

HISTORY OF ALCOHOL TAX EFFORTS 2022-2025

Senator Sedillo-Lopez
Representative Parajón

Agenda

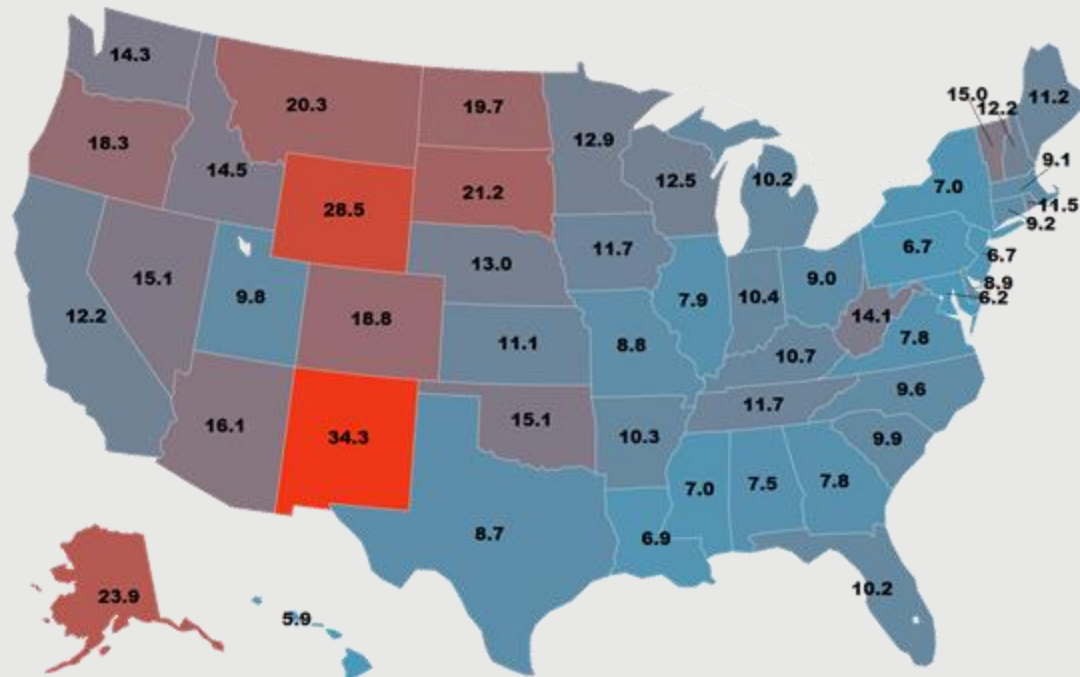
- New Mexico's alcohol tax in context
- How the current tax works
- Case study 1: Alaska (Wholesale Tax)
- Case study 2: Maryland (Sales Tax)
- Timeline of New Mexico's Alcohol Tax Proposals



New Mexico has the highest alcohol death rate in the country and hasn't changed its alcohol tax in 30 years

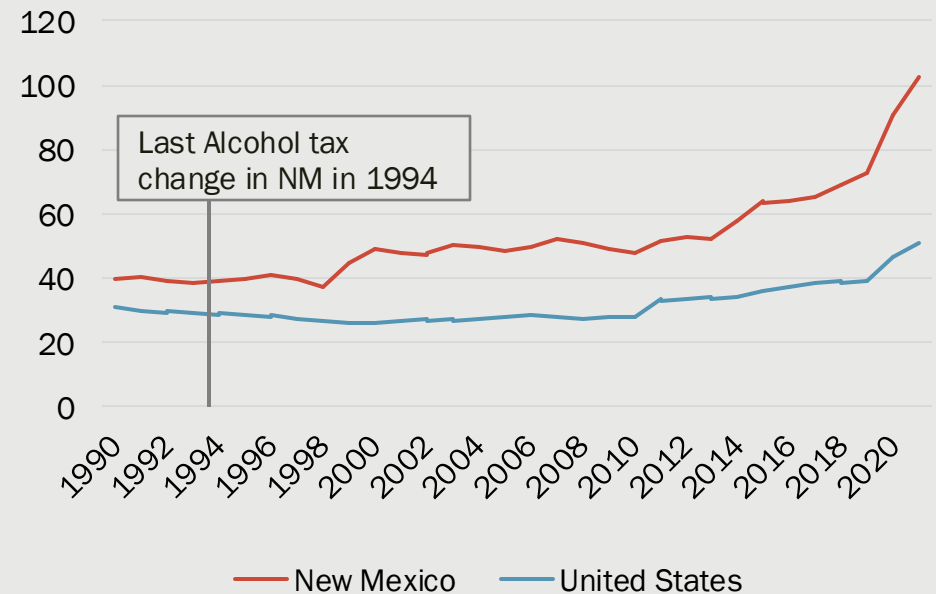
New Mexico has the highest alcohol-involved death rate in the country, followed by Wyoming

Average Alcohol-Involved Death Rate per 100,000 (2019)

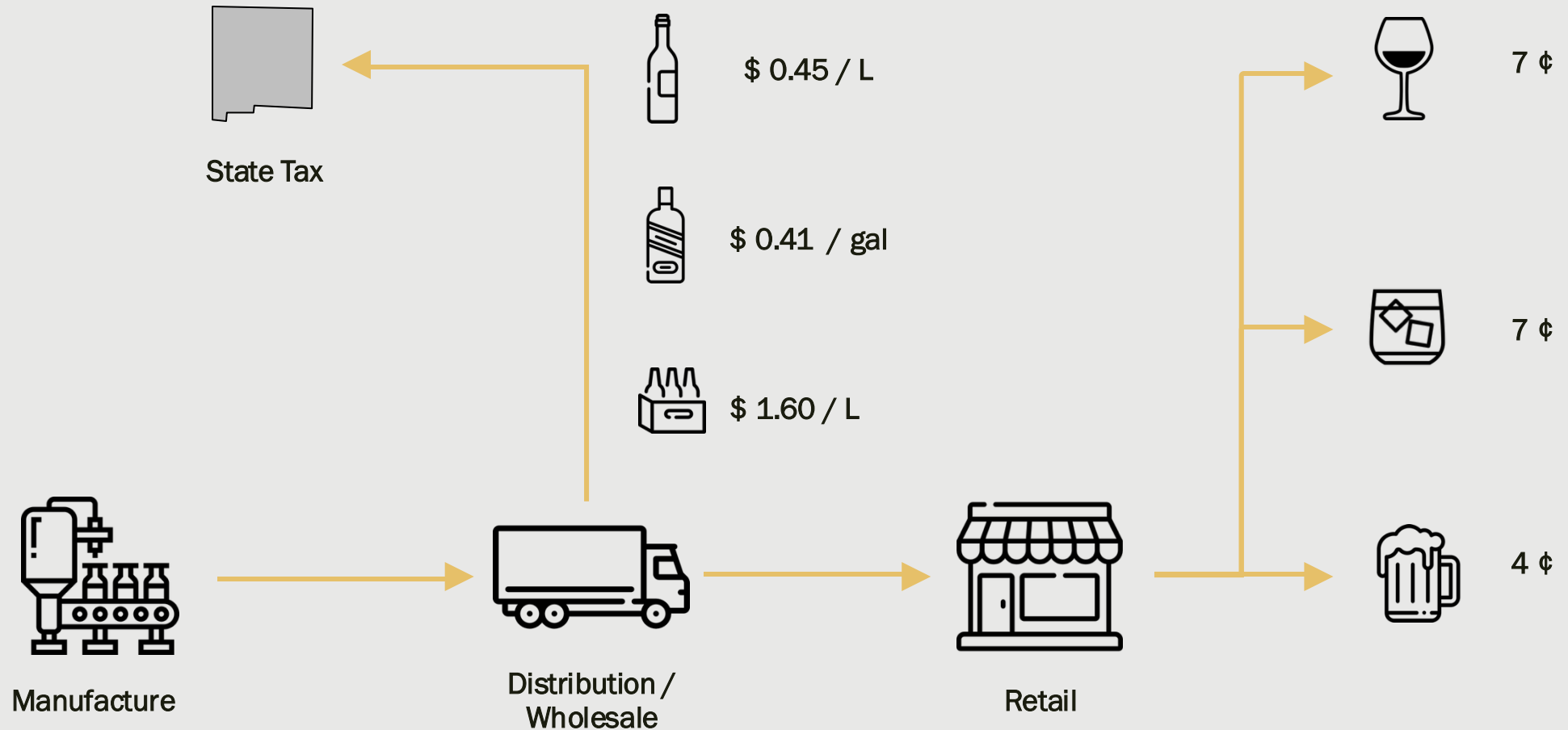


Rates of alcohol deaths have significantly risen since the last time New Mexico raised alcohol tax in 1994

Alcohol-related deaths per year per 100,000, New Mexico (1999-2023)



How the current Alcohol Tax works



Case study 1: Alaska raised their wholesale tax in 1983 and 2002 and saw decreased alcohol-related disease mortality

Alaska wholesale tax changes

In **1983** the wholesale rates changed:

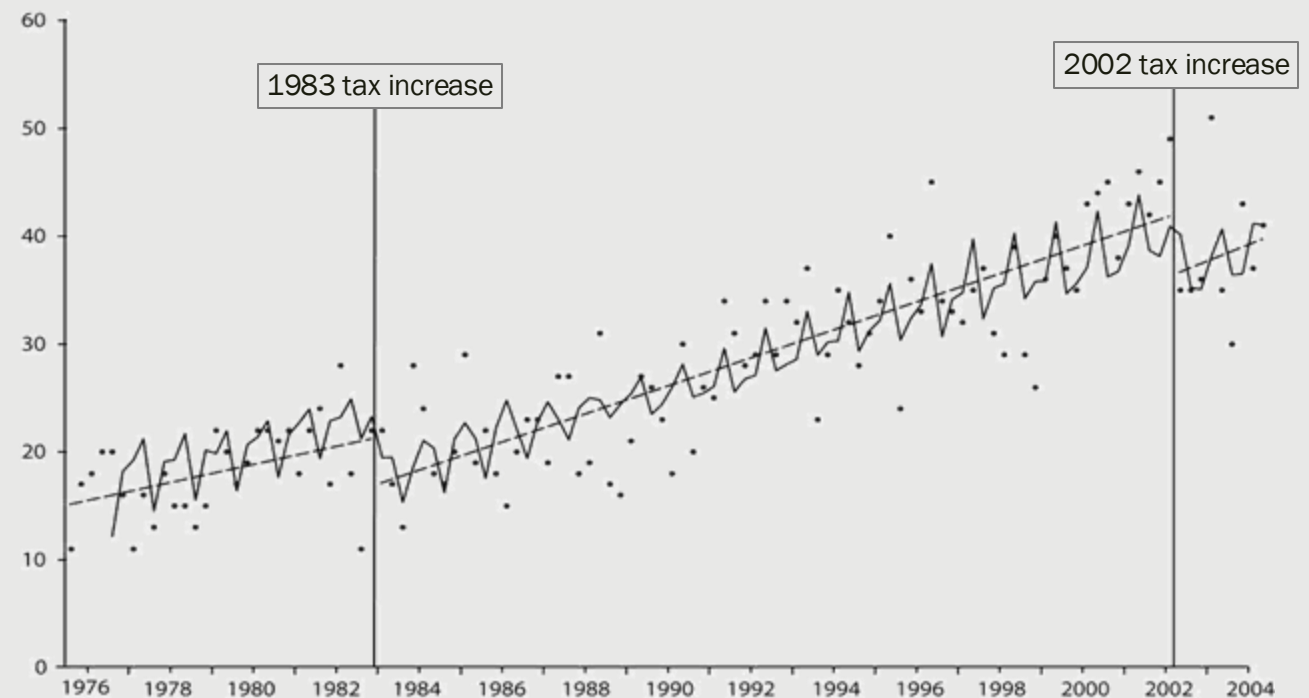
- Beer: \$0.25 → \$0.35 / gal
- Wine: \$0.25 → \$0.35 / gal
- Spirits: \$4.00 → \$5.50 / gal

In **2002** the wholesale rates changed:

- Beer: \$0.35 → \$1.07 / gal
- Wine: \$0.35 → \$2.50 / gal
- Spirits: \$5.50 → \$12.80 / gal

Alaska saw a notable decrease in alcohol deaths

Frequency of quarterly alcohol-related disease mortality per 100,000, Alaska (1976-2004)



Case Study 2: Maryland raised sales tax on alcohol by 3% in 2011 and saw a decrease in youth drinking

Maryland sales tax change

- Maryland has a general sales tax of **6%**
- In 2011 Maryland changed their sales tax on alcohol to **9%**, a **3% increase**

Maryland saw a material decrease in drinking for youth

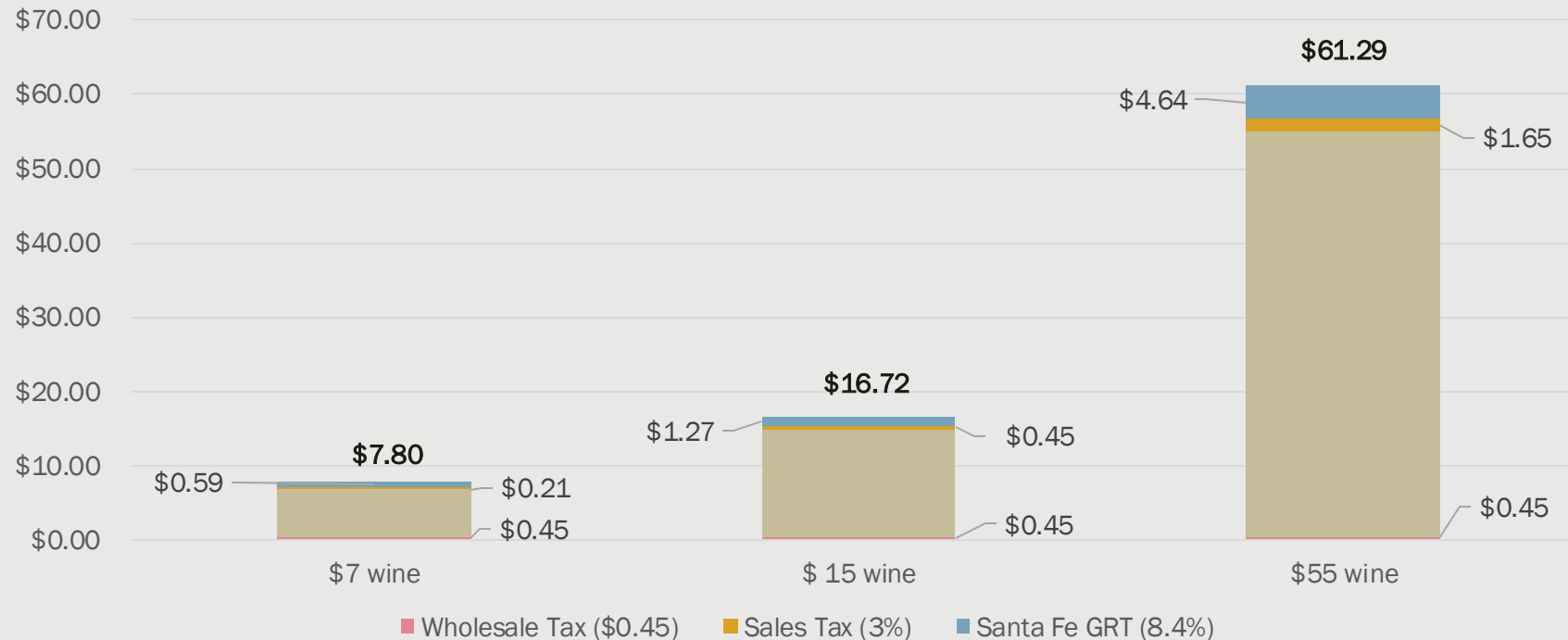
Maryland Alcohol Tax Impact on Youth



How adding a 3% sales tax (like Maryland's) would work in New Mexico

Including a 3% sales tax in addition to current wholesale tax and GRT

Total price post-tax of a \$7, \$15 and \$55 bottle of wine in Santa Fe



History of New Mexico's Alcohol Tax Proposals

		2023		2024		2025	
		Original	HB 230	HB 213	HB 179	HB 417	SB 378
Wholesale Tax	Beer	\$0.41	~ \$2.67		\$0.51	\$0.41	\$0.49
	Wine	\$0.45	~ \$1.69		\$0.56	\$0.45	\$0.54
	Spirits	\$1.60	~ \$5.60		\$2.00	\$1.60	\$1.92
Sales Tax	Beer			2%		3%	
	Wine			3%		3%	
	Spirits			4%		3%	
Sponsors:			Rep. Ferrary Rep. Thomson Rep. Johnson Sen. Pinto Sen. Sedillo-Lopez	Rep. Lara Cadena Rep. Lente Rep. Parajon Rep. Hernandez	Rep. Ferrary Rep. Thomson Rep. Johnson Sen. Pinto Sen. Sedillo-Lopez	Rep. Lara Cadena Rep. Ferrary Rep. Parajon Sen. Pinto Sen. Sedillo-Lopez	Sen. Sharer

APPENDIX

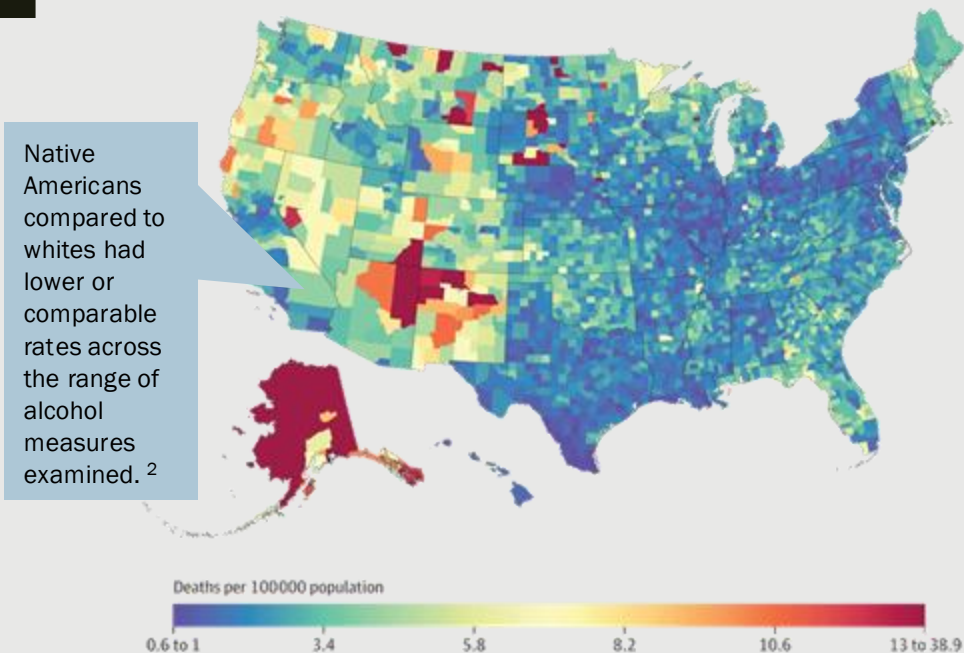
Alcohol Tax Reform



Alcohol deaths disproportionately impact Tribes, Nations, and Pueblos

Native American communities experience higher rates of alcohol-related deaths, even when they drink less

County-level age-standardized mortality from alcohol use disorders (2014)¹



¹ University of Washington, Trends and Patterns of Geographic Variation in Mortality From Substance Use Disorders and Intentional Injuries Among US Counties.

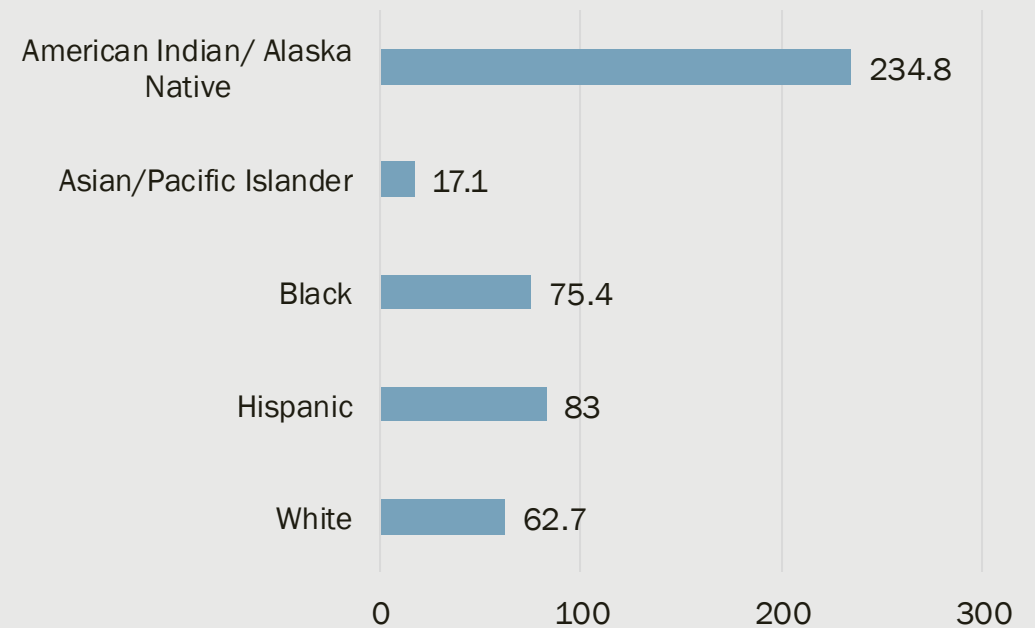
<https://jamanetwork.com/journals/jama/fullarticle/2674665>

² International Society of Addiction Journal

<https://www.sciencedirect.com/science/article/abs/pii/S037687161501830X>

Which is also reflected in New Mexico specific data on the race/ethnicity of alcohol mortality

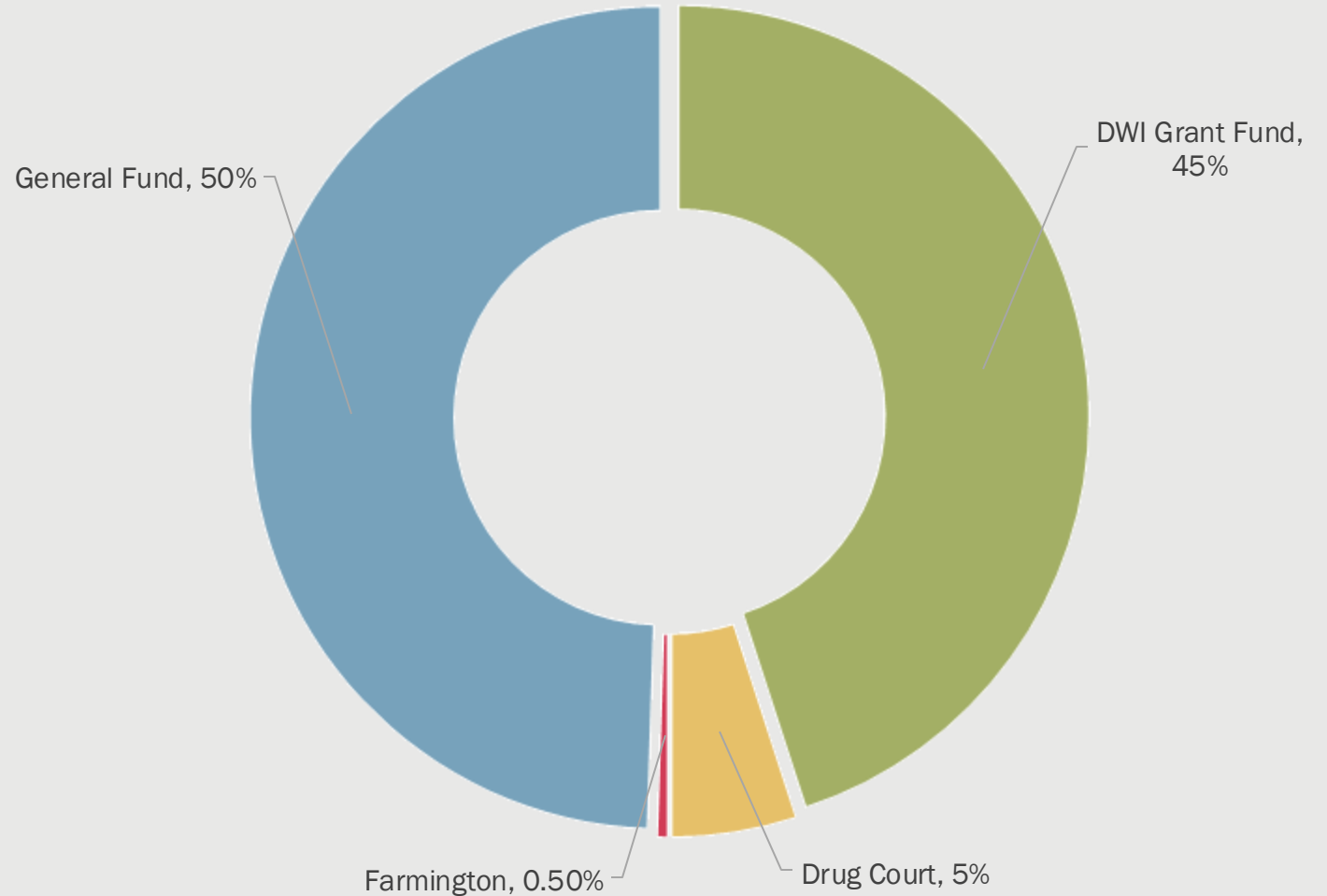
Alcohol-related deaths by race/ethnicity, New Mexico (2019-2023)



New Mexico Department of Health, New Mexico Substance Use Epidemiology Profile <https://ibis.doh.nm.gov/indicator/summary/AlcoholRelatedDth.html>

Liquor Excise Tax Distribution - pursuant to NMSA 1978 §7-1- 6.40

- 45% of revenues go to the local DWI grant fund.
- \$20,750 of revenues go to municipalities in Class A counties with a population greater than 30,000 but less than 60,000 for the provision of alcohol treatment and rehabilitation services for street inebriates (Farmington)
- 5% percent of revenues go to the drug court fund.
- The remaining revenues go to the general fund



Meetings held to discuss alcohol tax policy

Date	Name/ Meeting
October 2025	Indian Pueblo Tax Professionals Meeting
August 2025	Joy Esparsen, Executive Director at New Mexico Counties
June 2025 and other times	AHA Coalition
May 2025, July 2025	Brady Horn, UNM Professor of Economics
November 2025	Department of Health
February 2025	Department of Finance Administration
January 2025, January 2024	Adam Hoffer, Director of Excise Tax Policy at the Tax Foundation
August 2024	Keith Humphreys, Stanford Professor of Psychiatry and Behavioral Sciences
August 2024	Timothy S. Naimi MD, MPH, Adjunct Professor, General Internal Medicine, Professor, Community Health Sciences at Boston University
August 2024	Meenakshi Subbaraman is a Program Director and Biostatistician with the Behavioral Health & Recovery Studies Group at the Public Health Institute
September 2024	Office of the Comptroller of Maryland, Rachel E. Sessa, Deputy Comptroller for Law & Oversight and Gina Wiklund, Deputy Director
June 2024	New Mexico Counties Annual Meeting in Las Vegas, NM – DWI Affiliates
February 2024	Nina Mulia, DrPH, Senior Scientist and Center Associate Director, Alcohol Research Group Public Health Institute



THANK YOU

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