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New Hampshire to adopt a cocktail tax amounting to about 3 cents a drink.

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A social services advocacy group has released a study that says it might be time for New Hampshire to adopt a cocktail tax amounting to about 3 cents a drink.

The study, done for New Futures, a substance abuse prevention advocacy agency, says the cost of excessive drinking in the Granite State approaches \$1.15 billion per year. The group called for fully funding alcohol abuse prevention programs, but did not endorse the study author's suggestion that the state may need a by-the-drink tax on sales of alcoholic beverages.

Brian Gottlob of PolEcon Research conducted the study, which analyzed data to determine the financial burden excessive drinking poses to government and society.

Consideration of a cocktail tax, called a "per-drink alcohol costs recovery charge," was floated in the study as a "possible policy prescription" for the social and economic costs of excessive drinking. The report estimated the direct cost of alcohol abuse to state agencies at \$251 million per year.

While acknowledging that taxes on products are "anathema" in New Hampshire, Gottlob's report suggests that "recognition of the broader public and private costs associated with excessive alcohol use may lead lawmakers to consider policies that would look to recover some or all of those public costs."

The study estimates that when all of the alcohol sold in New Hampshire is converted into individual drinks – 12 ounces for beer, 5 ounces for wine and an ounce and one-half for liquor – the equivalent of a billion cocktails are sold in the state every year. After subtracting the \$125 million in revenue churned by the state liquor stores from

the public cost of alcohol abuse, the study concluded that a tax of 3 cents per drink

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says the trade group has not taken an official position on the idea of a cocktail tax, but said the concept is flawed.

“Like with all increased costs, it would lead to higher cost and lower volume,” Somers said. “It would hurt small businesses, and that would hurt the state’s economy.”

New Futures backs the proposed beer tax and a representative will testify when the proposal comes up at a House Ways and Means Committee public hearing on Wednesday. The group also supports fully funding the state law that sets aside 5 percent of state liquor store profits for alcohol abuse funding programs.

Several sessions of the Legislature have effectively suspended that provision of law to divert the funds. In the most recent budget, a projected contribution to substance abuse programs of more than \$8 million in liquor profits was reduced to about \$1.5 million.

Gov. Maggie Hassan has not said whether she will support fully funding the program when she finalizes her first budget as governor.

The alcohol abuse prevention fund is administered by the Governor’s Commission on Alcohol and Other Drug Abuse Prevention. Commission Chairman Tym Rourke said the budget cuts have hurt the effort to reduce alcohol abuse.

“Currently, with very limited exceptions, the state of New Hampshire puts no state resources into alcohol abuse prevention services through the alcohol fund,” Rourke said. “New Hampshire in the late 90s and early 2000s, saw a precipitous drop in alcohol consumption by young people that directly correlated with an increase in federal funding that came into the state for substance abuse disorder prevention.”

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paying providers.

“This report is game-changing,” Lucas said. “Expansion will make Medicaid services available to anybody who is under 138 percent of the federal poverty level ... that presents an incredible opportunity to expand access to treatment.”

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