



Excise Tax Principles

March 31, 2026

The Brewers Association strongly opposes propositions to raise excise taxes on small and independent brewers. Such proposals often cite either public policy or revenue needs as reasons for targeting beer manufacturers. The Brewers Association believes that raising taxes for these reasons is ineffective and ill-targeted.

Excise tax increases fail to influence problem drinking as is often claimed by proponents. Problem drinkers are not sufficiently price sensitive for taxes to change behavior, while moderate drinkers may be influenced by increased prices. As policy makers consider public policy and behavior modification reasons for excise tax increases, they should look closely at the relative price of liquors, wines, and beers, noting that liquor has both increased market share and decrease relative price in the most recent decades.

Additionally, excise taxes, as with all consumption taxes, are naturally regressive. “Sin” taxes have an elevated regressive effect, with the heaviest effect found in the bottom fourth of the population by income.

Finally, it should always be top of mind for policy makers that excise taxes are in addition to all regularly required business taxes. The small, independent, local brewer pays corporate, payroll, real property, and every other required tax. Increased tax costs can reduce brewers’ ability to make capital expenditures, hire and retain employees, and plan for growth. The Brewers Association strongly opposes excise tax increases on small brewers.