

Capitol Day 2007

Dedicated Alcohol Tax Initiative

PCPA reintroduced dedicated alcohol tax legislation for the 2007/08 legislative session. This initiative would secure five line-items for drug and alcohol (D&A) funding in the state budget. The initiative is House Bill 1032 and will soon be Senate Bill 870 (as Capitol Day materials go to print the draft Senate legislation is in the Senate Secretary's office).

Senators Patricia H. Vance (R-Cumberland/York) and Jay Costa, Jr. (D-Allegheny), as well as Representatives Kathy Manderino (D-Philadelphia) and Katie True (R-Lancaster), are spearheading the legislative effort in the Senate and House, respectively. House Bill 1032 currently has 74 co-sponsors.

Support for Securing D&A Funding Widespread

Support for securing D&A funding is not a *Republican/Democrat* or *House/Senate* issue. From the beginning, this effort to shore-up current D&A funding has been bi-partisan and bi-cameral. The legislative prime sponsors and PCPA seek as many legislators as possible to co-sponsor and support the dedicated alcohol tax legislation. PCPA thanks the many co-sponsors of both the House and Senate versions of this legislation. Legislators who have not yet co-sponsored it in their respective chamber are encouraged to do so as soon as possible.

Dedicated Alcohol Tax Initiative Synopsis

The alcohol tax in question has been in existence since 1936 and is known as the *Johnstown Flood Tax* or the *Emergency Tax*. This is an 18 percent tax on wine and liquor only and is collected by the Pennsylvania Liquor Control Board. Currently the revenue is undesignated and goes into the state's General Fund. The proposed legislation would designate approximately 70 percent of these funds to be dedicated to D&A treatment and prevention. The balance of the revenue would continue to go into the General Fund.

This proposal is **revenue neutral** in that the request is not new funds for these programs. Rather, these programs which are currently funded from the General Fund budget would, in the future, be funded through dedicated funding from the alcohol tax. In future years approximately 70 percent of any increases in the revenue generated by this tax would be distributed proportionately among the five identified D&A line-items in the state budget.

A copy of House Bill 1032 and the draft Senate version (soon to be Senate Bill 870) are available in all legislator packets as part of PCPA's Capitol Day.