

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Legislative Policy: Alcoholic Beverage Excise Taxes

**Policy  
Number**

M-41

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**Purpose**

To establish the Board of Supervisors' legislative policy regarding the distribution of funds from the enactment of alcoholic beverage excise taxes and to provide guidance to the County's legislative representatives when advocating the County's interests to legislators, other elected officials and policy makers.

**Background**

Alcohol taxes have been differentially applied to various types of alcohol products, resulting in beer and wine being taxed at such low rates in California that they are often less costly than bottled water, soft drinks or fruit juice. Alcohol taxes are based on a flat cents-per-gallon rate, rather than on sales price, and are not indexed to inflation. The current alcohol tax rate was established July 15, 1991 and remains unchanged. The result is a loss of alcohol tax revenue to the State.

A national study released in 2015 found that excessive alcohol consumption costs the State of California \$35 billion annually. Alcohol and other drug abuse leads to various costs for the County of San Diego, which include criminal justice expenditures, substance abuse-related health conditions, core health and lost productivity costs.

**Policy**

The legislative policy of the Board of Supervisors regarding enactment of alcohol beverage excise taxes is to:

1. Support legislation that would equalize tax on beer, wine and distilled spirits based on alcohol content, using the present distilled spirits tax as a baseline.
2. Support legislation that would allocate alcohol excise taxes proportionally to counties, thereby assisting counties in responding to health, social and economic costs of alcohol and other related harms.
3. Support legislation that would allocate a portion of the revenue to underfunded counties to help cover the cost of alcohol-related harms and achieve equity in alcohol and other related programs.
4. Support legislation that would allocate alcohol excise taxes to educate retailers about alcohol-related laws and monitor for compliance.
5. Support legislation that would require alcoholic beverages containing any amount of distilled spirits in the final product to be taxed as distilled spirits.
6. Oppose legislation that would place into the constitution inadequate alcohol excise tax limits.

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7. Oppose legislation that would not guarantee a fair distribution of proceeds for counties to address alcohol-related health care and law enforcement needs.

**Responsible Departments**

Chief Administrative Office

Office of Strategy and Intergovernmental Affairs

**Sunset Date**

This policy will be reviewed for continuance by 12-31-2026.

**References**

Board Action 3/7/84 (4)

Board Action 2/6/90 (33)

Board Action 4/13/99 (42A)

Board Action 1/13/04 (13)

Board Action 12/11/07 (14)

Board Action 12/09/08 (33)

Board Action 10/30/12 (18)

Board Action 10/29/19 (26)