



Alcohol Tax Hike Would Harm Cook County Businesses & Jobs

Fourth Increase Since 2005 Would Threaten Hospitality Industry Jobs

November 8, 2011 – The Illinois Licensed Beverage Association (ILBA), representing more than 2,500 Illinois bar owners and liquor retailers, and American Beverage Licensees (ABL), the country’s largest trade association for independent bar, tavern and package liquor store owners, today expressed their strong opposition to alcohol tax increases proposed by Cook County (IL) Board President Toni Preckwinkle.

Under the proposed 2012 budget for Cook County, beer taxes would rise by 50 percent and spirits taxes by 25 percent. This would be the fourth tax increase on alcohol on Chicago-area residents since 2005, and add to what is already one of the nation’s highest tax burdens on alcohol beverages.

“Continually treating beverage retailers and their customers as a piggy bank for county government is terrible public policy and threatens the long-term stability of the hospitality industry and the jobs it provides,” said ABL executive director John Bodnovich. “If the goal is to stick yet another dagger in the local beverage business, this tax increase certainly would achieve that.”

The proposed tax increase on alcohol would also have an unintended consequence of creating an even more unlevel playing field for Cook County beverage licensees. Higher taxes and subsequently higher consumer prices will incentivize package liquor store customers and bar and tavern patrons to conduct their business in the surrounding “collar counties” of DuPage, Kane, Lake, McHenry and Will.

Illinois’ largest trade association for on-premise beverage alcohol licensees, the Illinois Licensed Beverage Association, also objected to the ill-conceived notion that Cook County finances should be settled on the backs of its bars, taverns and licensed beverage stores.

“This is an attack on small business jobs – bartenders, servers, liquor store salespeople,” said Clausner. “Chicago-area residents, who frequent bars, taverns and restaurants, as well as those who shop in liquor stores, shouldn’t be forced to pay higher taxes for simply supporting local businesses.”

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Beverage alcohol taxes by any name or for any purpose are unmistakably taxes on the hospitality industry. With independent bars and taverns already under a significant strain from an uncertain economy, a tax increase could hardly come at a worse time.

“Licensed beverage retailers in Cook County and their customers are already hit with some of the highest taxes on alcohol in the entire country,” said ILBA executive director Dan Clausner. “The last thing they need as the state and its residents began to recover from the recession is increased taxes.”

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About American Beverage Licensees (ABL)

American Beverage Licensees (ABL) is the preeminent national trade association for beverage alcohol retailers. Its members are comprised of on-premise and off-premise licensees who provide hundreds of thousands of jobs and annually infuse millions of dollars into the American economy. To learn more about ABL, visit www.ablusa.org.

About Illinois Licensed Beverage Association (ILBA)

Organized in 1880, the Illinois Licensed Beverage Association (ILBA) is the oldest business trade association in the country dedicated to promoting and protecting the retail businesses that sell or serve beverage alcohol. Over 2,500 Illinois retail liquor businesses (on and off-premise) belong to the ILBA, a not-for-profit corporation. Members include: taverns, restaurants, fraternal clubs, package stores, bowling centers, golf courses, hotels, gas stations, convenience stores & grocery stores. To learn more about ILBA, visit www.ilba.net.