

# The distilled spirits business in North Carolina contributed \$152 million in 1999 to state and local government.

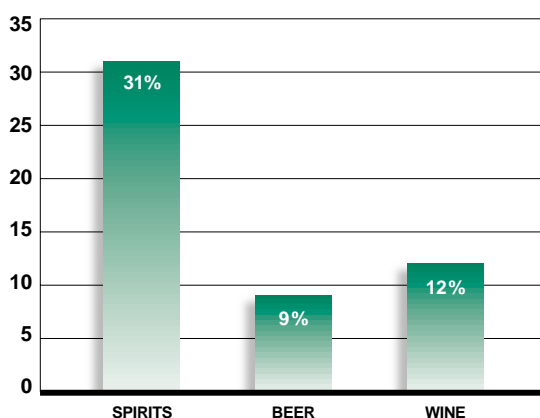
We're proud of the role our industry plays in making North Carolina a great place to live and raise a family.

Tax revenues and other assessments on the in-state sale of distilled spirits help build and maintain the roads, schools, libraries and hospitals that serve the vital interests and needs of North Carolinians.

In fact, distilled spirits consumers here pay more than their fair share to make it possible.

When you add up all the taxes and assessments on a bottle of distilled spirits purchased in North Carolina, 31 percent of the total price of a typical bottle of spirits goes to help pay for state and local government services.

By contrast, just 9 percent of the price of a six-pack of beer and less than 12 percent of the price of a bottle of wine ends up going to government.



*Taxes and fees as a percent of cost to the North Carolina consumer*

## Imagine the consequences if more than 10 percent of these critical revenues were lost.

That's exactly what could happen if a few politicians in Raleigh have their way. Some want to impose a new 6 percent sales tax on the purchase price of every bottle of distilled spirits sold in North Carolina.

But when taxes are increased, revenues to government go down. The 1991 increase in federal excise taxes on all beverage alcohol resulted in a \$2.4 billion shortfall. Thousands of workers lost their jobs, resulting in the further loss of income and other taxes while forcing state governments to pay out unemployment benefits.

The NC Association of ABC Boards, in opposing the proposed 6 percent tax increase, predicts it "will probably not bring in the projected revenue" and could "result in a net decrease." They noted that after the last hike in state excise taxes, "it took seven years for sales volumes to rise to previous levels."

If North Carolina's politicians impose a 6 percent sales tax on distilled spirits, it will result in a net loss of more than \$17 million in revenue to state and local governments — a reduction of more than 10 percent of the revenues we now contribute to important state and local services.



## Vote NO on new taxes.

*Call your state legislator today at (919) 733-4111 and urge him to vote against the proposed 6% tax on distilled spirits.*