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## New Alcohol Taxes or Fees Will Cost California Jobs!

- **Now is not the time to raise taxes.** Californians have already been hit with \$12.5 billion in new taxes in 2009. Increasing taxes on wine, beer and spirits will create a domino effect resulting in the loss of tens of thousands of hospitality jobs among those who can least afford it – waiters and waitresses, store clerks, busboys and bartenders.
  - Just because state governments are having a hard time balancing their own financial affairs, it doesn't mean that those working in the hospitality industry should have to pay for it by losing their jobs.
- **California's hospitality industry contributes more than \$52 billion in economic activity and employs 12% of the state's workforce.** In the last year, the industry has lost more than 64,000 jobs statewide. Higher taxes on the hospitality industry will increase job loss in this struggling sector of our state's economy.
- **California's hospitality industry derives a substantial portion of its jobs and sales from beverage alcohol.** For example, restaurants that sell distilled spirits earn on average more than 25% of their income from alcohol sales. If this income is depleted through more new taxes, jobs will be lost and even more California businesses may be forced to close.
- **Catchy slogans, such as "nickel a drink," hide the fact that these taxes or fees will impose a dramatic new burden on restaurants and other small businesses in California.** A nickel a drink really means:
  - The tax on spirits will increase from \$3.30/gallon to \$7.57/gallon, on wine will increase from \$0.20/gallon to \$1.48/gallon and on beer from \$0.20/gallon to \$0.73/gallon
  - An additional 41,100 jobs in California will be threatened
  - Consumers will pay up to 100% more per drink
- **The legislature just increased the state sales tax by 1 percent.** That increase will generate an additional \$256.1 million from alcohol sales alone. Instead of coming back to consumers and workers for still more money, lawmakers should instead cut waste and figure out how to get the budget back on track.
- **The government already collects twice as much in alcohol taxes than the industry makes in profit.** The tax burden on beverage alcohol is so high that federal, state and local governments already collect more than \$2 in taxes for every \$1 that the industry (suppliers, wholesalers, retailers and restaurants) earn in profits.

We need to stop politicians' thirst for millions more in taxes and instead tell them to focus on creating jobs and improving California's economy!

**We need your help!** Fax or e-mail the attached form and join the California Alliance for Hospitality Jobs (CAHJ) today. CAHJ is a coalition of employers, suppliers, restaurateurs, business owners, trade associations and citizens who work in and with the hospitality industry and are concerned about proposals at the federal, state and local levels to raise alcohol taxes and fees.

### California Alliance for Hospitality Jobs

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