



March 19, 2012

Dear Alaska Legislators:

The Alaska Wine and Spirits Wholesalers Association (AWSWA) and Alaska Cabaret, Hotel, Restaurant & Retailers Association (CHARR) support depositing 100 percent of the receipts from the existing Alcoholic Beverage Tax into the Alcohol and Other Drug Abuse Treatment and Prevention Fund, and request that these funds be allocated into the budget to provide additional treatment services rather than supplanting current services.

Currently, only half of the revenue from the existing alcohol tax is used for substance abuse treatment and prevention. Alaska consistently ranks among the top five states for alcohol and drug dependence. Alaskans who seek treatment must be able to find and enter into treatment programs. There are far too few options available, and when someone needs help they often face long wait times. Substance abuse treatment services continue to be underfunded statewide, leaving individuals to continue the costly and tragic cycle of addiction.

According to the Federation of Tax Administrators, Alaska's alcohol tax is 3.5 to 4 times the national average which means Alaska has one of the highest excise tax rates on alcohol in the nation. These taxes produce over 38 million dollars annually, but sadly the majority of this tax revenue is not used to combat the problems related to the abuse and misuse of alcohol.

Alaska's hospitality industry pays the state government its fair share in taxes, and we support the use of this revenue to provide cost-effective, readily available treatment. Alaska CHARR and AWSWA respectfully requests that you support SB221, to ensure 100 percent of the existing alcohol tax revenue goes towards substance abuse treatment.

Sincerely,

A handwritten signature in blue ink that reads "Don Grasse".

Don Grasse, President, K&L Distributors

A handwritten signature in black ink that reads "Joel Kadarauch".

Joel Kadarauch, VP, Odom Corporation

A handwritten signature in black ink that reads "Dale Fox".

Dale G. Fox, CAE, President & CEO, Alaska CHARR