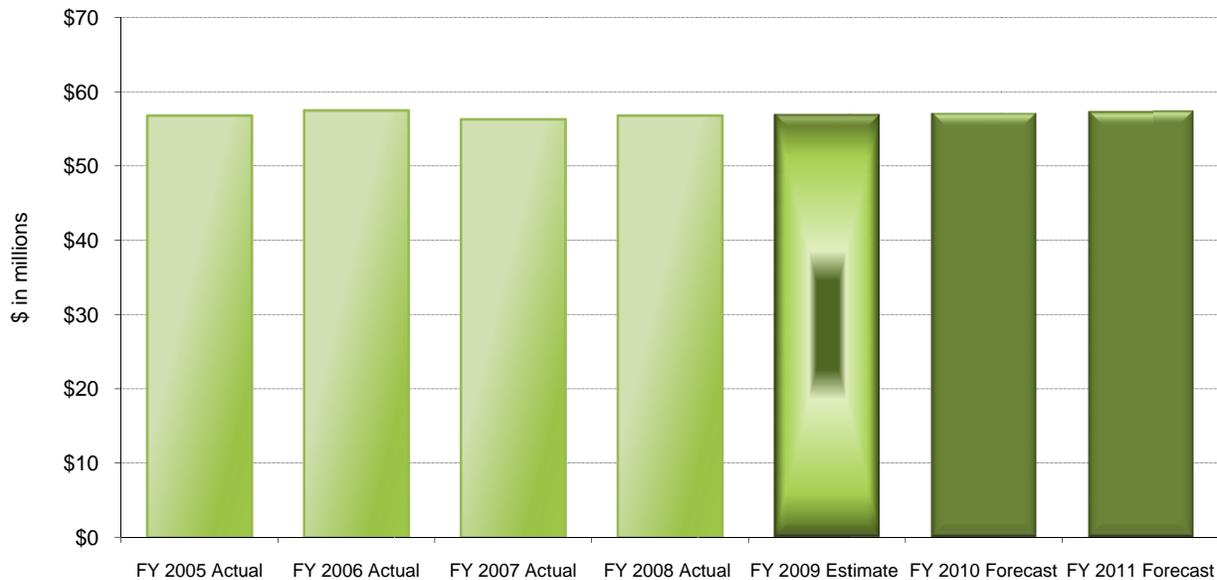


Alcoholic Beverage Tax

GRF Revenues from the Alcoholic Beverage Tax
(in millions)



	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimate	FY 2010 Forecast	FY 2011 Forecast
Revenue	\$56.8	\$57.5	\$56.3	\$56.8	\$56.9	\$57.1	\$57.4
Growth	-0.5%	1.2%	-2.1%	0.9%	0.2%	0.4%	0.5%

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 at \$1.20 per gallon (or 20.4 cents for a standard 750 ml bottle). Five cents of the tax on each gallon of wine which is deposited into the Ohio Grape Industries Fund. All other revenue from the alcoholic beverage tax is deposited into the GRF. About 83% of the tax revenue is from the sale of beer and malt beverages. Wine sales contribute 10%. Sales of all other alcoholic beverages contribute the remaining 7%.

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 in the next biennium. Trends in alcohol consumption and increased alcohol beverage competition affect revenues from this tax. The market share for spirits and liquor has been growing at the expense of beer sales, while sales of wine have been somewhat steady.