

# HB 248

# Public Testimony

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I wish to speak against passage of HB 248 which seeks to double the alcohol tax for the purpose of closing the budget gap.

In the DOR presentation on the alcohol tax history it shows a major tax increase in the year 2002. It also created the Alcohol and Other Drug Abuse Treatment and Prevention Fund where 50% of the ALCOHOL taxes would be deposited & used for mental health budget (fund code 1180).

Today that means \$20 million dollars went to the Alcohol and **Other Drug Abuse treatment and Prevention fund**. Do you know how much of this money was spent for alcohol treatment and prevention and how much for other drug abuse treatment and prevention?

And today we want to double the tax costs on alcohol consumers so half the money collected can go to pay for other than alcohol drug abuse treatment and prevention programs. Does this make any sense to anyone? Because of this dedication of half the alcohol taxes to include other drug abuse treatment and prevention this tax finds definition in punitive. It is punishing the alcohol consumer. It is severely discriminatory. It is punitive taxation.

On page 11 of the documents submitted in the "NEW SUSTAINABLE ALASKA PLAN" under the title "Closing the Budget Gap" I don't see the marijuana revenue component in these figures. Perhaps the marijuana tax can pay for the other drug abuse treatment and prevention programs. Would this raise \$40 million a year. Certainly some millions will be taken in and this number should be part of the Closing the Budget Gap model presented by the governor. No need to tax alcohol here.

And the additional \$40 million new revenue component coming from the new alcohol tax is incorrect. You are increasing the general fund revenue by only \$20 million because the other \$20 million is dedicated to the expenditure side of the budget gap. Throwing another \$20 million into the mental health budget (fund code 1180) will increase government spending.

Give any department of the state another \$20 million bucks and you will see more office space, computers, copy machines, employees with benefits and new programs just to burn up the money. All with no legislative appropriation control due to the dedicated, **but not illegally dedicated**, funds assured by statute.

Not enough homework done on this budget gap model. The state budget footprint needs to be decreased first. There are more spending reductions to be found. I just found \$20 million and if you look at all the other dedicated, but not dedicated funds I am sure you could find more.

This time the alcohol tax is a punitive tax and should not be considered in your budget gap proposal. Unless we decrease the budget expenditures footprint down to where it is sustainable we will be revisiting new revenue alternatives, or taxes, all over again in the near future. Taxes never go away, they always go bigger. Just ask the alcohol consumers.