

# State of South Dakota

## NINETY-THIRD SESSION LEGISLATIVE ASSEMBLY, 2018

670Z0767

HOUSE CONCURRENT RESOLUTION NO. \_\_\_\_\_

Introduced by: \_\_\_\_\_

1 A CONCURRENT RESOLUTION, Encouraging thoughtful taxation of alcohol products in the  
2 state and calling for alcohol to become revenue neutral rather than a drain on the resources  
3 and the economy of South Dakota.

4 WHEREAS, the Centers for Disease Control and Prevention estimates alcohol harm costs  
5 to South Dakota taxpayers and businesses at around six hundred million dollars annually; and

6 WHEREAS, alcohol excise tax and other revenues from alcohol to the state of South Dakota  
7 are estimated to be around twenty million dollars per year; and

8 WHEREAS, the remaining five hundred eighty million dollars (which equates to  
9 ninety-seven percent of alcohol harm costs) is paid for by hard working South Dakota families  
10 and small businesses, while the alcohol industry and heavy alcohol consumers pay only three  
11 percent of alcohol harm costs; and

12 WHEREAS, responsible and moderate alcohol consumers would pay significantly less in  
13 total taxes (including property, sales, and other taxes) over time if alcohol were taxed at a higher  
14 rate; and

15 WHEREAS, alcohol excise taxes in South Dakota have not been raised since 1987; and

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1       WHEREAS, alcohol excise taxes have not kept pace with inflation, resulting in a near fifth  
2 percent loss in value over the last thirty years; and

3       WHEREAS, by not indexing alcohol excise taxes to inflation, the state of South Dakota has  
4 forgone over one hundred fifty million dollars in unrealized alcohol excise tax revenue much  
5 of which has gone into the pockets of out-of-state owned and operated alcohol interests; and

6       WHEREAS, lower alcohol prices are known to increase problematic alcohol consumption  
7 among heavy consumers of alcohol and underage consumers of alcohol; and

8       WHEREAS, problematic consumption of alcohol is associated with increased crime,  
9 including violent crime; and

10       WHEREAS, for over a decade, South Dakota has consistently ranked at the top of the list  
11 for alcohol-related crime; and

12       WHEREAS, alcohol harm costs are among the top expense items for counties across the  
13 state, leaving counties with no other option than to raise property taxes to pay for alcohol harm  
14 mitigation costs; and

15       WHEREAS, research has found that the only consumers who are significantly price  
16 sensitive are those who consume alcohol problematically (over ten drinks per day) and underage  
17 drinkers; and

18       WHEREAS, research shows that, like with tobacco and groceries, consumers of alcohol very  
19 rarely travel to other states to purchase alcohol products for the purpose of saving money; and

20       WHEREAS, research and experience from other states where alcohol excise taxes have been  
21 increased also reported a net increase in jobs, especially when the revenue is directed to alcohol  
22 cost mitigation areas such as healthcare, social services, and public safety:

23       NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives of the Ninety-  
24 Third Legislature of the State of South Dakota, the Senate concurring therein, that the South

- 1 Dakota Legislature recognizes the importance thoughtful taxation of alcohol products in South
- 2 Dakota and agrees that alcohol ought to become revenue-neutral rather than a drain on resources
- 3 and the economy of South Dakota.