

History Shows Drink Taxes Don't Go Down Well

PITTSBURGH (KDKA) It's no surprise that a proposed drink tax has bar and restaurant owners in an uproar.

History shows that "sin taxes" on alcohol or cigarettes by cash-strapped governments can really put some people's knickers in a twist.

In 1794, western Pennsylvania farmers did not take kindly to George Washington taxing strong spirits. It took 13,000 soldiers to put down the "Whiskey Rebellion."

Now the State Legislature has paved the way for Allegheny County to impose a new 10 percent tax on every alcoholic beverage poured in local bars and restaurants.

"It's the biggest single threat that my industry in west Pennsylvania faces," Kevin Joyce, of the Pennsylvania Restaurant Association, said.

Pennsylvanians already pay 81 percent in state wine and spirits taxes – the highest in the country.

The Johnstown Flood contributes to that high rate. An 18 percent tax on booze was earmarked to pay for all the damage after the 1889 catastrophe. Though not needed since 1941, it's still on the books.

The new drink tax is supposed to help foot the bill for the county's more than \$23 million subsidy for mass transit.

Opponents to using a tax on alcohol to save the Port Authority are gathering signatures on petitions to find another solution.

The Port Authority is not married to the idea of a drink tax but the revenues, whatever the source, are crucial.

"Whether it comes from property tax, the poured beverage tax, the rental car tax - all of the issues that the county is debating - frankly from our perspective it's just getting a reliable means of that local match," Steve Bland, Port Authority CEO, said.

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