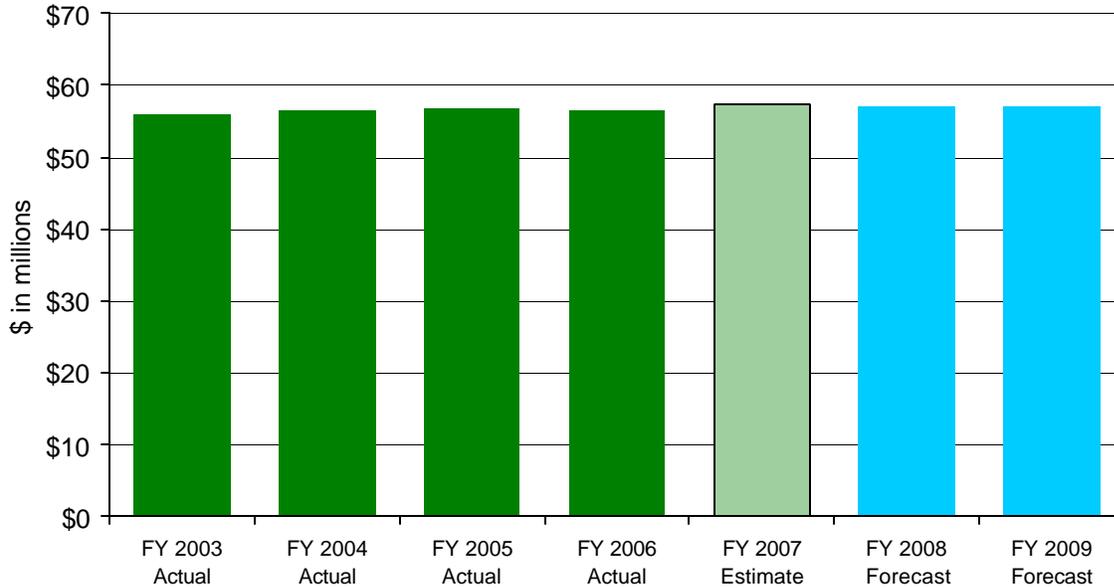


**Alcoholic Beverage Tax**

**GRF Revenues from the Alcoholic Beverage Tax**

(in millions)



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Actual	Actual	Actual	Actual	Estimate	Forecast	Forecast
Revenue	\$56.6	\$56.5	\$56.8	\$57.5	\$57.3	\$57.0	57.0
Growth	1.5%	-0.2%	0.5%	1.2%	-0.3%	-0.5%	0.0%

The alcoholic beverage tax applies to sales of beer, malt beverages, wine, and mixed alcoholic beverages. The tax is based on a per-container rate depending on the type of beverage sold. Beer is taxed at varying rates that are equivalent to 0.14 cents per ounce for bottles and cans with less than 12 ounces (about 10 cents for a six-pack of 12 oz containers). Wine containing less than 14% alcohol by volume is taxed at 32 cents per gallon (about 5.4 cents for a standard 750 ml bottle). Wine with between 14% and 21% alcohol by volume is taxed at \$1.00 per gallon (or 17.0 cents for a standard 750 ml bottle). Mixed beverages are taxed \$1.20 per gallon (or 20.4 cents for a standard 750 ml bottle). Revenue is deposited in the GRF with two exceptions. One percent of the tax is deposited in the Beverage Tax Administration Fund and five cents per gallon of wine is deposited into the Ohio Grape Industries Special Account. About 84% of the tax liability is from the sale of beer and malt beverages. Wine sales contribute 9% of the tax base. Sales of the remaining alcoholic beverages contribute 7% of the tax base.

The forecast for the alcoholic beverage tax revenue is based on a trend analysis of the contribution of each alcoholic beverage to the tax base in the last few years. Revenues from the tax are expected to be flat over the next biennium. Trends in alcohol

consumption affect tax revenues. The market share for spirits and liquor has been growing at the expense of beer sales which have been generally flat, while sales of wine have been steady.