



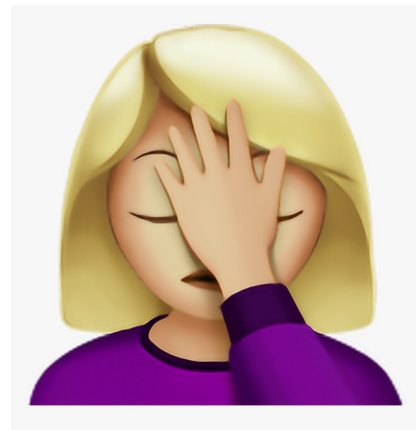
The Extra Mile

Advocating for evidence-based policies and practices to prevent and reduce alcohol-related harms

Miles to Go: Legislature Wilts in the Face of Tax Opposition

Major revenue-raising provisions abandoned, including alcohol tax increases

Governor Jim Pillen called the legislature in for a special session from July 25th to August 21st to address what the governor considers a property tax crisis in Nebraska. Pillen's [initial proposal](#) called for a 50 percent reduction in property taxes and featured an increase in excise taxes on spirits from \$3.75 per gallon to \$14.50 per gallon. This would have been a step toward reducing excessive alcohol consumption and the associated harms in Nebraska. Other measures included in the proposal were a cigarette tax increase from \$0.64 per package to \$1.64 per package, an increase on electronic nicotine delivery systems from 10% to 30% of the purchase price, and the imposition of a sales tax on candy and soft drinks among many other measures.



The Governor's property tax relief proposal ([LB1](#)) had numerous opponents -- as any bill that seeks to eliminate so many tax exemptions and increase other taxes would -- including those opposed to the excise tax increase on spirits. But it was particularly striking to see how quickly the provision unraveled despite a relatively small number (13) of distilleries across the state.

Following the bill's public hearing, the media reported that lawmakers were considering a [two-tiered spirits excise tax](#) of \$2.75 per gallon for companies that produce fewer than 100,000 gallons per year and \$7 if they produce more than 100,000 gallons. [For an effort that sought to raise taxes that hadn't been increased in over two decades to help pay for property tax relief, it was surprising to see that the legislature was now willing to cut the state's revenue from spirits sales by \\$1 per gallon. Surely, there must only be a few of the 13 Nebraska distilleries that make less than 100,000 gallons, right? No, try all 13...by a lot!](#)

According to the Nebraska Liquor Control Commission (LCC), [all 13 distilleries produced a total of just over 34,000 gallons of spirits during 2023](#) meaning that the state was writing off approximately \$34,000 in taxes immediately as a trade of for targeting out-of-state production but what about future years? Pondering future tax loss (and all the harms that come with cheap alcohol) had that provision been in the final bill that passed, the state would've been writing off up to \$100,000 in lost revenue per distillery moving forward. It is mind boggling to think that our state's biggest distiller makes approximately 20,000 gallons

per year. Do policymakers and committee staff rely solely on lobbyists for these numbers, and do they double check to ensure that they are grounded in reality?

So how much money were they going to make off of those out-of-state producers that make more than 100,000 gallons per year? The simple truth is it's impossible to say. The draft language focused on production, but the LCC doesn't track out-of-state production -- only how much product is shipped into the state.

However, the final property tax relief bill ([LB34](#)) that was passed, did not include any changes to the state's excise tax on distilled spirits and only cut property taxes by approximately 3%. It was a missed opportunity by the Legislature to increase the state's revenue by targeting increases that are long overdue that both improve public health and safety. Studies have shown that beyond increasing revenue, increased alcohol taxes result in [reduced alcohol-related mortality, traffic crash deaths, sexually transmitted disease, violence, and crime](#).

[1,001 Nebraskans die every year](#) as a result of preventable alcohol-related causes such as motor vehicle crashes, cancer, heart disease, suicide, and more. The Nebraska Department of Health and Human Services (DHHS) reported over 9,000 alcohol-related hospitalizations in 2021. Excessive alcohol consumption also results in economic costs for the state, in 2010, these costs equated to \$1.16 billion with \$491 million paid by taxpayers ([Sacks et al., 2015](#)).

Alcohol Taxation Interim Study Cancelled

Not only did the proposed excise tax hike on distilled spirits become a casualty of the special legislative session but the alcohol pricing & taxation interim study ([LR353](#)) hearing was cancelled with no commitment from the General Affairs Committee that it would be rescheduled. The hearing was scheduled for Saturday, August 17th but senators were in Lincoln engaged in a heated debate over the fate of property tax legislation.

Omaha area middle and high school youth met with senators this spring to request the study and Senator John Lowe, who is term-limited, agreed to introduce it on their behalf. The hearing is an opportunity for youth, the community, and the industry to share their thoughts and research on why alcohol taxes should be changed and make the case for doing so. We know that alcohol-related harms are high across the country and that increasing the price of alcohol through taxation is a proven strategy that has worked in other states.

Project Extra Mile and the Youth Leadership Network will continue to advocate for rescheduling this hearing by the end of 2024. To ensure you receive policy updates, [please sign up](#) for our Policy Work Group.

Research Briefs

Approximately [4,000 youth die annually](#) as a result of excessive alcohol use. Research has consistently shown that youth exposure to alcohol marketing is a risk factor for underage drinking and early onset of that behavior. New study results were released regarding [adolescents' exposure to alcohol marketing](#). This study collected national data via an online survey and found that more than half (51.7%) of U.S. adolescents reported being exposed to alcohol marketing. Hispanic youth had approximately 1.6 greater odds than non-Hispanic White youth of sometimes or often being exposed to alcohol ads while watching TV, streaming videos, going to the movies, and while browsing the internet. Researchers reflected upon the [U.S. Surgeon General's advisory](#) on potential harms associated with youths' utilization of social media. They stated that policies ought to regulate and limit youth exposure to alcohol marketing to reduce the associated harms, as well as other evidence-based strategies such as increasing the price of alcohol and decreasing availability to decrease youth initiation, use, and associated harms.

In [another recent study](#), researchers examined the prevalence and overlap of secondhand harms from other people's use of alcohol, cannabis, opioids, and other drugs. According

to the [2020 Nebraska Epidemiological Profile](#), the following trends have been recorded among adults:

- 59.5% report having at least one drink of alcohol within the past 30 days
- 20.9% report binge drinking
- 6.4% report current marijuana use
- 2.1% report current illicit drug use.

The study found that lifetime prevalence of secondhand harms from alcohol, cannabis, opioids, or other drugs was 34.2%, 5.5%, 7.6%, and 8.3%, respectively. They also concluded substantial overlap of lifetime harms, with almost 30% of those reporting secondhand alcohol harm also reporting drug harms. Researchers call for population-focused interventions to prevent harms to the individual as well as secondhand harms to those around them.

Coalition Member Spotlight - LVPD Officer Derek Schwartz

Derek Schwartz is a Police Officer with the La Vista Police Department where he has served for the last 4.5 years. He has been assigned to the Special Enforcement Bureau for the last 2 years where he has many roles and responsibilities covering three broad categories: Community Relations & Policing, Traffic Control and Training.

Officer Schwartz has been the liaison between Project Extra Mile and the La Vista Police Department for the last two years coordinating all alcohol compliance checks in La Vista and attending coalition meetings. Officer Schwartz's other duties include being a Motorcycle Officer, Emergency Vehicle Operations (Driving) Instructor, Field Sobriety Instructor, DARE Instructor, Field Training Officer, Crash Investigation and will become certified in Critical Incident Stress Management this fall. He has a strong passion building relationships both within the communities he serves and the professionals he serves with.



In his free time, Officer Schwartz's hobbies include spending time with his wife and two daughters, smoking BBQ, talking in movie quotes, watching Husker sports, listening to music and sitting around a campfire with friends. When asked about working with Project Extra Mile he said "If I can keep even just one parent from getting that most unimaginable knock at the door or that phone call, then my efforts will have been worth it. Project Extra Mile takes a firm stance on alcohol and that collaboration will certainly affect positive change in our community."

Please Join Us!



CELEBRATING
25 YEARS
1995-2020

projectextramile
PREVENTING ALCOHOL-RELATED HARM

OMAHA METRO COALITION MEETING

August 14, 2024 @ 9:00AM



**UNO's Community Engagement Center
6400 University Drive South
Room 209**

**Please join us as
we welcome
Omaha City Attorney,
Matt Kuhse,
to discuss city efforts to
prevent alcohol-related harm.**



More Information :
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**PROJECT EXTRA MILE
2024 COALITION
MEETINGS**

JANUARY 17TH
FEBRUARY 14TH
MARCH 13TH
APRIL 10TH
MAY 8TH
JUNE 12TH
NO MEETING IN JULY
AUGUST 14TH
SEPTEMBER 11TH
OCTOBER 9TH
NOVEMBER 13TH
DECEMBER 11TH

LOOKING FORWARD TO CONNECTING WITH YOU IN 2024



**MEETINGS HELD AT
UNO'S COMMUNITY ENGAGEMENT CENTER
6400 UNIVERSITY DRIVE SOUTH**



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