

## Critical Issues Talking Points

### Three-Tier System

- Addresses the abuses by brewers in pre-prohibition days.
- Discourages over-consumption (abuse) and exclusive sales (tied-houses).
- Enables the efficient collection of state excise taxes.
- Preserves consumer choice.
- Guarantees the quality and freshness of the product.
- Assures responsible industry marketing practices.

### Keg Registration

- There's no scientific evidence that keg registration reduces underage drinking.
- A 2001 peer-reviewed meta-analysis by Joel Grube, published in Contemporary Drug Problems, concludes this about keg registration: "There are apparently no studies on the effectiveness of these laws [keg registration] in reducing underage drinking, alcohol-related problems, or provision of alcohol to minors.
- This becomes an additional user tax. It will add an additional expense to the cost of the keg and the cost will no doubt be passed on to the consumer.
- This is another regulation on an already highly regulated industry.
- Real solutions are: education, awareness and law enforcement, instead of diverting attention and resources to burdensome, however well intentioned, proposals like keg registration.

### Cash Law

- Prevents unfair marketing practices.
- Ensures fair competition.
- Assures funds are available to meet state tax obligations.
- Eases the enforcement burden at both the state and federal level.
- Allows for accurate and expedient transactions.
- Eliminates the incentive to promote the abuse of alcoholic beverages.

### Excise Taxes

- Beer wholesalers carry a heavier tax burden than Iowa industry in general.
- Of the nine surrounding states, Iowa has the 3<sup>rd</sup> highest excise tax on malt beverages.
- Iowa beer wholesalers act as collectors of the state excise tax (\$5.89 per barrel) and forward it to the Iowa Alcoholic Beverages Division on a monthly basis.
- In addition to state excise taxes, wholesalers pay a federal excise tax on beer of \$18.00 per barrel.
- Based on information gathered, each case of beer sold in Iowa generates \$2.43 in state and federal taxes.
- Beer excise taxes are regressive and destructive – eliminating jobs, hurting workingmen and women.
- Inefficient and fiscally unwise – costing taxpayers much more than they raise in new revenues.
- Beer excise taxes are ineffective – failing to have any real impact on alcohol abuse.

### Iowa Beverage Container Deposit Law

- Adopted in 1979 to remedy roadside litter and initiate recycling.
- Iowa beer wholesalers instituted and continue to implement a cradle-to-grave management of their beverage containers.
- Provides an efficient and cost effective system of high quality service to retail accounts.
- Assures the recycling of their beverage containers resulting in the resource, recovery and reuse of the raw materials.
- Deposit-designated beverage container litter represents 2% of Iowa's litter.
- Iowa experiences a 93% return on bottles and cans sold.
- Iowa beer wholesalers welcome partnerships to find alternative comprehensive solid waste and recycling solutions for Iowa.