

LB 578
General Affairs Committee
Testimony of Chris Wagner
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11620 M Circle, Omaha, NE 68137
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Good morning, Chairman Briese and members of the committee. My name is Chris Wagner, and I am the Executive Director of Project Extra Mile, a network of community partnerships across the state working to prevent excessive alcohol consumption and its tragic consequences. We are here in opposition to LB 578.

This bill proposes decreasing the tax rate on a product that is rising in popularity, especially among young adults and underage youth – both of whom are among the age groups reporting the most binge drinking. Countless scientific studies have shown that cheaper alcohol leads to increased excessive consumption (underage, binge, and heaving drinking, as well as drinking by pregnant women) and the associated harms.

While the goal of this bill may be to encourage local production of Ready-to-drink (RTD) cocktails, this will affect the retail price of all of these drinks – not just those made in Nebraska. This will lead to more alcohol sales and more profits for the industry, but also more excessive drinking and more problems for our state – not to mention the loss of nearly \$4 million in revenue over the next two fiscal years. LB 578 wants to cut the rate of taxation by 92% on 20% of the spirits sold in our state with no clear indication as to when the state will stop losing money on this provision.

On the contrary, public health organizations like the Community Preventive Services Task Force and the World Health Organization instead recommend increasing alcohol excise taxes to reduce alcohol-related harms. Higher alcohol taxes reduce binge drinking and have a greater impact on youth since they are much more responsive to price increases than adults. Nebraska currently ranks as the fifth-worst binge drinking state (20.9%), but 32.2% of 19-25-year-olds in our state report binge drinking at least one time in the last 30 days.

We urge the committee to give adequate weight to the public health and safety consequences of legislation like LB 578. If you do, we believe you will find that indefinitely postponing LB 578 is the best course of action for our state. RTD cocktails will still be available in our state, but their cost will more adequately reflect the harms our state experiences from excessive alcohol consumption. Thank you for your consideration.