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## Taxes on your beer and wine in Idaho won't go up - yet

*The industry turned back a good-government group's plan to raise money for substance-abuse treatment. But a smaller tax increase is still a possibility.*

Several Idaho lawmakers who voted against the tax increases said the time has come for a different version. Some opponents said the increase defeated Wednesday by a legislative committee was too big. The beer tax hasn't been raised since 1961. The wine tax hasn't gone up since it was imposed in 1971.

Legislators - including two members of the tax-averse House Republican leadership team - sent a message to the industry and its friends: Propose an increase you can live with soon, or we may impose a bigger one later.

"I would tend to say that if they don't move with a proposal either this year or next year that there will eventually be enough demand on services that a group of legislators will get together and write an increase far beyond what they were thinking," said Rep. Ken Roberts, R-Donnelly, chairman of the House majority caucus.

Roberts was one of 13 members of the House Revenue and Taxation Committee to vote against House Bill 140. Five representatives voted for the measure, which would have more than tripled the state tax on beer and wine.

The bill would have used \$14 million from the tax increase to pay for substance-abuse treatment to help reduce prison overcrowding.

The bill would also have changed the way the state taxes beer and wine, moving from a volume basis to a wholesale price tax. The change in the basis and the size of the increase proposed by The Common Interest, a nonpartisan group, contributed to the bill's defeat.

Rep. Scott Bedke, R-Oakley, the assistant majority leader, also voted against the tax but said the question should be revisited. There were no signs the industry planned to propose an increase. "If they are waiting for the beer and wine lobby to come to the altar with them and walk down the aisle, they may have a while to wait," said Keith Allred, director of The Common Interest.

Bill Roden, the head of the Idaho Beer and Wine Distributors Association, said he "appreciated the result" of Wednesday's vote. "House Bill 140 was not the right mechanism to even be looking at the beer and wine tax. The way it was structured was just not appropriate," Roden said. "In an economic downturn, this probably is not the year to be addressing it again."

Lobbyist Ken Burgess of the Idaho Licensed Beverage Association said his group would likely oppose any attempt to raise the state's beer and wine tax.

The beer and wine industry - and myriad lobbyists - hired a marketing firm to fight the increase with an online campaign. Employees of the Anheuser-Busch barley malt plant in Idaho Falls wrote letters to lawmakers opposing the increase. Other opponents included the Idaho Association of Commerce and Industry, the Idaho Retailers Association and the Boise Metro Chamber of Commerce.

Roberts, who favors keeping the tax tied to the volume, said a reasonable increase would be far less than the 246 percent proposed by The Common Interest. He suggested boosting the tax to 20 cents from 15 cents on a gallon of beer and to 60 cents from 45 cents on a gallon of wine. That would put Idaho in the middle of the pack among states, he said.

House Bill 140 would have raised those rates to 52 cents on beer and \$1.56 on wine. Allred said the bill would have cost beer drinkers who consume a six-pack a week an additional \$10.92 a year. Wine drinkers who have six glasses a week would have paid an additional \$13.42.

"If not now, when?" said Rep. George Saylor, D-Coeur d'Alene, who voted for the legislation. "It hasn't been now or when for the past 48 years. The time for action is here."