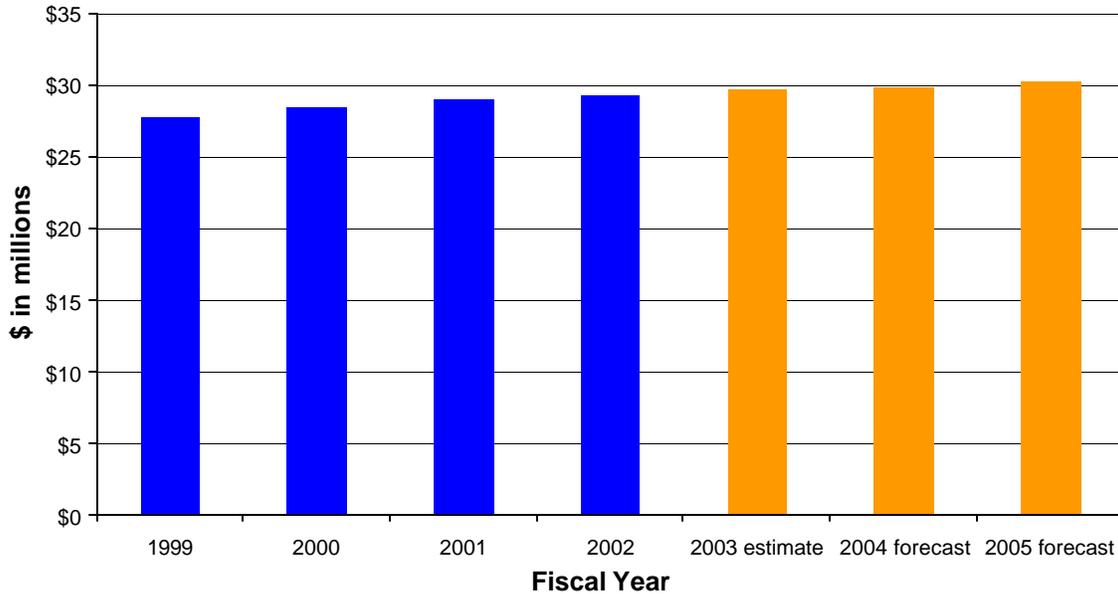


## Liquor Gallonage Tax

GRF Revenues from the Liquor Gallonage Tax  
(in millions)



|                  | FY 1999<br>Actual | FY 2000<br>Actual | FY 2001<br>Actual | FY 2002<br>Actual | FY 2003<br>Estimate | FY 2004<br>Forecast | FY 2005<br>Forecast |
|------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Liquor Gallonage | \$27.6            | \$28.5            | \$29.0            | \$29.3            | \$29.7              | \$29.9              | \$30.2              |
| growth           | 1.2%              | 3.1%              | 1.8%              | 1.1%              | 1.3%                | 0.7%                | 1.0%                |

The Liquor Gallonage Tax is levied at the rate of \$3.38 per gallon of spirituous liquor. This is the equivalent of 57.6 cents per standard 750 ml bottle. Revenue from this tax is deposited into the General Revenue Fund.

Important determinants of alcohol consumption slowly change over time. Specifically, the demographic shift to an older population may account for the long-term decline in per capita consumption, since alcohol consumption typically falls as a person ages. However, the relative importance of disposable income as a determinant of demand for liquor may have increased, explaining the small year-over-year increases in tax receipts. The forecast of liquor gallonage tax is based on trend analysis of wholesale and retail gallonage sales of liquor in Ohio.