



# NEWS

## AMERICANS FOR TAX REFORM

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## Zeal for Tax Collection will Lead to...Prohibition!

*Caught between state officials eager to squeeze consumers for ever-increasing taxes, popular Alcoholic beverages are headed for no man's land*

WASHINGTON—Today Americans for Tax Reform (ATR), the nation's leading pro-taxpayer organization, weighed in on an Oregon controversy swirling around taxation rates and selling rights for some flavored malt beverages. The taxpayer group is urging the state to avoid de facto tax increases and further expansion of government control that could squeeze some products out of the marketplace altogether

This December, a ruling by the Oregon Liquor Control Commission (OLCC) will take effect preventing grocers from selling certain types of popular beverages, such as Smirnoff Ice, because of the origin of the alcohol, in part to cash-in with the higher taxes charged in liquor stores. On the other hand, similar beverages whose alcohol is derived from a preferred source, with the same alcohol content, will be allowed to remain on supermarket shelves.

**"Why should it matter where the alcohol comes from?"** said Grover Norquist, president of Americans for Tax Reform. **"You can't taste it, you can't see it. The alcoholic content is the same. Government bureaucrats just aren't getting enough revenue. Their solution: force more beverages into the higher-tax category. Consumers will lose and business will lose at the expense of Salem's special interests."**

In their zeal to tax and regulate, ATR says, the state may wind up squeezing out the most popular beverages altogether. According to former OLCC commissioner Bob Puentes, the beverages cannot be sold at liquor stores because their alcoholic content is too low. As a result, once they are removed from supermarket shelves, they will not be available anywhere. Industry executives expect to lose 25,000 cases in sales.

**"The government is acting like a library that sorts its books by typeface instead of by topic,"** Norquist said. **"This distinction is irrational. The consumer can't tell where the alcohol comes from. The only explanation is government's ever-present need to tax and expand its power."**

Americans for Tax Reform is calling for the OLCC to stop the enforcement until the federal government can come to a sensible, nationwide classification for the relatively new alcoholic beverages.

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Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Christopher Butler at (202) 785-0266 or at [cbutler@atr.org](mailto:cbutler@atr.org).