

## **ANN ARBOR OPINION**

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# **Other voices: A beer tax increase detrimental to small businesses**

**Posted by Kit Morgeson | marketing manager at O&W Inc. in Ypsilanti.  
June 03, 2009 14:30PM**

**By Kit Morgeson**

Michigan small businesses and consumers cannot afford the proposed increase in the state beer tax, which is already the highest in the Midwest.

When all the state and federal taxes are combined, 44 percent of a glass of beer is pure taxes. For Michigan's middle-class consumers and small businesses, the glass is already half empty.

The beer industry provides a huge economic effect for our state.

According to [Beerservesamerica.com](http://Beerservesamerica.com), Michigan's beer industry was responsible for 60,591 jobs, \$1,747,859,170 in wages and \$1.1 billion in tax revenues generated. Much of that could be at risk if Michigan raises the already high beer tax.

We are already losing business across the border to Ohio and Illinois, which not only have much lower beer taxes, but also don't have the 10-cent deposit on a can of beer. Right now, you can go across the border, buy a case of beer at a lower price because the tax base is much lower, and then also leave the \$2.40 in deposit money in your pocket. This can be a savings of up to \$5 in some areas. That adds up and creates a situation where Michigan businesses close to the border can't compete.

Beer helps drive our economy. I work for a family-owned beer distributor in Washtenaw County, and beer distributors are doing all they can to employ hard-working people with good jobs and good pay while creating a responsible environment for businesses to compete and people to be excited to stay in Michigan.

Beer distributors are also leading the way in clean energy technologies. At O&W Inc., we're making our warehouse green by using bio-diesel fuel in our trucks and replacing lights, dock sealers and cooling/heating systems to reduce our energy footprint.

All of the efforts could be for naught if Michigan legislators raise the already high beer tax. A little tax increase on beer would make a huge difference, and many small, family-owned businesses would be forced to close their doors and add more people to the ranks of the unemployed.

### **Other Voices**

**Kit Morgeson**  
The writer is the marketing manager at O&W Inc. in Ypsilanti.

In these tough economic times, we at O&W have already lost about 50,000 people in the area we service because of the auto-industry's re-organization. Higher beer taxes in Michigan will only deter new, young people from coming to our cities and spending time and money in our local restaurants and shops. The downward spiral will continue.

An increase in the beer tax will make Michigan businesses noncompetitive and unable to help the local communities that have made our state such an interesting and wonderful place to live.

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