

# TAX TOPICS

## Higher Taxes May Threaten Hospitality Industry

(NAPSA)—A growing number of consumers are getting the spirit and are looking for ways to protest proposed state taxes on alcoholic beverages.

According to advocates, in the coming months lawmakers in several states will propose raising taxes on alcoholic beverages. Opponents contend that these increases will put jobs at risk and raise the cost of alcoholic beverages.

As it currently stands, spirits, wine and beer are among the most heavily taxed consumer goods in the United States. It's feared by many that taxing them further can cause long-term damage to the hospitality industry—the restaurants, hotels and bars that are the economic backbone of many communities.

As the second-largest industry in the United States, the hospitality industry is dominated by small businesses and provides opportunities for first-time job seekers as well as minority entrepreneurs and managers. This group—many of whom are least able to afford an increased tax burden—would be hit hardest by a tax increase.

Some say the workers in the hospitality industry will be the real victims if these taxes are passed. Advocates point out that the last time taxes on alcohol were raised, \$1.3 billion in wages were lost and an estimated 98,000 people found themselves out of work.

It's also argued that new taxes will present an unnecessary burden to adult consumers who enjoy these products responsibly and in moderation. Many think that supplementing a state government's budget shortfalls by forcing millions of adults who enjoy an occasional drink to pay higher taxes is simply not fair.



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In fact, there are those who believe that alcohol taxes are already regressive in nature and that the government should not try to balance its budget on the backs of those who can least afford these kinds of taxes.

According to The Heartland Institute, a national nonprofit research and education organization, increasing alcohol taxes “will not reliably address state budget gaps because with each tax hike, less revenue is generated. This is because tax hikes discourage use of a product, encourage consumers to cross state lines, or drive consumers into the black market.”

Fortunately, those who want to voice their opinion on the issue have a Web site they can turn to for information and resources.

The site, called [AxeTaxesNotJobs.com](http://www.axetaxesnotjobs.com), offers source material on the issue, a tax calculator that demonstrates the impact of state taxes on alcoholic beverages, tips on organizing and acting as an advocate and sample letters and e-mails that can be sent to elected officials.

Those who want their voice heard on this, or other issues, should contact their state officials.

To learn more, visit the Web site at [www.axetaxesnotjobs.com](http://www.axetaxesnotjobs.com).