

NEWS RELEASE



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NCADD-NJ responds to Governor McGreevey rejecting an alcohol tax increase on revenue grounds

TRENTON ... (February 26, 2004) – The National Council on Alcoholism and Drug Dependence New Jersey questioned Governor James McGreevey’s inconsistency in aiming to raise the cigarette tax by 300 percent in the past three years while showing no interest in a higher state excise tax on alcohol. The governor and his Treasury Secretary, John McCormack, on a radio broadcast discussing the budget yesterday were asked about increasing the alcohol tax and responded by saying their budget did not include such an increase because it would not be justified by the revenue it would generate.

The numbers cited by the treasure secretary on 101.5’s ‘Ask the Governor’ program were that while a cigarette tax brings in \$600 million per year, the alcohol tax raises only \$80 million. McCormack said that to generate a comparable amount with alcohol to what cigarette taxes produce would mean an increase of 50 to 100 percent. The governor said the point was that “you would have to raise it so high that you would destroy the competitive market.”

NCADD-NJ Director of Public Affairs and Policy John Hulick said that while increasing the alcohol tax might not bring in the same funds as the cigarettes, an increase putting the state among the top five nationally in the tax it imposed on alcohol would add another \$100 million to the so- called sin tax revenues.

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Hulick said, “New Jersey levies far and away the highest cigarette tax in the country, ranking it well ahead of neighboring states New York, Delaware and Pennsylvania. The governor does not seem too concerned about the state’s ability to compete when it comes to cigarette sales. It’s hard to understand why the state with the highest tobacco tax would rank in the middle of the pack in alcohol. Not to mention that an increase in the alcohol tax would have the same price-deterrent impact on underage drinking as the tobacco tax has had on youth smoking.”

New Jersey’s ranking among states in alcohol tax is 39th in beer, 22nd in wine and 10th in liquor. McGreevey has said on a number of occasions that he does not favor hiking the state’s excise tax on alcohol, rebuffing a resolution on the issue currently under consideration by the Governor’s Council on Alcoholism and Drug Abuse. NCADD-NJ’s Hulick and two other witnesses testified in support of an alcohol tax increase at a special GCADA hearing on the resolution earlier this year.

NCADD-NJ has dedicated itself for more than 20 years to educating New Jersey’s citizens about alcohol and drug use issues, to advocating on state policies concerning individuals addicted to alcohol or other drugs, and to reducing the stigma that frustrates a public health approach to the disease of addiction.

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