

Coalition to Save Lives, Families, and Communities Dedicated Alcohol Tax/"Johnstown Flood Tax" Initiative

Frequently Asked Questions

1. Is this a new tax or a tax increase?

NO! This is an existing tax on liquor and wine often referred to as the *Johnstown Flood Tax* or the *Emergency Tax*.

2. If we use these tax dollars won't that put a hole in the General Fund?

NO! That is the beauty of this plan. The tax revenue is currently deposited directly into the General Fund and the funds for these line items are coming out of the General Fund which makes this revenue neutral.

3. Does this make the current funding more vulnerable?

NO! This proposal makes the funding MORE secure. It removes the selected five drug and alcohol line items from the appropriations process and provides dedicated funding to pay for them.

4. The field has worked hard for the diversified funding that exists. Won't this legislation jeopardize that?

NO! This plan does not eliminate the acts or budgeted line items it simply provides a direct funding source for them. The legislation actually details and **reinforces** the original intent of the acts and budgeted line items.

5. Could the funds be used for some other purpose?

NO! The revenues from the existing tax on liquor would be diverted from the General Fund to a newly created special fund called the *Drug and Alcohol Treatment and Prevention Fund*. Once deposited in the DATP fund, the revenues could only be expended for the purposes specified in the legislation. In a difficult budget year, those revenues would not be available for other purposes and could only be utilized for the specified drug and alcohol programs.

6. Couldn't the funds be diverted just like the tobacco settlement dollars were diverted?

NO! Once a dedicated funding proposal is enacted into law, it would take a specific act of the General Assembly and signature by the governor to repeal it.

7. Is this guaranteed funding?

NO! Nothing is an absolute guarantee and continuous advocacy will always be required; however, the protection of a law makes this funding much more secure than the appropriations process. It is also important to note that historically revenue from the sale of alcohol has increased each year.

8. What if the budget process is delayed as it was in 2003? Will this funding be delayed?

NO! Funding would be automatic and would not require passage of annual legislation (including the state budget). Therefore, if the budget process is delayed in a particular year beyond June 30, it would not hold up the drug and alcohol funding.

9. Shouldn't this age old tax just be eliminated?

NO! If it were eliminated there would be a \$200 million hole in the state budget. Also, the commonwealth is working hard to make wine and liquor more accessible by opening stores on Sundays and expanding sales within grocery stores, border stores, and super stores. As a direct result of such endeavors, record sales are being reported. This increase in sales and accessibility must include a financial commitment to treatment and prevention.

10. Can we expect any increases in this funding?

YES! This initiative would allow for incremental increases in future years as the revenue source (the tax) increases. In other words, as sales increase so does the revenue source. And as our citizens drink more alcohol the funding for needed treatment would increase.

11. Why should people who do not have a problem with alcohol have the burden of a tax?

First of all, consumers are already paying this tax right now. This is not a new tax. Secondly, studies from the Center for Science in the Public Interest have shown that 20% of the drinkers consume 80% of the alcohol. Therefore, the persons that drink the most contribute the most. Also, sometimes people who start out drinking small amounts of alcohol end up drinking heavily and may need help.

12. Isn't it wrong to benefit from the sale of alcohol?

The Coalition believes that as the commonwealth promotes and profits from the sale of alcohol it is appropriate that some of those funds be utilized to help citizens who develop problems with this product.

13. Why now?

In March 2003 the governor introduced a budget that cut funds for the drug and alcohol treatment system by more than 50 percent. As a result of the concerted efforts of concerned Pennsylvanians, most of those funding cuts were restored. Now is the time to promote changes that will assure that this does not happen again. Advocacy efforts in 2003 were successful in having the funds restored and helped to gain understanding and support from the legislature about the need for drug and alcohol treatment and prevention services. The Legislature has supported these line items for many years and now is the time to make them more secure.