropriated by the Legislature for any other general  
18 purposes provided that the Legislature finds and so  
19 declares in the Budget Act that such unallocated funds  
20 are not needed for direct and indirect services and  
21 research relating to the causes of alcoholism during such  
22 fiscal year.

23 Any funds not appropriated from the account during  
24 any fiscal year shall remain in the account until  
25 appropriated by the Legislature pursuant to this section.

26 The Legislature may appropriate funds from the  
27 account commencing with the 1982 Budget Act.

28 SEC. 2. Section 32151 of the Revenue and Taxation  
29 Code is amended to read:

30 32151. Except as otherwise provided in this part, an  
31 excise tax is imposed upon all beer and wine sold in this  
32 State or pursuant to Section 23384 of the Business and  
33 Professions Code by a manufacturer, wine grower, or  
34 importer, or sellers of beer or wine selling beer or wine  
35 with respect to which no tax has been paid within areas  
36 over which the United States Government exercises  
37 jurisdiction, at the following rates:

38 (a) On beer, one dollar and twenty-four cents

1 (\$1.24) for every barrel containing 31 gallons and at a  
2 proportionate rate for any other quantity until January 1,  
3 1982, and on and after January 1, 1982, ~~1.11~~  
4 ~~(\$1.11)~~ three dollars and twenty-two and four-tenths  
5 cents (\$3.224) for every barrel containing 31 gallons and  
6 at a proportionate rate for any other quantity.

7 (b) On all still wines containing not more than 14  
8 percent of absolute alcohol by volume, one cent (\$0.01)  
9 per wine gallon and at a proportionate rate for any other  
10 quantity until January 1, 1982, and on and after January  
11 1, 1982, ~~1.11~~ ~~(\$1.11)~~ sixteen and four-tenths  
12 cents (\$0.164) per wine gallon and at a proportionate rate  
13 for any other quantity.

14 (c) On all still wines containing more than 14 percent  
15 of absolute alcohol by volume, two cents (\$0.02) per wine  
16 gallon and at a proportionate rate for any other quantity  
17 until January 1, 1982, and on and after January 1, 1982,  
18 ~~1.11~~ ~~(\$1.11)~~ twenty-three and eight-tenths  
19 cents (\$0.238) per wine gallon and at a proportionate rate  
20 for any other quantity.

21 (d) On champagne, sparkling wine, excepting  
22 sparkling hard cider, whether naturally or artificially  
23 carbonated, thirty cents (\$0.30) per wine gallon and at a  
24 proportionate rate for any other quantity until January 1,  
25 1982, and on and after January 1, 1982, ~~1.11~~  
26 ~~(\$1.11)~~ forty-eight cents (\$0.48) per wine gallon and  
27 at a proportionate rate for any other quantity.

28 (e) On sparkling hard cider, two cents (\$0.02) per  
29 wine gallon and at a proportionate rate for any other  
30 quantity until January 1, 1982, and on and after January  
31 1, 1982, ~~1.11~~ ~~(\$1.11)~~ twenty-three and  
32 eight-tenths cents (\$0.238) per wine gallon and at a  
33 proportionate rate for any other quantity.

34 SEC. 3. Section 32201 of the Revenue and Taxation  
35 Code is amended to read:

36 32201. An excise tax is imposed upon all distilled  
37 spirits sold in this state or pursuant to Section 23384 of the  
38 Business and Professions Code by manufacturers,  
39 distilled spirits manufacturer's agents, brandy  
40 manufacturers, rectifiers, or wholesalers, or sellers of

TABLE 8

## Revenue Per Capita From Combined State and Local Alcohol Beverage Collections, 1978

State	Population <sup>a</sup> (1,000's)	Revenue (\$1,000's)	Per Capita Revenue	Rank
Alabama	3,742	\$ 121,312	\$32.42	9
Alaska	403	8,616	21.38	31
Arizona	2,354	49,512	21.03	32
Arkansas	2,188	27,558	12.61	47
California	22,294	450,199	20.19	33
Colorado	2,670	63,476	23.77	19
Connecticut	3,099	70,245	22.67	24
Delaware	583	4,977	8.54	51
District of Columbia	674	24,521	36.38	5
Florida	8,594	338,391	39.38	3
Georgia	5,084	180,110	35.43	6
Hawaii	897	26,878	29.96	10
Idaho	878	20,264	23.08	22
Illinois	11,243	218,231	19.41	35
Indiana	5,374	71,897	13.38	46
Iowa	2,896	68,166	23.54	20
Kansas	2,348	26,433	11.26	50
Kentucky	3,498	40,868	11.71	48
Louisiana	3,986	89,196	22.49	25
Maine	1,091	31,747	29.10	11
Maryland	4,143	77,133	18.62	38
Massachusetts	5,774	105,711	18.31	39
Michigan	9,189	226,574	24.66	17
Minnesota	4,008	96,914	24.18	18
Mississippi	2,404	52,126	21.68	28
Missouri	4,860	55,462	11.41	49
Montana	785	22,487	28.68	12
Nebraska	1,565	23,103	14.76	44
Nevada	660	29,685	44.98	1
New Hampshire	871	32,532	37.35	4
New Jersey	7,327	122,411	16.71	42
New Mexico	1,212	19,142	15.79	43
New York	17,748	413,767	23.31	21
North Carolina	5,577	142,444	25.54	14
North Dakota	652	11,666	17.89	41
Ohio	10,749	239,654	22.30	26
Oklahoma	2,880	42,478	14.75	45
Oregon	2,444	61,705	25.25	15
Pennsylvania	11,750	252,250	21.47	29
Rhode Island	935	20,012	21.40	30
South Carolina	2,918	101,430	34.76	7
South Dakota	690	13,335	19.33	36
Tennessee	4,357	117,974	27.08	13
Texas	13,014	297,058	22.83	23
Utah	1,307	23,654	18.10	40
Vermont	487	16,042	32.94	8
Virginia	5,148	129,808	25.22	16
Washington	3,774	152,674	40.45	2
West Virginia	1,860	41,141	22.12	27
Wisconsin	4,679	90,878	19.42	34
Wyoming	424	7,970	18.80	37
<b>GRAND TOTAL</b>	<b>218,065</b>	<b>\$4,971,915</b>	<b>\$22.80</b>	

NOTE: Due to rounding, items may not add to totals.  
<sup>a</sup>Estimated as of July 1, 1978, U.S. Bureau of Census.

TABLE 9

## State and Local Collections By Beverage Type, 1978

(\$1,000's)

State	Distilled Spirits	Wine	Beer	Total
Alabama	\$ 65,561	\$ 8,542	\$ 47,209	\$ 121,312
Alaska	5,242	654	2,719	8,616
Arizona	22,722	4,472	22,318	49,512
Arkansas	13,143	1,311	13,102	27,556
California	243,525	45,147	161,527	450,199
Colorado	33,351	5,590	24,535	63,476
Connecticut	39,644	6,250	24,351	70,245
Delaware	3,526	404	1,046	4,977
District of Columbia	16,810	2,450	5,260	24,521
Florida	148,758	39,174	150,459	338,391
Georgia	83,241	13,296	83,573	180,110
Hawaii	11,558	2,661	12,660	26,878
Idaho	11,258	3,045	5,982	20,264
Illinois	117,581	17,115	83,535	218,231
Indiana	34,629	3,997	33,272	71,897
Iowa	45,739	4,195	18,232	68,166
Kansas	11,160	973	14,300	26,433
Kentucky	23,874	1,613	15,481	40,968
Louisiana	34,616	3,535	51,045	89,196
Maine	19,066	3,682	8,999	31,747
Maryland	42,705	5,887	28,541	77,133
Massachusetts	67,570	10,469	27,672	105,711
Michigan	118,956	20,407	87,211	226,574
Minnesota	60,873	5,574	30,467	96,914
Mississippi	27,822	1,987	22,316	52,126
Missouri	27,282	3,442	24,739	55,462
Montana	16,718	1,976	3,794	22,487
Nebraska	10,596	1,339	11,168	23,103
Nevada	19,257	2,576	7,852	29,685
New Hampshire	25,001	3,151	4,381	32,532
New Jersey	74,048	12,502	35,861	122,411
New Mexico	7,480	1,778	9,884	19,142
New York	258,179	29,941	125,648	413,767
North Carolina	64,332	10,095	68,018	142,444
North Dakota	5,836	556	5,274	11,666
Ohio	149,502	9,190	80,961	239,654
Oklahoma	21,785	2,217	18,476	42,478
Oregon	40,235	16,647	4,823	61,705
Pennsylvania	150,351	27,378	74,521	252,250
Rhode Island	10,114	2,454	7,444	20,012
South Carolina	44,205	4,235	52,989	101,430
South Dakota	6,737	683	5,915	13,335
Tennessee	50,546	5,538	61,889	117,974
Texas	147,415	9,373	140,270	297,058
Utah	15,425	2,264	5,965	23,654
Vermont	10,477	1,431	4,134	16,042
Virginia	67,286	13,763	48,759	129,808
Washington	111,105	14,190	27,379	152,674
West Virginia	24,441	1,782	14,917	41,141
Wisconsin	50,281	4,395	36,202	90,878
Wyoming	5,437	583	1,950	7,970
<b>GRAND TOTAL</b>	<b>\$2,716,999</b>	<b>\$395,912</b>	<b>\$1,859,005</b>	<b>\$4,971,915</b>

NOTE: Due to rounding, items may not add to totals.

TABLE 10

## Combined State and Local Collections By Revenue Source, 1978

(\$1,000's)

State	Profits <sup>a</sup>	License Fees	Excise Tax	Sales Tax <sup>b</sup>	Other	Total
Alabama	\$ 55,328	\$ 7,021	\$ 35,450	\$ 19,888	\$ 3,625	\$ 121,312
Alaska	.	1,006	7,610	.	.	8,616
Arizona	.	3,216	20,096	26,200	.	49,512
Arkansas	.	1,192	15,636	6,455	4,273	27,556
California	.	23,274	138,272	288,000	654	450,199
Colorado	.	2,011	23,962	37,504	.	63,476
Connecticut	.	5,479	25,166	39,600	.	70,245
Delaware	.	391	4,539	.	47	4,977
District of Columbia	.	1,148	10,155	13,218	.	24,521
Florida	.	13,181	248,932	76,000	278	338,391
Georgia	.	17,527	137,808	24,574	202	180,110
Hawaii	.	1,991	18,712	6,162	14	26,878
Idaho	12,020	1,414	3,917	2,710	203	20,264
Illinois	.	15,278	99,153	103,800	.	218,231
Indiana	.	5,610	31,888	34,400	.	71,897
Iowa	34,731	5,080	9,498	12,588	6,269	68,166
Kansas	.	970	16,261	9,122	80	26,433
Kentucky	.	3,140	15,608	16,900	5,320	40,968
Louisiana	.	3,419	48,190	33,100	4,487	89,196
Maine	19,079	1,204	6,702	4,600	162	31,747
Maryland	6,256	3,685	28,060	39,000	132	77,133
Massachusetts	.	5,449	79,154	21,013	94	105,711
Michigan	61,280	10,563	89,309	64,900	521	226,574
Minnesota	10,012	6,124	51,686	28,500	592	96,914
Mississippi	12,170	1,947	24,797	12,698	513	52,126
Missouri	.	3,792	24,370	27,300	.	55,462
Montana	7,498	1,339	13,585	.	65	22,487
Nebraska	.	1,666	11,821	9,080	536	23,103
Nevada	.	1,522	11,136	17,026	.	29,695
New Hampshire	27,631	950	3,895	.	56	32,532
New Jersey	.	10,290	54,904	54,700	2,517	122,411
New Mexico	.	1,293	6,948	10,892	9	19,142
New York	.	34,561	149,689	228,760	758	413,767
North Carolina	19,281	1,072	100,579	20,670	843	142,444
North Dakota	.	1,701	6,436	3,500	29	11,666
Ohio	91,210	11,811	73,490	62,770	372	239,654
Oklahoma	.	1,571	36,719	3,977	210	42,478
Oregon	52,306	1,184	8,078	.	137	61,705
Pennsylvania	54,208	8,416	110,319	76,740	2,566	252,250
Rhode Island	.	1,109	7,853	10,960	90	20,012
South Carolina	.	1,831	71,352	18,553	9,693	101,430
South Dakota	.	1,270	7,293	4,714	59	13,335
Tennessee	.	8,014	35,749	28,691	45,519	117,974
Texas	.	11,821	104,138	180,114	985	297,058
Utah	12,064	263	1,990	9,066	271	23,654
Vermont	918	621	12,342	2,132	29	16,042
Virginia	34,752	2,590	34,041	21,690	36,734	129,808
Washington	31,874	3,316	11,726	104,795	962	152,674
West Virginia	20,408	1,740	5,570	12,177	1,245	41,141
Wisconsin	.	3,585	42,291	45,000	2	90,878
Wyoming	3,472	410	1,467	2,600	21	7,970
<b>GRAND TOTAL</b>	<b>\$566,499</b>	<b>\$259,061</b>	<b>\$2,138,339</b>	<b>\$1,876,839</b>	<b>\$131,177</b>	<b>\$4,971,915</b>

NOTE: Due to rounding, items may not add to totals.

<sup>a</sup>The residual of state and local gross sales after deducting costs of goods sold, operating costs, and excise and sales taxes from gross receipts.<sup>b</sup>Includes "occupational" taxes when specified as a percentage of gross sales.



TABLE 11

State and Local Collections<sup>a</sup> by Beverage Type, 1978

(\$1,000's)

STATE	Distilled Spirits		Wine		Beer	
	State	Local	State	Local	State	Local
Alabama	\$ 62,548	\$ 3,013	\$ 8,278	\$ 265	\$ 43,533	\$ 3,676
Alaska	5,242	.	654	.	2,719	.
Arizona	20,118	2,605	3,913	559	18,226	4,092
Arkansas	12,981	163	1,295	16	12,883	219
California	218,625	24,900	36,987	8,160	134,587	26,940
Colorado	25,581	7,770	3,976	1,614	16,379	8,156
Connecticut	39,644	.	6,250	.	24,351	.
Delaware	3,526	.	404	.	1,046	.
District of Columbia	16,810	.	2,450	.	5,260	.
Florida	148,758	.	39,174	.	150,459	.
Georgia	51,382	31,859	10,016	3,280	51,781	31,792
Hawaii	10,702	856	2,464	197	11,722	937
Idaho	11,007	251	2,990	55	5,486	476
Illinois	87,342	30,239	12,640	4,475	60,527	23,008
Indiana	34,629	.	3,997	.	33,272	.
Iowa	45,739	.	4,195	.	18,232	.
Kansas	11,049	111	961	12	14,106	194
Kentucky	20,166	3,709	1,554	59	14,477	1,004
Louisiana	28,542	6,073	2,623	912	38,840	12,206
Maine	19,066	.	3,682	.	8,999	.
Maryland	34,845	7,860	5,660	227	26,819	1,722
Massachusetts	65,452	2,118	10,036	433	25,298	2,374
Michigan	118,956	.	20,407	.	87,211	.
Minnesota	51,984	8,889	4,461	1,113	24,678	5,789
Mississippi	27,763	59	1,982	4	22,236	80
Missouri	25,195	2,087	3,118	323	21,270	3,469
Montana	16,636	82	1,966	10	3,652	142
Nebraska	9,553	1,044	1,207	132	9,404	1,764
Nevada	17,024	2,234	2,246	330	6,483	1,369
New Hampshire	25,001	.	3,151	.	4,381	.
New Jersey	69,761	4,287	11,475	1,027	31,297	4,564
New Mexico	7,143	337	1,706	72	9,296	588
New York	214,819	43,360	19,934	10,006	80,914	44,734
North Carolina	63,532	799	9,434	660	62,979	5,039
North Dakota	5,191	645	499	57	4,476	798
Ohio	147,702	1,800	8,875	315	77,736	3,225
Oklahoma	20,444	1,341	2,074	143	18,181	295
Oregon	40,235	.	16,647	.	4,823	.
Pennsylvania	150,351	.	27,378	.	74,521	.
Rhode Island	9,692	422	2,339	115	6,926	518
South Carolina	44,205	.	4,235	.	52,989	.
South Dakota	6,045	693	611	72	5,119	796
Tennessee	41,584	8,962	4,685	853	22,550	39,339
Texas	139,319	8,096	8,161	1,212	123,795	16,475
Utah	15,071	354	2,212	52	5,123	842
Vermont	10,398	79	1,416	15	4,057	78
Virginia	65,955	1,331	13,380	383	44,008	4,751
Washington	108,958	2,146	13,595	595	24,660	2,720
West Virginia	21,879	2,562	1,596	186	11,665	3,253
Wisconsin	48,925	1,356	4,206	189	34,244	1,958
Wyoming	5,275	161	566	17	1,728	222
GRAND TOTAL	\$2,502,347	\$214,652	\$357,766	\$38,145	\$1,599,403	\$259,602

NOTE: Due to rounding, items may not add to totals.

<sup>a</sup>Collections are classified by level of government according to legal authority to alter the rate or terminate imposition, rather than by actual collecting or receiving agency.

TABLE 12

## Revenue Per Wine Gallon From Combined State and Local Collections By Beverage Type, 1978

License States	Distilled Spirits			Wine			Beer		
	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon
Alaska	1,220	\$ 5,242	\$4.30	1,034	\$ 654	\$ .63	9,269	\$ 2,719	\$ .29
Arizona	5,001	22,722	4.54	5,398	4,472	.83	71,132	22,318	.31
Arkansas	2,998	13,143	4.38	1,490	1,311	.88	36,564	13,102	.36
California	56,981	243,525	4.27	93,631	45,147	.48	557,154	161,527	.29
Colorado	7,336	33,351	4.55	7,633	5,590	.73	69,750	24,535	.35
Connecticut	7,292	39,644	5.44	7,312	6,250	.85	59,858	24,351	.41
Delaware	1,521	3,526	2.32	882	404	.46	13,588	1,046	.08
District of Columbia	4,062	16,810	4.13	3,963	2,450	.62	17,169	5,260	.31
Florida	24,186	148,758	6.15	18,481	39,174	2.12	236,029	150,459	.64
Georgia	10,919	83,241	7.62	5,587	13,296	2.38	98,681	83,573	.85
Hawaii	2,160	11,558	5.35	2,493	2,661	1.07	21,390	12,660	.59
Illinois	25,204	117,581	4.67	21,330	17,115	.80	269,509	83,535	.31
Indiana	7,825	34,629	4.42	5,036	3,997	.79	111,369	33,272	.30
Kansas	2,989	11,160	3.73	1,655	973	.59	47,352	14,300	.30
Kentucky	5,158	23,874	4.63	1,937	1,613	.83	60,192	15,481	.26
Louisiana	7,792	34,616	4.44	5,915	3,535	.60	89,779	51,045	.57
Maryland	10,979	42,705	3.89	7,842	5,887	.75	99,959	28,541	.29
Massachusetts	14,125	67,570	4.78	14,519	10,469	.72	143,302	27,672	.19
Minnesota	8,869	60,873	6.86	5,518	5,574	1.00	91,827	30,467	.33
Missouri	7,480	27,282	3.65	5,850	3,442	.59	112,787	24,739	.22
Nebraska	2,690	10,596	3.94	1,704	1,339	.79	41,092	11,168	.27
Nevada	4,611	19,257	4.18	3,401	2,576	.76	25,534	7,852	.31
New Jersey	15,649	74,048	4.73	18,759	12,502	.67	151,048	35,861	.24
New Mexico	2,178	7,480	3.43	2,272	1,778	.78	33,396	9,884	.30
New York	39,824	258,179	6.48	46,007	29,941	.65	371,329	125,648	.34
North Dakota	1,421	5,836	4.10	634	556	.88	15,928	5,274	.33
Oklahoma	4,577	21,785	4.76	2,436	2,217	.91	54,462	18,476	.34
Rhode Island	2,104	10,114	4.81	2,868	2,454	.86	23,411	7,444	.32
South Carolina	6,505	44,205	6.80	2,882	4,235	1.47	61,021	52,989	.87
South Dakota	1,375	6,737	4.90	714	683	.96	14,276	5,915	.41
Tennessee	5,989	50,545	8.44	2,826	5,538	1.96	87,522	61,889	.71
Texas	20,516	147,415	7.19	15,408	9,373	.61	378,873	140,270	.37
Wisconsin	11,276	50,281	4.46	7,914	4,395	.56	147,301	36,202	.25
License States	332,812	\$1,748,290	\$5.25	325,331	\$251,603	\$ .77	3,621,853	\$1,329,473	\$ .37

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Control States	Distilled Spirits			Wine			Beer		
	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon	Consumption (1,000's gals.)	Revenue (\$1,000's)	Revenue Per Wine Gallon
Alabama	6,149	\$ 65,581	\$10.68	2,644	\$ 8,542	\$3.23	63,316	\$ 47,209	\$ .75
Idaho	1,332	11,258	8.45	1,421	3,045	2.14	22,221	5,962	.27
Iowa	4,113	45,739	11.12	1,871	4,195	2.24	71,642	18,232	.25
Maine	2,256	19,066	8.45	1,779	3,682	2.07	24,776	8,999	.36
Michigan	18,223	118,956	6.53	15,082	20,407	1.35	226,062	87,211	.39
Mississippi	4,001	27,822	6.95	1,445	1,987	1.38	46,428	22,316	.48
Montana	1,623	16,718	10.30	962	1,976	2.05	24,814	3,794	.15
New Hampshire	4,881	25,001	5.12	2,865	3,151	1.10	30,136	4,381	.15
North Carolina	9,088	64,332	7.08	7,092	10,095	1.42	105,418	68,018	.65
Ohio	14,937	149,502	10.01	13,013	9,190	.71	242,290	80,961	.33
Oregon	4,608	40,235	8.73	7,119	16,647	2.34	57,844	4,823	.08
Pennsylvania	16,979	150,351	8.86	15,472	27,378	1.77	285,731	74,521	.26
Utah	1,385	15,425	11.14	989	2,264	2.29	19,973	5,965	.30
Vermont	1,468	10,477	7.14	1,378	1,431	1.04	12,774	4,134	.32
Virginia	9,010	67,286	7.47	6,677	13,763	2.06	110,713	48,759	.44
Washington	8,252	111,105	13.46	11,120	14,190	1.28	92,335	27,379	.30
West Virginia	2,784	24,441	8.78	1,004	1,782	1.77	31,185	14,917	.48
Wyoming	1,080	5,437	5.03	563	583	1.04	13,192	1,950	.18
<b>Control States</b>	<b>112,169</b>	<b>\$ 968,709</b>	<b>\$ 8.64</b>	<b>92,496</b>	<b>\$144,308</b>	<b>\$1.56</b>	<b>1,480,850</b>	<b>\$ 529,532</b>	<b>\$ .36</b>
<b>ALL STATES</b>	<b>444,981</b>	<b>\$2,716,999</b>	<b>\$ 6.11</b>	<b>417,827</b>	<b>\$395,912</b>	<b>\$ .95</b>	<b>5,102,703</b>	<b>\$1,859,005</b>	<b>\$ .36</b>

NOTE: In all instances, consumption figures are for Calendar 1978. Many of the revenue estimates are for fiscal 1978. Due to rounding, items may not add to totals.

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TABLE 13

State and Local Collections<sup>a</sup> by Revenue Source and State, 1978

(\$1,000's)

License States	Store Profits		License Fees		Excise Taxes		Sales Taxes <sup>b</sup>		Other Revenues <sup>c</sup>		Total	
	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local
Alaska	\$ .	\$ .	\$ 1,008	\$ .	\$ 7,810	\$ .	\$ .	\$ .	\$ .	\$ .	\$ 8,616	\$ .
Arizona	.	.	2,161	1,055	20,098	.	20,000	6,200	.	.	42,257	7,255
Arkansas	.	.	795	397	15,636	.	6,455	.	4,273	.	27,159	397
California	.	.	23,274	.	138,272	.	228,000	60,000	654	.	390,199	60,000
Colorado	.	.	2,011	.	23,962	.	19,965	17,539	.	.	45,937	17,539
Connecticut	.	.	5,479	.	25,166	.	39,600	.	.	.	70,245	.
Delaware	.	.	391	.	4,539	.	.	.	47	.	4,977	.
District of Columbia	.	.	1,148	.	10,155	.	13,218	.	.	.	24,521	.
Florida	.	.	13,181	.	248,932	.	76,000	.	278	.	338,391	.
Georgia	.	.	988	16,539	87,416	60,392	24,574	.	202	.	113,180	66,931
Hawaii	.	.	.	1,990	18,712	.	6,162	.	14	.	24,888	1,990
Illinois	.	.	1,137	14,141	76,372	22,780	83,000	20,800	.	.	160,509	57,722
Indiana	.	.	5,610	.	31,888	.	34,400	.	.	.	71,897	.
Kansas	.	.	805	165	16,261	.	8,970	152	80	.	26,116	317
Kentucky	.	.	1,298	1,842	15,608	.	16,900	.	2,391	2,929	36,197	4,772
Louisiana	.	.	1,914	1,505	48,190	.	19,900	13,200	1	4,486	70,005	19,191
Maryland	.	6,258	243	3,441	28,060	.	39,000	.	21	111	67,325	9,809
Massachusetts	.	.	524	4,925	79,154	.	21,013	.	94	.	100,786	4,925
Minnesota	.	10,012	345	5,779	51,686	.	28,500	.	592	.	81,123	15,791
Missouri	.	.	1,712	2,080	24,370	.	23,500	3,800	.	.	49,582	5,880
Nebraska	.	.	146	1,520	11,821	.	8,100	980	96	440	20,163	2,940
Nevada	.	.	21	1,501	11,136	.	14,594	2,432	.	.	25,752	3,933
New Jersey	.	.	1,826	8,463	54,904	.	54,700	.	1,102	1,415	112,533	9,878
New Mexico	.	.	331	961	6,948	.	10,857	36	9	.	18,145	997
New York	.	.	34,561	.	149,689	.	130,660	98,100	758	.	315,667	98,100
North Dakota	.	.	201	1,500	6,436	.	3,500	.	29	.	10,166	1,500
Oklahoma	.	.	1,359	212	36,719	.	2,410	1,566	210	.	40,699	1,779
Rhode Island	.	.	54	1,055	7,853	.	10,960	.	90	.	18,957	1,055
South Carolina	.	.	1,831	.	71,352	.	18,553	.	9,693	.	101,430	.
South Dakota	.	.	124	1,146	7,293	.	4,300	414	59	.	11,775	1,560
Tennessee	.	.	907	7,108	35,749	.	21,991	6,700	10,173	35,346	68,820	49,153
Texas	.	.	9,268	2,553	104,138	.	157,214	22,900	655	330	271,275	25,783
Wisconsin	.	.	82	3,503	42,291	.	45,000	.	2	.	87,375	3,503
License States	\$ .	\$16,268	\$114,734	\$83,384	\$1,518,412	\$73,172	\$1,191,996	\$254,819	\$31,524	\$45,056	\$2,856,666	\$472,700

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Control States	Store Profits		License Fees		Excise Taxes		Sales Taxes <sup>b</sup>		Other Revenues <sup>c</sup>		Total	
	State	Local	State	Local	State	Local	State	Local	State	Local	State	Local
Alabama	\$ 55,328	\$ .	\$ 236	\$ 6,786	\$ 35,450	\$ .	\$ 19,888	\$ .	\$ 3,457	\$ 168	\$ 114,359	\$ 6,953
Idaho	12,020	.	633	781	3,917	.	2,710	.	203	.	19,483	781
Iowa	34,731	.	5,080	.	9,498	.	12,588	.	6,269	.	68,166	.
Maine	19,079	.	1,204	.	6,702	.	4,600	.	162	.	31,747	.
Michigan	61,280	.	10,563	.	89,309	.	64,900	.	521	.	226,574	.
Mississippi	12,170	.	1,947	.	24,797	.	12,698	.	369	144	51,982	144
Montana	7,498	.	1,106	233	13,585	.	.	.	65	.	22,254	233
New Hampshire	27,631	.	950	.	3,895	.	.	.	56	.	32,532	.
North Carolina	19,281	.	587	485	100,579	.	15,500	5,170	.	843	135,946	6,498
Ohio	91,210	.	11,811	.	73,490	.	57,430	5,340	372	.	234,314	5,340
Oregon	52,306	.	1,184	.	8,078	.	.	.	137	.	61,705	.
Pennsylvania	54,208	.	8,416	.	110,319	.	76,740	.	2,566	.	252,250	.
Utah	12,064	.	128	135	1,990	.	8,168	898	56	215	22,406	1,248
Vermont	918	.	450	171	12,342	.	2,132	.	29	.	15,870	171
Virginia	34,752	.	1,514	1,076	34,041	.	16,300	5,390	36,735	.	123,342	6,466
Washington	31,874	.	3,316	.	11,726	.	99,334	5,461	962	.	147,213	5,461
West Virginia	20,408	.	1,740	.	5,570	.	6,176	6,001	1,245	.	35,140	6,001
Wyoming	3,472	.	9	401	1,467	.	2,600	.	21	.	7,570	401
<b>Control States</b>	<b>\$550,231</b>	<b>\$ .</b>	<b>\$ 50,874</b>	<b>\$10,068</b>	<b>\$ 546,755</b>	<b>\$ .</b>	<b>\$ 401,764</b>	<b>\$ 28,260</b>	<b>\$53,226</b>	<b>\$ 1,370</b>	<b>\$1,602,850</b>	<b>\$ 39,699</b>
<b>ALL STATES</b>	<b>\$550,231</b>	<b>\$16,268</b>	<b>\$165,608</b>	<b>\$93,452</b>	<b>\$2,065,167</b>	<b>\$73,172</b>	<b>\$1,593,760</b>	<b>\$283,079</b>	<b>\$84,750</b>	<b>\$46,427</b>	<b>\$4,459,516</b>	<b>\$512,399</b>

NOTE: Due to rounding, items may not add to totals.  
<sup>a</sup>Level of government is defined by legal authority to alter the tax rate or terminate imposition; rather than by actual collecting or receiving agency.  
<sup>b</sup>Includes "occupational" taxes when specified as a percentage of gross sales.  
<sup>c</sup>Includes other taxes, miscellaneous income.  
<sup>\*</sup>Less than \$500.

TABLE 14

**Per Capita Apparent Consumption  
of Alcohol Beverages by Beverage and State, 1978**

State	Distilled Spirits		Wine		Beer	
	Wine Gallons Per Capita	Rank	Wine Gallons Per Capita	Rank	Wine Gallons Per Capita	Rank
Alabama	1.64	38	.71	44	16.92	47
Alaska	3.03	4	2.57	12	23.00	28
Arizona	2.12	25	2.29	16	30.22	51
Arkansas	1.37	49	.68	46	16.73	49
California	2.56	10	4.20	3	24.99	15
Colorado	2.75	7	2.88	8	26.12	11
Connecticut	2.35	15	2.38	15	19.32	42
Delaware	2.61	9	1.51	25	23.31	26
District of Columbia	6.03	2	5.88	1	25.47	12
Florida	2.81	6	2.15	17	27.46	8
Georgia	2.15	23	1.10	36	19.41	41
Hawaii	2.41	14	2.78	10	23.85	24
Idaho	1.52	41	1.62	24	25.31	13
Illinois	2.24	18	1.90	18	23.97	23
Indiana	1.46	44	.94	41	20.72	36
Iowa	1.42	46	.65	48	24.74	17
Kansas	1.27	50	.70	45	20.17	39
Kentucky	1.47	43	.55	50	17.21	46
Louisiana	1.96	30	1.49	26	22.64	31
Maine	2.07	26	1.63	23	22.71	30
Maryland	2.65	8	1.89	19	24.13	22
Massachusetts	2.45	12	2.51	14	24.82	16
Michigan	1.98	29	1.64	22	24.60	18
Minnesota	2.21	20	1.38	27	22.91	29
Mississippi	1.66	35	.60	49	19.31	43
Missouri	1.54	40	1.20	34	23.21	27
Montana	2.07	27	1.23	32	31.61	3
Nebraska	1.72	34	1.09	37	26.26	9
Nevada	6.99	1	5.15	2	38.69	1
New Hampshire	5.60	3	3.29	4	34.60	2
New Jersey	2.14	24	2.56	13	26.62	38
New Mexico	1.80	32	1.87	20	27.55	7
New York	2.24	17	2.59	11	20.92	34
North Carolina	1.63	37	1.27	31	18.90	45
North Dakota	2.18	22	.97	40	24.43	20
Ohio	1.39	47	1.21	33	22.54	32
Oklahoma	1.59	38	.85	42	18.91	44
Oregon	1.89	31	2.91	7	23.67	25
Pennsylvania	1.44	45	1.32	29	24.32	21
Rhode Island	2.25	16	3.07	5	25.04	14
South Carolina	2.23	19	.99	39	20.91	35
South Dakota	1.99	28	1.03	38	20.69	37
Tennessee	1.37	48	.65	47	20.09	40
Texas	1.58	39	1.18	35	29.11	6
Utah	1.06	51	.76	43	15.28	50
Vermont	3.01	5	2.83	9	26.23	10
Virginia	1.75	33	1.30	30	21.51	33
Washington	2.19	21	2.95	6	24.47	19
West Virginia	1.50	42	.54	51	16.77	48
Wisconsin	2.41	13	1.69	21	31.48	4
Wyoming	2.55	11	1.33	28	31.11	5
<b>U.S. AVERAGE</b>	<b>2.04</b>		<b>1.92</b>		<b>23.40</b>	

NOTE: In all instances, gallons per capita figures are computed from consumption figures for Calendar 1978 and from population figures, estimated as of July 1, 1978, U.S. Bureau of Census.

MR. CHAIRMAN AND COMMITTEE MEMBERS:

MY NAME IS KURT BROWN. I SINCERELY APPRECIATE THE OPPORTUNITY TO ADDRESS YOU THIS \_\_\_\_\_ ABOUT THE ISSUE OF WHY ALCOHOL TAXES SHOULD NOT BE ALLOCATED TO FUND THE COST OF ALCOHOLISM SERVICES IN NEVADA.

THERE IS A FASCINATION ABOUT THE USE OF EARMARKED FUNDS TO SUPPORT TREATMENT, REHABILITATION, RESEARCH, AND EDUCATION ACTIVITIES OF PUBLIC ALCOHOLISM PROGRAMS. SUCCESSIVE GENERATIONS OF PROFESSIONALS HAVE EXPLORED THE WISDOM AND FEASIBILITY OF USING REVENUES FROM THE SALE OF BEVERAGE ALCOHOL FOR THIS PURPOSE. I AM OPPOSED TO EVEN PARTIAL FINANCIAL SUPPORT THROUGH THIS MEDIAN. I AM STRONGLY OPPOSED FOR THE FOLLOWING REASONS:

THE "EARMARKING CONCEPT" IS NOT SOUND GOVERNMENT NOR GOOD SOCIAL POLICY.

~~THERE IS NO PRECEDENT FOR~~ THIS KIND OF TAXATION ~~WHICH~~ UNFAIRLY SINGLES OUT ALCOHOL AS THE CAUSE OF A HEALTH PROBLEM. SUGAR BASED PRODUCTS ARE NOT TAXED TO PAY FOR DIABETES; NOR ARE AUTOMOBILE SALES TAXED TO PAY FOR HIGHWAY SAFETY PROGRAMS OR TO TREAT CRASH VICTIMS. *WE COULD TAX THE CATTLE & DAIRY INDUSTRY TO TREAT CRASH VICTIMS, WE COULD ALSO TAX THE GAMING INDUSTRY TO TREAT PEOPLE WHO ARE ADDICTED TO GAMBLING*  
IF ALCOHOLISM IS A PUBLIC HEALTH PROBLEM, THEN PUBLIC PROGRAMS MUST BE FINANCED FROM THE GENERAL TREASURY, NOT FROM A REGRESSIVE TAX.

TYING TREATMENT AND REHABILITATION TO THE UPS AND DOWNS OF PRODUCT SALES CAN RESULT IN EITHER BUDGET SHORTAGES FOR NEEDED PROGRAMS OR MAKE WORK PROGRAMS RESULTING FROM UNEXPECTEDLY LARGE REVENUES.

EARMARKED TAXES IMPLY THAT ALCOHOL ALONE CAUSES ALCOHOLISM.

THIS SIMPLISTIC NOTION OVERLOOKS THE COMPLEX FACTORS, SUCH AS, PSYCHOLOGICAL, MEDICAL, CULTURAL AND SOCIAL PROBLEMS ASSOCIATED WITH ALCOHOLISM. THE EARMARKED SYNDROME IMPLIES THAT THOSE WHO DO NOT HAVE A PROBLEM ARE RESPONSIBLE FOR THE CARE OF THOSE WHO DO. HARDLY A LOGICAL OR SOUND NOTION. FINALLY, EARMARKED TAXES REMOVE A LEGISLATIVE PREROGATIVE: ANNUAL REVIEW OF PROGRAMS OR OVERSIGHT. THE LEGISLATIVE BRANCH MUST GUARD AGAINST ABDICATING ITS RESPONSIBILITY TO THE CITIZENS OF NEVADA FOR FULL PUBLIC ACCOUNTING. PROGRAMS FUNDED BY "SHELTERED" FUNDS NEED LITTLE, IF ANY, JUSTIFICATION FOR THEIR EXISTENCE OR EFFECTIVENESS. I WOULD AGREE THAT THE EARMARKING CONCEPT HAS AN EMOTIONAL APPEAL IN NEVADA AT THIS POINT IN TIME. HOWEVER, THE REAL LONG-RANGE DANGERS ASSOCIATED WITH EARMARKING COULD BE ASTRONOMICAL, EVEN DEVASTATING.

A MAJOR PITFALL IN TYING PUBLIC MONIES TO SPECIFIC TAXES: IF ANTICIPATED REVENUES DO NOT MATERIALIZE, SERIOUS BUDGET DEFICITS CAN RESULT. MOREOVER, BUDGET SURPLUSES FROM EARMARKED TAXES MAY LEAD TO "MAKE WORK" PROGRAMS AND WASTED REVENUES.

IN EFFECT, PROPONENTS OF EARMARKED TAXES ARE SAYING, "THIS IS NOT A PUBLIC HEALTH PROBLEM, IT IS A SPECIAL PROBLEM, ALCOHOLISM PROGRAMS CANNOT BE FUNDED AS WE DO OTHER PROBLEMS." THEY TOO CALL ALCOHOLISM THE THIRD MOST SERIOUS HEALTH PROBLEM, BUT MANY DO NOT WISH IT TO BE WEIGHED ON THE SAME EVALUATION SCALE, APPLIED TO ILLNESSES RANKED SIMILARLY SERIOUS. EARMARKED TAX PROPONENTS ALL TOO OFTEN APPROACH ALCOHOLISM AS AN EMOTIONAL ISSUE, SOMETIMES TAPPING THE GUILT VEIN, AND FOSTERING (OFTEN INADVERTENTLY) MISCONCEPTIONS. EARMARKED TAX ADVOCATES SEEM TO WANT PREFERENTIAL SPECIAL FUNDING PRIVILEGES.



BUT MY GREAT FEAR IS, WE WILL NOT ATTAIN THESE GOALS BY MERELY TAKING WHAT APPEARS TO BE THE EASY WAY OUT, EARMARKING FUNDS FOR ALCOHOLISM SERVICES. EARMARKED TAXES ARE A PENALTY TO ALL CONSUMERS. THEY DO NOT FIT WITHIN ANY RATIONAL FRAMEWORK OF HEALTH CARE FUNDING. THEY PROVIDE A SHELTER TO SPECIAL INTERESTS AND IMMUNITY FROM OBJECTIVE SCRUTINY.

I URGE YOU NOT TO SUPPORT THE PROPONENT'S CASE ON EARMARKING; NEVADA WILL ULTIMATELY LOSE.

THANK YOU.

*EARMARK: to distinguish BY PUTTING AN EARMARK ON; to set apart, AS FUNDS, FOR A SPECIFIC PURPOSE.*

May 27, 1981

Good Morning Gentlemen:

My name is Arthur Senini, President of the Wine & Spirit Wholesalers of Nevada. Thank you for the opportunity to present a few brief remarks in opposition to A.B. #247.

First: The wine and spirit industry of Nevada does recognize the social problem of alcohol abuse within this state and country and extends itself to preach moderation rather than abuse. We do not encourage the use of our products other than in moderation. Many people would have us believe that we alone are responsible for the alcoholic and his problem. We in turn disagree with this concept of erroneous thinking. We feel that we are no more directly responsible for this social problem than the drug wholesaler is for the drug abuse problem or the tobacco people are responsible for lung cancer problems or the gasoline industry and automobile industry is responsible for our highway death toll.

Second: Our industry stands opposed to A.B. #247 and its 15¢ per gallon tax increase on distilled spirits basically for economic reasons. Our industry did experience a marked set back some two years ago when California dropped Fair-Trade. Total monies to the general fund were decreased significantly. It was a 15% decrease and we are still in a recovery posture. The current proposal could again result in a significant lose of business as this increase would put us above that of California.


TAX SCHEDULE

	<u>Nev. Current</u>	<u>Nev. Proposed</u>	<u>Calif.</u>
Distilled Spirits	\$ 1.90	\$ 2.05	\$ 2.00

Gentlemen, let us please use our heads... keep the tax structures to our advantage and not jeopardize the business structure of our state as well as jeopardize the tax revenues to the General Fund.

Third: Our group does stand opposed to the proposed concept of designating or earmarking collected taxes for special interest or interest purposes. We openly accept the responsibility of collecting alcoholic beverage taxes and forwarding same to the Nevada Tax Commission which in turn deposits same in the General Fund. If the legislators of this State wish to address themselves to the alcohol abuse problem, (which we do encourage and not oppose) then let these monies come from the General Fund utilizing the expertise of the proper committees of this House.

Thank you.

 DEPARTMENT OF THE TREASURY BUREAU OF ALCOHOL, TOBACCO AND FIREARMS DISTILLED SPIRITS					
BOTTLE SIZE	EQUIVALENT FLUID OUNCES	BOTTLES PER CASE	LITERS PER CASE	U.S. GALLONS PER CASE	CORRESPONDS TO
1.75 liters	59.2 Fl. Oz.	6	10.50	2.773806	1/2 Gallon
1.00 liter	33.8 Fl. Oz.	12	12.00	3.170064	1 Quart
750 milliliters	25.4 Fl. Oz.	12	9.00	2.377548	4/5 Quart
500 milliliters	16.9 Fl. Oz.	24	12.00	3.170064	1 Pint
200 milliliters	6.8 Fl. Oz.	48	9.60	2.536051	1/2 Pint
50 milliliters	1.7 Fl. Oz.	120	6.00	1.585032	1, 1.6, & 2 Oz.

Official Conversion Factor: 1 Liter = 0.264172 U.S. Gallon.  
 Mandatory date for conversion: January 1, 1980.



**WINE & SPIRITS WHOLESALERS  
OF NEVADA**

P.O. BOX 338  
RENO, NEVADA 89504

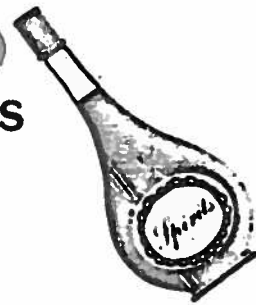


EXHIBIT G

May 6, 1981

AB 247 - Proposed 10% Increase in Liquor, Wine & Beer  
Taxes for the Purpose of Initiating Detoxifi-  
cation Centers for Rehabilitation of Alcoholics

Supplemental Comments to our March 2, 1981  
Memo - Attached

It does not appear that the layman in association with the spirits industry is fully aware of the competitive status of our industry; nor are they aware of the tax involved. Therefore, we believe it is in order to submit the following specific information.

Using vodka as an example - a case of 1.75 liters contains 277.38 gallons of vodka and the State and Federal tax on a case of 1.75 liters of vodka is \$28.57. A case of vodka can be sold to the retailer for \$36.00 which means that the tax is 79.4% of the cost of the case of vodka to the retailer.

Based on the tax and selling price, there is \$7.43 per case between the distiller, rectifier and the retailer. Freight in transporting a case of vodka to Nevada is between \$0.75 and \$1.00. Using \$1.00 as freight cost leaves \$6.43 gross profit. This \$6.43 includes the making of vodka, the bottle, the label, the cap, the case in which it is shipped and the profit for the rectifier, manufacturer and wholesaler. This is a very competitive and low margin product. Vodka is one of the largest volume items in the spirits industry in Nevada and nation wide, which statistics show.

The retailer uses vodka quite often as a lead item to promote his establishment and quite often handles vodka on a very small margin per bottle profit.

FILE COPY

1676

May 6, 1981  
Page /2/

Therefore, based on the above information, it is very easy to determine that a small increase in the price to the retailer and consumer could have adverse effect on the volume sold since a good portion of the spirits sold in Nevada is to out-of-state customers. In other words, it would be quite possible for a small increase in this product price, as well as other wine and spirits items, to seriously effect the volume of spirits sold in Nevada as indicated in our March 2, 1981 memo, 4th paragraph, which is attached.

These comments are submitted so that the layman may understand the competitive nature of the wine and spirits industry.

Respectfully submitted,

C. O. WATSON  
Executive Secretary

CW/jw  
Attachment

March 2, 1981

AB 247 - Proposed 10% Increase in Liquor, Wine & Beer  
Taxes for the Purpose of Initiating Detoxifi-  
cation Centers for Rehabilitation of Alcoholics

Wine & Spirit Industry's Position with reference to AB 247.

In the interest of making available information concerning the economic status of the wine and spirit industry as related to revenue generated for the general fund for the State of Nevada, listed below you will find a comparison of dollar revenue for the most current five fiscal years. The volume and percent of change are as follows:

<u>6/30/76</u>	<u>6/30/77</u>	<u>6/30/78</u>	<u>6/30/79</u>	<u>6/30/80</u>
<u>\$ 9,724,208</u>	<u>\$10,535,519</u>	<u>\$11,136,74</u>	<u>\$11,066,216</u>	<u>\$10,887,524</u>
<u>+9.5%</u>	<u>+8.3%</u>	<u>+5.7%</u>	<u>- .6%</u>	<u>-1.6%</u>

From the above, it is evident that for the fiscal years ending 1976 and 1980, the growth rate was as shown below:

1976 - + 9.5%

1980 - - 1.6%.

In addition to the no growth and negative growth, the decrease from 1976 to 1980 was 11.1% and in 1979 there was negative .6% growth and in 1980 there was negative 1.6% growth.

One of the basic factors in the no growth revenue for the spirit industry is that in June, 1978, our neighbor to the West, the State of California, repealed the fair

FILE COPY

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March 2, 1981  
Page /2/

trade law and became competitive with Nevada for the consumers' dollar spent for wine and spirits. The proposed 10% increase would establish the spirits rate per gallon at \$2.09 compared to \$2.00 in California for all spirits with 22% or more alcohol.

With reference to wine, which is basically up to 13%, the tax rate would increase to \$0.33 per gallon and there is no tax in the State of California for the wine dollar.

With reference to beer, the rate would be increased to \$.065 per gallon. In California, the rate is \$0.04 per gallon.

In addition to the tax differential this would create, spirit, wine and beer distributors have a freight factor in excess of the California rate because of geographic location. This can vary from \$0.50 to \$1.50 per ~~case~~. Therefore, not only would the wine & spirit industry have a disadvantage in the market place for the consumer dollar from a freight standpoint, but also from a tax standpoint.

In Northern Nevada there is a considerable range <sup>if</sup> California population that comes to Reno for all types of shopping, including food, clothing and beverage. Within a 150 mile range - the perimeter being Placerville, Auburn, Orville and Chester, California - there is a considerable population that does their shopping in Reno, and certainly if the dollar price was less in California, they would discontinue shopping in Nevada and would not have the problem of transportation of the product.

In comparing the growth of Nevada in the past 10 years from a population standpoint, the population was as follows:

1970 - 488,738

1980 - 729-679

Percentage of growth - + 49.3%.

March 2, 1981  
Page /3/

Tourist housing - I do not have the State growth rate for tourist housing, but I do have the information for Northern Nevada as follows:

1975 - 13,603 rooms

1979 - 18,145 rooms

increase in tourist housing - = 34%.

Tourist traffic - I am confident that if you were to compare the actual numbers, which we do not have at the moment, that tourist traffic has increased 10% - 15%.

Therefore, for due consideration, even though there has been growth in population, tourist housing and tourist traffic, the wine and spirit industry growth has been negative as the above percentages indicate. The dollar volume indicated above does not include any inflation factors as the dollars arrived at are based on gallons imported.

In view of current economic conditions, it does not seem good business to increase the tax on a commodity that effects the state revenue as much as the liquor industry contributes to the State general fund.

The beverage industry does not believe or feel that it is practical to access or penalize the industry in order to support a social problem that is the responsibility of the entire business community. Certainly, there is no question but that alcoholism is a social problem and in our judgment AB 247 will not resolve or eliminate this problem.

If the financial and fiscal personnel of the State of Nevada feel there are sufficient funds in the general fund as contributed by all setments of the business community to support or contribute out of the general fund to this social problem, then that is a matter to be considered based on the economic feasibility of the State to perform the service, but not a single, specific industry.

Respectfully submitted,

WINE & SPIRIT INDUSTRY OF NEVADA

CW/jw

1679



# BEN'S

PRICES EFFECTIVE THRU MAY 14, 1981

**BORSKI VODKA** **5 99**  
1.75 LITER

**POTTER'S CANADIAN WHISKEY** **8 49**  
1.75 LITER

**POTTER'S CANADIAN 12 YEAR OLD** **4 49** 750ML **5 59** 1.0 LITER

**SCORESBY SCOTCH** **10 19**  
1.75 LITER

**GORDON'S GIN** **8 49**  
1.75 LITER

**OLD MILWAUKEE BEER**  
REGULAR OR LIGHT  
12 CAN PAK  
12 OZ CANS **2 49**  
12 pak

**HENNINGER IMPORTED GERMAN BEER**  
4-LITER CAN **6 99** EACH

**BEN'S WINERY OF THE MONTH FETZER VINEYARDS**

**CHENIN BLANC, JOHANNISBERG RIESLING, MENDOCINO ZINFANDEL, CABERNET SAUVIGNON....** **3 29** EACH 750ML

**CHARDONNAY.....** **4 99** EACH 750ML

**BACARDI RUM**  
LIGHT OR GOLD

**YELLOWS BOURBO**  
86 proof

**Seagram 7 Crown**

**AMARE DI SARO**

**DUNP ORIGINAL CREAM LIQUEUR**

**CHATEAU DE SOLIGNAC 1978 BORDEAUX** **3 49** EACH 750ML

**CARLO ROSSI 4 liter**  
BURGUNDY, VIN ROSE, PINK CHABLIS

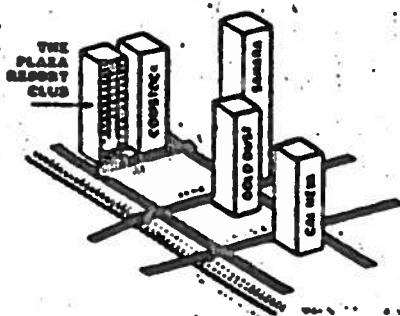
**3 29** EACH





PLUS MANY MORE COUPONS !!!

Simply Present This Coupon To The Redemption Desk At The



*Plaza*  
RESORT CLUB

121 West Street in Reno  
From 9 am - 9 pm

**ABSOLUTELY NO COST  
OR OBLIGATION**

This offer is limited to 1 per couple 21-65 years of age. Subject to cancellation without notice.

MAY 810034

149 507 Journal/Free Evening Casino

## and slaws

"American Redneck" and "My Dirty Lowdown Rotten, Cotton Pickin' Little Darlin'."

They're songs with a great deal of humor and a catchy beat, songs that won them such notable fans as Lyndon B. and Lady Bird Johnson.

Geezinslaw Sam Allred (Dewayne Smith is the other Geezinslaw half), remembers their first performance at the LBJ Ranch.

"It was a party for the ambassador from Finland," he recalls. "People from 14 different nations were there."

"We knew we would either make a hit or get thrown out."

They were a hit.

**Lies**  
n  
adway

By Greg Thompson  
Friday, 10:30pm  
Saturday, 11:30pm

THE BEANS

VODKA #30 Proof 1.75 liter	6 <sup>10</sup>
ROYAL GUEST GIN 1.75 liter	7 <sup>99</sup>
CANADIAN DELUXE #40 Proof 1.75 liter	8 <sup>49</sup>
RUM LIGHT OR DARK 1.75 liter	8 <sup>99</sup>
CANADIAN CLUB 1.75 liter	13 <sup>99</sup>
ROYAL GUEST TEQUILA 1.75 liter	9 <sup>79</sup>
GLEN ROYAL SCOTCH #73 Proof 1.75 liter	9 <sup>99</sup>
NAPOLEON V.S.O.P. #53 Proof FRENCH BRANDY 1.75 liter	7 <sup>39</sup>
CYRUS NOBLE BOURBON #86 Proof 1.75 liter	9 <sup>99</sup>
AMARETTO DI TORANI #31 Proof 1.75 liter	5 <sup>99</sup>
MAGNAUGHTON 1.75 liter	9 <sup>15</sup>

PRICES GOOD THRU MAY 14

*Sands* DISCOUNT LIQUORS  
LOCATED INSIDE THE SANDS CASINO  
345 N. ARLINGTON 786-6C16  
FREE PARKING  
Open  
Every Day  
at 7 a.m.

1681

# BEN'S DISCOUNT LIQUOR

BEN-NEVADA'S LARGEST  
LIQUOR DEALER

P.O. BOX 3172

RENO, NEVADA 89505

702-329-3353

BEN'S #1  
190 SO.  
CENTER  
RENO,  
NEV.  
323-5808

## NEVADA LIQUOR TAX

Based on Gross Volume of 1,000,000 gallon

BEN'S #2  
901 W. 4th  
& KEYSTONE  
RENO,  
NEV.  
323-8277

### In existence

### Proposed

30¢ per gallon on 14% alcohol									.33
50¢ per gallon on 22% alcohol									.55
\$1.90 per gallon on over 22% alcohol									\$ 2.09

BEN'S #3  
U.S. 50 &  
KINGSBURY  
STATELINE,  
TAHOE  
588-8175

750,000 gallon @ \$1.90 = \$1,425,000	@ \$2.09 = \$1,567,500
200,000 gallon @ .30 = 60,000	@ .33 = 66,000
50,000 gallon @ .50 = 25,000	@ .55 = 27,500

\$1,510,000

\$1,661,000

BEN'S #4  
U.S. 50 EAST  
in WHSE. MKT.  
SHOP. CEN  
CARSON, NEV.  
882-0728

Gain

\$151,000

### If Volume Goes Down 10%

BEN'S #5  
BO...ZA  
SO. CENTER  
4700 NORTH  
VIRGINIA  
RENO, NEV.  
322-0588

750,000 - 75,000 = 675,000	x \$2.09 = \$1,410,750
200,000 - 20,000 = 180,000	x .33 = 59,400
50,000 - 5,000 = 45,000	x .55 = 24,750

1,494,900

BEN'S #6  
2375 ODDIE  
MALL  
ODDIE BLVD.  
RENO, NEV.  
359-4010

Original amount	\$1,510,000
Proposed amount less 10% in volume	<u>1,494,900</u>

Loss in Liquor Tax Revenue

\$ 15,100

BEN'S #7  
259 S. BRIDGE  
WINNEMUCCA,  
NEV.  
823-5445

### Loss in Sales Tax Revenue Due to Loss in Volume

1,000,000 gallon x \$10 per gallon	\$10,000,000 x .035 =	\$350,000
1,000,000 gallon - 100,000 = 900,000	x \$10 per gallon =	
\$9,000,000 x .035 =		<u>315,000</u>

Loss in Sales Tax Revenue

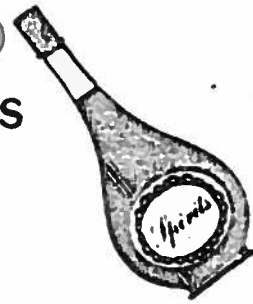
\$ 35,000

BEN'S #8  
960 HOLMAN  
PYRAMID  
SHOP. CEN.  
SPARKS, NEV.  
359-5444



WINE & SPIRITS WHOLESALERS  
OF NEVADA

P.O. BOX 338  
RENO, NEVADA 89504



May 11, 1981

AB - 247 - Additional Comments

The attached resume reflects the adverse tax effect by repeal of the Fair Trade Law in California on beer, wine & spirits, the effect on sales activity in Northern Nevada and the tax received by the State of Nevada.

This resume shows the tax received in Northern Nevada without considering the growth in population, tourist housing, tourist traffic and gaming increase. The wine & spirits tax decreased \$648,963 in 1980 fiscal year from the fiscal year 1978 - the year the Fair Trade Law was repealed in the State of California.

Had Las Vegas not had a growth in the wine & spirits tax of \$400,013, the tax revenue dollars would have been \$1,048,976 less in 1980 than in 1976, rather than \$248,950 less for the State than in 1978.

The attached reveals that 1978 was a peak tax year and the tax declined \$70,258 in 1979, as shown above, \$248,950 in 1980.

Using the percentage rate of growth for 1976 and 1977 for the liquor tax to the State of Nevada of 8 1/2%, the tax ~~received~~ to the State for the 1980 fiscal year would have been \$13,110,135 or an increase of \$1,973,661 rather than a loss to the General Fund of \$248,950 as the attached shows.

Together the combination of *the* % of growth continuing since 1978 means that the State would have received \$2,222,611 more than it did in 1980 without the Fair Trade Law repeal and the competition for the consumers' dollar in purchasing wine & spirits products.

May 11, 1981  
Page /2/

Based on the attached and these comments, it is a real possibility that an increase in tax could produce less tax dollars and there is no guaranty that an increase would provide more funds for the General Tax Fund of the State of Nevada.

Respectfully submitted,

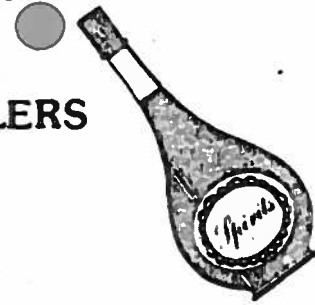
C. O. WATSON  
Executive Secretary

CW/attachment



**WINE & SPIRITS WHOLESALERS  
OF NEVADA**

P.O. BOX 338  
RENO, NEVADA 89504



May 11, 1981

Resume Showing Beer, Wine & Spirits Import Tax, Growth Rate Dollar & Growth Rate % Comparisons by Geographic Areas, Northern Nevada, Southern Nevada & the State as a Whole for Fiscal Years 1976 - 1980, Using 1976 as the Base Year

<u>Fiscal Year Ending</u>	<u>Northern Nevada</u>	<u>Southern Nevada</u>	<u>State Total</u>
6/30/76			
Tax Dollar	\$5,316,999.	\$4,407,209.	\$9,724,208.
Growth Rate \$	610,604.	215,933.	826,557.
Growth Rate %	<u>12.9%</u>	<u>4.9%</u>	<u>9.5%</u>
6/30/77			
Tax Dollar	\$5,899,890.	\$4,635,629.	\$10,535,519.
Growth Rate \$	582,890.	228,419.	811,309.
Growth Rate %	<u>11.0%</u>	<u>5.2%</u>	<u>8.3%</u>
6/30/78			
Tax Dollar	\$6,238,264.	\$4,898,210.	\$11,136,474.
Growth Rate \$	921,264.	491,000.	1,412,264.
Growth Rate %	<u>17.3%</u>	<u>11.1%</u>	<u>14.5%</u>
6/30/79			
Tax Dollar	\$5,777,303.	\$5,288,913.	\$11,066,216.
Growth Rate \$	460,304.	881,703.	1,342,007.
Growth Rate %	<u>8.7%</u>	<u>20.0%</u>	<u>13.8%</u>
6/30/80			
Tax Dollar	\$5,589,301.	\$5,298,223.	\$10,887,524.
Growth Rate \$	270,302.	891,013.	1,163,315.
Growth Rate %	<u>5.1%</u>	<u>20.2%</u>	<u>12.0%</u>

Respectfully submitted,

C. O. WATSON  
Executive Secretary

CW/

DEPARTMENT OF TAXATION - REVENUE DIVISION - CARSON CITY, NEVADA  
LIQUOR TAX BRANCH

Report of imports of beer, wine and liquors and the excise tax from the licensed importers (imported June 1979 - May 1980) for the FISCAL YEAR JULY 1, 1979 to JUNE 30, 1980

#Excise Tax	MALT KEG	BEVERAGES CASE		ALCOHOLIC BEVERAGES UNDER 14%	ALCOHOLIC BEVERAGES UNDER 22%	ALCOHOLIC BEVERAGES OVER 22%	EXCISE TAX
		GALLONS @6c	GALLONS @6c	@30c	GALLONS @50c	GALLONS @\$1.90	
Beacon Dist.	Reno	-0-	5,001	245,725	23,448	496,032	997,356.86
Beverage Dist	Reno	-0-	64,486	19,469	478		9,641.55
Blach Dist	Elko	(15,718)	369,653	35,256	3,849	67,289	158,728.69
Blach Dist	Ely	13,888	136,980	-0-	-0-	-0-	8,786.92
Bonanza Bev.	L.V.	302,152	3,493,831	1,201	15	55	221,380.43
Bucatti Ent.	L.V.	-0-	-0-	2,741	326	-0-	955.75
Capital Bev	C.C.T	103,539	1,288,609	-0-	-0-	-0-	81,221.83
Coors/L.V.	L.V.	306,698	4,895,471	-0-	-0-	-0-	302,766.23
Costello, J.W.	L.V.	479,607	888,898	508,516	57,931	64,025	373,722.41
Crown Beverage	Sparks	100,204	595,840	411	-0-	-0-	40,891.80
D & D Whise	Reno	-0-	-0-	64,151	8,782	236,800	460,481.87
DeLuca Liq/Wn	L.V.	-0-	336,452	240,600	32,379	625,559	1,258,306.66
DiGrazia	Ely	310	29,481	-0-	-0-	-0-	1,733.83
DiGrazia	Wells	13,827	146,263	15,565	894	623	15,429.84
Elko Btling	Elko	11,625	163,209	-0-	-0-	-0-	10,175.32
Glenn Dist	Elko	2,170	45,415	4,717	787	8,186	19,610.82
Glenn Dist	Ely	349	12,814	-0-	-0-	-0-	766.09
J-D Imports	Sparks	-0-	-0-	2,400	-0-	-0-	701.66
Hickey Dist	Minden	3,800	5,150	-0-	-0-	-0-	551.62
Laxague Dist.	Ely	-0-	34,282	-0-	-0-	-0-	1,995.21
L.V. Dist	L.V.	12,896	153,108	270,015	15,825	258,425	572,187.95
Liberty Liq.	Sparks	-0-	-0-	146	14	5,952	11,360.00
Luce & Son	Reno	125,021	1,721,615	592,098	41,993	408,309	1,052,717.77
McKesson Liq	L.V.	-0-	9,322	153,372	12,282	294,416	594,095.33
McKesson Liq	Sparks	-0-	1,887	109,896	8,962	321,899	629,693.84
Morrey Dist	Reno	311,290	3,364,769	-0-	-0-	-0-	213,974.14
nev. Bev.	L.V.	330,465	5,184,465	-0-	-0-	-0-	323,223.34
nev. Liq/Wn	L.V.	-0-	34,766	99,056	2,032	297,789	580,824.06
nev. Wine Co.	L.V.	-0-	-0-	20,114	976	-0-	6,535.79
No. Nevada Dist	Ely	465	55,257	-0-	-0-	-0-	3,259.87
O.K. Dist.	Reno	309,238	1,826,717	5,667	25	-0-	125,973.89
Peraldo, L.W.	Winn.	17,662	388,972	25,868	978	48,786	122,101.57
Reno Wholesale	Sparks	-0-	-0-	-0-	-0-	11,809	21,758.83
Ruggieri Wine	L.V.	-0-	-0-	8,350	-0-	-0-	2,429.69
Ruggieri Wine	Reno	-0-	594	6,398	82	82	2,084.03
7-Up Bottling	Winn.	-0-	68,541	-0-	-0-	-0-	3,989.09
Tierra W/L	Elko	-0-	-0-	-0-	-0-	3,086	5,687.05
Tierra W/L	Reno	-0-	105	191,528	16,839	351,038	710,889.55
So. Wine/Spir	L.V.	232	265,319	569,571	39,322	470,459	1,061,795.53
So. Wine/Spir.	Sparks	-0-	437	298,020	23,109	403,735	843,035.36
Valley Dist.	Fallon	14,349	302,948	-0-	-0-	-0-	19,456.69
Walter's Wine	L.V.	-0-	2,093	2,249	-0-	1	777.73
Winniva Dist.	Winn.	6,698	201,141	9,562	585	97	15,457.54
<b>TOTALS</b>		<b>2,482,203</b>	<b>26,093,891</b>	<b>3,503,042</b>	<b>291,913</b>	<b>4,374,452</b>	<b>10,857,524.07</b>
Totals Calculated:							
Category Net Income		\$144,517	\$1,518,875	\$1,019,543	\$141,670	\$8,062,918	

	FISCAL 1979-80	FISCAL 1978-79
Total Receipts - License Fees	\$ 21,712.50	\$ 21,947.50
Total Receipts - Excise Tax	10,887,524.67	11,066,216.18
<b>TOTAL RECEIPTS</b>	<b>10,909,236.57</b>	<b>11,088,163.68</b>
Plus 3% Discount to Wholesalers	335,368.55	337,975.73
<b>TOTAL GROSS LIQUOR RECEIPTS</b>	<b>\$11,244,605.12</b>	<b>\$11,426,139.41</b>

This report does not reflect sales or consumption.

MM:law

2/12/81

1686

DEPARTMENT OF TAXATION - REVENUE DIVISION - CARSON CITY, NEVADA  
LIQUOR TAX BRANCH

Report of imports of beer, wine and liquors and the excise tax from the licensed importers (imported June 1978 - May 1979) for the FISCAL YEAR JULY 1, 1978 to JUNE 30, 1979

#Excise Tax		G A L L O N S		ALCOHOLIC BEVERAGES UNDER 14%	ALCOHOLIC BEVERAGES UNDER 22%	ALCOHOLIC BEVERAGES OVER 22%	EXCISE TAX
		@6c	@6c	@30c	@50c	@\$1.90	
A.R. Wines	Sparks	-0-	1,373	(930)	230	2,353 \$	4,372.81 X
Beacon Dist.	Reno	-0-	292	231,629	29,628	628,535	1,240,180.91 X
Beverage Dist.	Reno	-0-	102,217	30,674	3,414	-0-	16,577.97 X
Bonanza Bev.	L.V.	340,654	3,119,528	(439)	-0-	1,177	203,456.12
Capital Bev.	C.C.	104,765	1,164,634	-0-	-0-	-0-	73,897.33 X
Coors/L.V.	L.V.	257,404	4,651,305	-0-	-0-	-0-	285,686.86
Costello, J.W.	L.V.	467,400	808,553	479,518	58,687	52,130	328,342.09
Crown Bev.	Sparks	107,275	430,724	8,658	-0-	-0-	33,902.46 X
D&D Whlse.	Reno	-0-	-0-	78,201	9,273	244,731	478,727.75 X
DeLuca Liq/Wn	L.V.	-0-	239,721	213,157	30,426	656,572	1,300,814.07
DiCrazia	Wells	12,570	127,989	15,805	1,707	322	14,206.88 X
Elko Btng.	Elko	10,695	158,574	-0-	-0-	-0-	9,851.47 X
Glenn Dist.	Elko	15,022	334,404	35,802	6,126	77,133	175,917.81 X
Glenn Dist.	Ely	12,308	117,164	-0-	-0-	-0-	7,535.27 X
Hickey Dist.	Minden	3,474	7,169	-0-	-0-	-0-	658.77 X
L.V. Dist.	L.V.	12,936	285,307	308,835	12,430	327,864	717,511.87
LaVoie Import	L.V.	-0-	-0-	39	-0-	5	20.18
Laxague Dist.	Ely	66,584	-0-	-0-	-0-	-0-	3,875.19 X
Luce & Son	Reno	88,101	1,961,722	556,959	44,484	465,321	1,160,664.39 X
McKesson Liq.	L.V.	-0-	2,174	129,200	10,583	265,947	533,321.54
McKesson Liq.	Sparks	-0-	1,646	66,073	8,224	370,105	705,416.59 X
Morrey Dist.	Reno	290,786	3,286,078	-0-	-0-	-0-	208,189.54 X
Nev. Bev.	L.V.	244,124	4,712,110	-0-	-0-	-0-	258,452.88
Nev. Liq.Wn	L.V.	-0-	36,214	91,623	4,434	307,280	597,453.46
Nev. Wine Co.	L.V.	-0-	-0-	17,148	369	-0-	5,340.03
No. Nev. Dist	Ely	1,364	59,968	-0-	-0-	-0-	3,577.20 X
O.K. Dist.	Reno	139,267	2,095,194	-0-	-0-	-0-	130,045.63 X
Osiris Wine	Stln	-0-	-0-	3,850	-0-	-0-	1,153.91 X
Peyado, L.W.	Winn	15,981	331,934	21,568	2,109	56,137	131,074.53 X
Ruberi Wine	L.V.	-0-	146	14,250	-0-	-0-	4,155.50
7-Up Btng.	Winn	-0-	72,935	-0-	-0-	-0-	4,244.82 X
Sierra W/L	Elko	-0-	-0-	-0-	-0-	7,552	13,919.69 X
Sierra W/L	Reno	-0-	-0-	180,861	17,844	298,662	611,749.31 X
So. Wine/Spir	L.V.	186	424,560	548,976	34,668	438,913	1,013,453.12
So. Wine/Spir	Sparks	-0-	(45)	240,105	20,061	345,926	716,145.85 X
Valley Dist.	Fallon	11,671	259,857	2,848	-0-	-0-	15,804.74 X
Walter's Wine	L.V.	-0-	859	-0-	-0-	7	905.43
Winneva Dist.	Winn	2,790	214,926	8,084	539	144	15,550.61 X
<b>TOTALS</b>		<b>2,205,357</b>	<b>25,009,232</b>	<b>3,282,494</b>	<b>295,236</b>	<b>4,546,616 \$</b>	<b>11,066,216.18</b>

Totals Calculated:

Category Net Income \$128,393 \$1,455,994 \$995,496 \$143,272 \$8,383,061

	FISCAL 1978-79	FISCAL 1977-78
Total Receipts - License Fees	\$ 21,947.50	\$ 21,368.75
Net Receipts - Excise Tax	11,066,216.18	11,136,474.61
<b>TOTAL RECEIPTS</b>	<b>\$11,088,163.68</b>	<b>\$11,157,843.36</b>
Plus 3% Discount to Wholesalers	337,975.73	341,530.57
<b>TOTAL GROSS LIQUOR RECEIPTS</b>	<b>\$11,426,139.41</b>	<b>\$11,499,373.93</b>

#This report does not reflect sales or consumption.

MH:jbd

11/9/79

*Handwritten signature: J. Matthews, Nevada Dept. of Taxation*



DEPARTMENT OF TAXATION - REVENUE DIVISION - CARSON CITY, NEVADA  
LIQUOR TAX BRANCH

Report of imports of beer, wine and liquors and the excise tax from the licensed importers (imported June 1977 - May 1978) for the FISCAL YEAR JULY 1, 1977 to JUNE 30, 1978

#Excise Tax	MALT KEG @6c	BEVERAGES CASE @6c	ALCOHOLIC BEVERAGES UNDER 14% @30c	ALCOHOLIC BEVERAGES OVER 22%		EXCISE TAX
				GALLONS @50c	GALLONS @\$1.90	
A.R. Wines	-0-	1,706	6,820	127	393	2,87
Beacon Dist.	-0-	3,229	212,529	33,492	726,940	1,418.02
Bonanza Bev.	-0-	69,307	31,746	3,989	-0-	15.20
Capital Bev.	315,835	2,522,244	4,756	1,034	22,565	208,69
Coors/L.V.	95,883	929,524	-0-	-0-	-0-	59,88
Costello, J.W.	238,517	4,321,656	477,685	60,064	-0-	265,129
Crown Bev.	458,605	857,931	8,497	-0-	-0-	319,765
D&D Whlse.	100,276	473,463	78,158	18,543	311,755	35,894
DeLuca Liq/Wn	-0-	-0-	11,367	30,994	580,653	606,507
DiGrazia	-0-	-0-	-0-	458	543	1,163,548
Elko Btng.	11,237	237,803	37,558	-0-	-0-	14,161
Glenn Dist.	11,904	154,047	-0-	5,974	72,647	9,716
Glenn Dist.	15,686	154,318	251,344	-0-	-0-	168,009
Hickey Dist.	12,914	333,391	844	14,925	-0-	8,482
L.V. Dist	3,686	132,822	-0-	15	410,570	670.2
LaVoie Import	5,729	7,197	539,036	-0-	81	853,293.2
Laxague Dist.	-0-	273,197	93,426	53,349	-0-	417.1
Luce & Son	-0-	189	68,209	9,034	472,871	3,878.8
McKesson Liq.	-0-	66,653	-0-	10,852	235,738	1,158,348.8
McKesson Liq.	82,589	1,705,833	-0-	-0-	451,551	468,976.71
Morrey Dist.	-0-	15,846	-0-	-0-	-0-	857,753.77
Nev. Bev.	288,036	7,435	74,240	-0-	18	167,738.90
Nv. Dist/Cry	207,682	2,593,607	13,645	3,320	-0-	233,420.15
Nev. Liq.Wn	-0-	3,802,359	-0-	1,738	264,000	1,848.85
Nev. Wine Co.	-0-	31,362	-0-	-0-	-0-	512,194.55
No. Nev. Dist	-0-	40,827	-0-	-0-	-0-	4,962.52
O.K. Dist.	-0-	-0-	74,240	-0-	-0-	2,343.44
Osiris Wine	-0-	40,265	15,713	-0-	-0-	132,432.47
Peraldo, L.W.	154,256	2,121,080	-0-	1,806	36,037	1,649.05
Ruggieri Wine	14,062	-0-	-0-	-0-	-0-	87,347.27
7-Up Btng.	-0-	251,355	5,497	-0-	-0-	3,647.61
Sierra W/L	-0-	294	12,476	-0-	-0-	3,899.82
Sierra W/L	-0-	66,577	-0-	-0-	-0-	20,405.68
So. Wine/Spir	-0-	-0-	158,410	-0-	-0-	733,335.84
So. Wine/Spir	264	-0-	440,262	-0-	-0-	864,156.32
Valley Dist.	-0-	345,098	197,315	-0-	-0-	702,693.08
Winneva Dist.	7,513	2,041	-0-	254	106	12,235.68
TOTALS	5,580	202,722	1,988	320,487	4,731,059	\$ 11,136,474.61
Totals Calculated:	2,030,254	21,966,212	2,963,227	\$155,492	\$8,721,562	
Category Net Income	\$118,212	\$1,278,743	\$862,467			
Total Receipts - License Fees						
Net Receipts - Excise Tax						
TOTAL RECEIPTS						
Plus 3% Discount to Wholesalers						
TOTAL GROSS LIQUOR RECEIPTS						

#This report does not reflect sales or consumption.  
MH:law

FISCAL 1977-78  
\$ 21,368.75  
11,136,474.61  
11,157,843.36  
341,530.57  
\$11,499,373.93

FISCAL 1976-77  
\$ 21,518.75  
10,535,519.82  
10,557,038.57  
323,128.73  
\$10,880,167.30

DEPARTMENT OF TAXATION - REVENUE DIVISION - CARSON CITY, NEVADA  
LIQUOR TAX BRANCH

Report of imports of beer, wine and liquors and the excise tax from the licensed  
importers (imported December 1976 - November 1977)  
for the CALENDAR YEAR JANUARY 1, 1977 - DECEMBER 31, 1977.

Excise Tax		MALT BEVERAGES		ALCOHOLIC BEVERAGES		ALCOHOLIC BEVERAGES		EXCISE TAX
		KEG	CASE	UNDER 14%	UNDER 22%	OVER 22%		
		G A L L O N S		G A L L O N S		G A L L O N S		
		@6c	@6c	@30c	@50c	@51.90		
A.R. Wines	Sparks	-0-	247	4,973	87	456	\$	2,347.75
Beacon Dist.	Reno	-0-	1,429	194,029	30,382	703,806		1,373,657.12
Beverage Dist.	Reno	-0-	62,608	34,711	4,224	-0-		15,794.91
Bonanza Bev.	L.V.	392,155	2,427,079	8,187	875	25,798		210,936.43
Capital Bev.	C.C.	82,127	793,086	-0-	-0-	-0-		51,169.90
Coors of L.V.	L.V.	218,175	4,635,477	96,100	11,953	264,224		527,355.44
Costello, J.W.	L.V.	432,270	931,659	493,440	63,390	38,606		324,911.30
Crown Bev.	Sparks	96,121	472,079	15,644	-0-	-0-		27,646.51
D&D Whise.	Reno	-0-	-0-	81,592	16,342	318,415		619,592.69
DeLuca	L.V.	-0-	117,714	117,690	17,854	305,569		612,950.16
DiGrazia	Wells	7,641	140,698	11,161	719	270		12,774.41
Elko Brng.	Elko	13,392	173,529	-0-	-0-	-0-		10,921.38
Glenn Dist.	Elko	15,579	293,725	33,537	5,162	71,884		162,753.32
Glenn Dist.	Ely	12,595	104,243	-0-	-0-	-0-		6,800.98
Hickey Dist.	Minden	3,708	6,299	-0-	-0-	-0-		615.16
L.V. Dist.	L.V.	-0-	286,434	235,063	12,568	368,616		770,526.81
LaVoie Import	L.V.	-0-	-0-	480	-0-	-0-		144.00
Laxague Dist.	Ely	-0-	70,854	-0-	-0-	-0-		4,123.39
Luce & Son	Reno	69,636	1,648,738	507,520	51,595	480,179		1,157,770.14
McKesson Liq.	L.V.	-0-	18,361	95,888	7,002	226,235		450,813.78
McKesson Liq.	Sparks	-0-	6,220	69,207	12,859	441,469		840,365.57
Morrey Dist.	Reno	302,338	2,264,235	-0-	-0-	-0-		149,666.11
Nev. Bev.	L.V.	192,066	3,344,023	39,510	2,644	124,373		447,802.57
Nev. Dist.	Ely	-0-	57,961	-0-	-0-	-0-		3,404.84
Nev. Liq/Wh	L.V.	-0-	18,492	42,316	1,280	142,107		275,967.23
Nev. Wine Co.	L.V.	-0-	-0-	5,535	860	-0-		2,090.39
Nc. Nev. Dist.	Ely	-0-	6,997	-0-	-0-	-0-		523.63
O.K. Dist.	Reno	143,794	2,191,178	-0-	-0-	-0-		115,895.37
Osiris Wine	Scln.	-0-	-0-	4,101	-0-	-0-		1,220.59
Peraldo, L.W.	Winn.	14,772	228,632	13,870	1,640	34,412		82,456.61
Ruggieri Wine	L.V.	-0-	352	11,589	-0-	-0-		3,392.40
7-Up Bottling	Winn.	-0-	66,842	-0-	-0-	-0-		3,915.25
Sierra W/L	Elko	-0-	(552)	-0-	-0-	10,375		19,097.98
Sierra W/L	Reno	-0-	-0-	145,943	19,260	334,570		668,465.36
So. Wine/Spir.	L.V.	264	300,983	369,638	23,930	346,958		775,925.32
So. Wine/Spir.	Sparks	-0-	3,479	172,041	21,567	312,318		656,386.96
Valley Dist.	Fallon	8,967	178,254	-0-	-0-	-0-		10,896.29
Winneva Dist.	Winn.	5,580	208,023	-0-	-0-	-0-		12,431.69
<b>TOTALS</b>		<b>1,948,180</b>	<b>21,061,378</b>	<b>2,803,865</b>	<b>308,193</b>	<b>4,552,444</b>	<b>\$10,658,776.87</b>	

Totals Calculated:  
Category Net Income \$ 113,425 \$1,226,220 \$816,209 \$ 149,554 \$ 8,343,370

	CALENDAR 1977	CALENDAR 1976
Total Receipts - License Fees	\$ 21,618.75	\$ 21,056.25
Net Receipts - Excise Tax	10,698,776.87	10,061,971.30
<b>TOTAL RECEIPTS</b>	<b>10,720,395.62</b>	<b>10,083,027.55</b>
Plus 3% Discount to Wholesalers	326,695.81	310,161.15
<b>TOTAL GROSS LIQUOR RECEIPTS</b>	<b>\$11,047,091.43</b>	<b>\$10,393,188.70</b>

\*This report does not reflect sales or consumption.

MCH:law

3/14/78

1689

DEPARTMENT OF TAXATION - REVENUE DIVISION - CARSON CITY, NEVADA  
LIQUOR TAX BRANCH

Report of imports of beer, wine and liquors and the excise tax from the licensed importers for the FISCAL YEAR JULY 1, 1975 to JUNE 30, 1976.

		MALT KEG	BEVERAGES CASE	ALCOHOLIC BEVERAGES UNDER 14%	ALCOHOLIC BEVERAGES UNDER 22%	ALCOHOLIC BEVERAGES OVER 22%	EXCISE TAX
		GALLONS			GALLONS		
#Excise Tax		@6c	@6c	@30c	@50c	@\$1.90	
Beacon	Reno X	-0-	112	152,066	18,554	622,405	\$1,200,347.26 X
Best Brands	L.V.	466	319,653	272,546	20,560	364,324	779,693.44
Best Brands	Sparks X	-0-	(8)	131,856	20,453	289,011	560,940.28 X
Beverage	Reno X	-0-	79,534	38,884	4,067	-0-	17,938.75 X
Bonanza	L.V.	271,743	1,631,626	14,614	2,362	49,604	207,595.75
Capital	C.C. X	74,350	497,249	-0-	-0-	-0-	33,300.13 X
J.W. Costello	L.V.	406,888	836,028	485,121	70,173	34,438	311,012.11
Crown Bev.	Sparks X	79,114	449,789	17,978	-0-	-0-	36,038.11 X
D&E Whlse.	Reno X	-0-	-0-	74,181	14,259	278,801	542,414.89 X
DeLuca	L.V.	218,946	4,611,125	198,333	32,523	595,864	1,452,802.41
DiGrazia	Wells X	16,787	151,534	13,714	1,394	-0-	14,465.99 X
Elko Brlng.	Elko X	11,625	238,479	-0-	-0-	-0-	14,556.05 X
Glenn Dist.	Elko X	17,323	189,331	34,617	4,599	77,952	167,986.44 X
Glenn Dist.	Ely X	8,937	76,067	-0-	-0-	-0-	4,947.22 X
Global-Import	Reno	-0-	262	1,386	(73)	24	430.57
Hickey Dist.	Minden X	2,930	7,576	-0-	-0-	-0-	641.81 X
L.V. Dist.	L.V.	124	438,905	177,611	10,578	260,628	565,614.69
Laxague	Ely X	-0-	81,532	-0-	-0-	-0-	4,743.94 X
Luce & Son	Reno X	73,793	1,425,277	383,953	47,229	234,207	930,035.37 X
McKesson	L.V.	-0-	619	52,820	14,764	184,739	363,463.28
McKesson	Reno X	-0-	833	53,355	15,175	403,907	767,343.21 X
Morrey	Reno X	228,828	1,785,255	-0-	-0-	-0-	117,253.32 X
Nev. Bev.	L.V.	172,196	2,718,724	82,464	3,861	287,763	724,483.67
Nev. Distr.	Ely X	8,603	71,241	-0-	-0-	-0-	4,733.87 X
O.K. Dist.	Reno X	89,891	2,503,857	-0-	-0-	-0-	150,956.54 X
Osiris Wine	Stateline X	-0-	-0-	541	-0-	-0-	162.30 X
L.W. Peraldo	Winn X	12,897	168,508	12,212	1,579	25,830	62,482.12 X
Ruggieri	L.V.	-0-	62	7,252	-0-	-0-	2,113.71
7-Up Brlng	Winn X	-0-	70,514	-0-	-0-	-0-	4,103.91 X
Sierra W/L	Elko X	-0-	-0-	-0-	-0-	16,580	30,556.95 X
Sierra W/L	Reno X	-0-	-0-	142,409	27,400	301,216	610,270.99 X
Valley Dist.	Fallon X	6,607	100,966	-0-	-0-	-0-	6,259.78 X
Winneva	Winn X	6,626	242,480	-0-	-0-	-0-	14,513.85 X
<b>TOTALS</b>		<b>1,708,744</b>	<b>18,747,190</b>	<b>2,347,943</b>	<b>309,457</b>	<b>4,177,293</b>	<b>\$9,724,208.71</b>

Totals Calculated:

Category Net Income: \$99,465 \$1,091,261 \$683,362 \$150,119 \$7,700,003

	FISCAL 1975-76	FISCAL 1974-75
Total Receipts - License Fees *	\$ 18,923.75	\$ 20,236.25
Net Receipts - Excise Taxes	9,724,208.71	8,832,151.21
<b>TOTAL RECEIPTS</b>	<b>9,743,132.46</b>	<b>8,852,387.46</b>
Plus 3% Discount to Wholesalers	299,117.18	242,391.27
<b>TOTAL GROSS LIQUOR REVENUE</b>	<b>\$10,042,249.64</b>	<b>\$9,094,778.73</b>

\*Includes Adjustment of \$75.00 for Fiscal Year 1974-75  
This report does not reflect sales or consumption

PN/lw:

9/2/76

1690

NEVADA  
STATE  
MEDICAL  
ASSOCIATION

EXHIBIT H

3660 Baker Lane • Reno, Nevada 89509 • (702) 825-6788

May 26, 1981

TO: Joseph Neal, Chairman  
Senate Human Resources Committee

FROM: Richard G. Pugh, Executive Director   
Nevada State Medical Association

SUBJ: Assembly Bill #247

Summary: Increases tax on liquor and directs use of  
increased revenues for treatment of alcoholism.

Attached hereto and incorporated herein is a copy of the Joint Statement of Principles Concerning Alcoholism, approved by the American Medical Association Board of Trustees, June 1968. It clearly outlines the position of the AMA regarding the subject of alcoholism by affirming that "...alcoholics are entitled to the same rights and privileges in law and the same opportunity for medical treatment which are accorded to persons with other illnesses or diseases..." The AMA further urges state governments to "...adopt new comprehensive legislation covering the problems of alcoholism...(Such legislation) should provide for adequate diagnostic, treatment and rehabilitation services for alcoholics for civil commitment for treatment rather than prosecution..."

*and* Nevada State Medical Association hereby echoes the affirmation of the American Medical Association and urges passage of AB 247.

KF:dls  
enclosure

## V. APPENDIX

### Joint Statement of Principles Concerning Alcoholism American Bar Association — American Medical Association\*

The American Bar Association and the American Medical Association, recognizing that alcoholism is a major health problem and is an illness due to multiple causes often beyond the control of the individual, now affirm that alcoholics are entitled to the same rights and privileges in law and the same opportunity for medical treatment which are accorded to persons with other illnesses or diseases, and make the following declarations consistent with this affirmation.

1. Alcoholism should be regarded as an illness in medical and hospital care insurance contracts, and be subject to benefits comparable to those which apply to other chronic illnesses.
2. General hospitals, both public and private, should accept on a non-discriminatory basis, for both inpatient and outpatient care, patients diagnosed as alcoholics. This principle was approved by the AMA House of Delegates in 1956 and reaffirmed in 1966.
3. Schools of medicine and hospital training programs should develop courses of instruction in the prevention, causes, diagnosis and treatment of alcoholics.
4. State governments should adopt new comprehensive legislation covering the problems of alcoholism. In recognition of recent federal court decisions, such legislation should find that alcoholism is a chronic illness. It should provide for adequate diagnostic, treatment and rehabilitation services for alcoholics and for civil commitment for treatment rather than prosecution. It also should provide for civil commitment in those cases where the defendant is acquitted of an accusation of a crime on the ground of alcoholism. It also should provide that public intoxication in itself is not a crime.

\*Approved by the AMA Board of Trustees, June 1968.  
Approved by the ABA Board of Trustees, August 1969.

5. State and local bar and medical associations should appoint committees on alcoholism where such committees do not now exist. These committees should meet jointly on a regular basis to consider problems of alcoholism in their geographic areas and recommend appropriate action to the proper authorities of the American Medical Association and the American Bar Association.

Activities recommended for the consideration of state and local associations include:

- (a) Encouraging the development of adequate community facilities, both public and private, for the proper treatment of alcoholism. Such facilities should include clinics, detoxication services, hospitals and half-way houses.
- (b) Working with, and helping to finance, other organizations active in public education programs on alcoholism such as affiliates of the National Council on Alcoholism.
- (c) Cooperating with appropriate local authorities in the maintenance and conduct of special educational programs under court auspices such as "honor classes" or "schools" for alcoholism prevention, as exemplified by the one existing in San Francisco. The purpose of such programs is to provide pertinent information on the subject of alcoholism to persons involved with the law because of their use of alcohol.
- (d) Providing trial judges with guidelines on diagnosis and treatment of alcoholism, especially judges in courts dealing with domestic relations who frequently find that alcoholism is a predominant or complicating problem in divorce and child custody cases.
- (e) Advocating the adoption of model state legislation relating to the legal rights and medical management of alcoholics.



**WASHOE COUNTY COMMISSIONER**

**STEVEN R. BROWN**

2849 WATERFIELD DRIVE • SPARKS, NEVADA 89431

Res. 331-0313  
Bus. 785-5454

May 26, 1981

Senator Joe Neal, Chairman  
Senate Human Resources and  
Facilities Committee  
Legislative Building  
Carson City, Nevada 89710

Dear Senator Neal:

We, the Washoe County Commission, are in support of AB 247.

By this time, you are undoubtedly familiar with the statistics relating to the problems associated with alcoholism.

Without financial support from the Legislature for detoxification and treatment, we cannot provide appropriate services to those needing help. The financial assistance the County is presently able to provide is not sufficient to support the necessary substance abuse services needed.

We request your support of AB 247.

Respectfully,

A handwritten signature in black ink, appearing to read "Steve Brown", written over a horizontal line.

Steve Brown  
Washoe County Commissioner

SB:pd