

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 665

Short Title: Increase Alcohol Tax/Substance Abuse Services. (Public)

Sponsors: Senators Metcalf; Carpenter, Dannelly, Garwood, Holloman, Kinnaird, Lucas, Malone, and Queen.

Referred to: Finance.

April 2, 2003

A BILL TO BE ENTITLED

1
2 AN ACT TO INCREASE THE EXCISE TAX ON ALCOHOL TO FUND MENTAL
3 HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE
4 SERVICES NEEDS.

5 Whereas, North Carolina has been long recognized as a leader in providing
6 services to citizens with mental illness, developmental disabilities, and addictive
7 behavioral disorders; and

8 Whereas, North Carolina not only has a moral obligation, but also in many
9 situations a legal duty, to provide safe and appropriate treatment for citizens suffering
10 from mental illness, developmental disabilities, and substance abuse disorders, so that
11 the burden of caring for those who can least care for themselves does not fall fully on
12 their families, many of whom cannot do so without the State's assistance; and

13 Whereas, one in every four households in North Carolina has a family
14 member who suffers from a mental or emotional illness; and

15 Whereas, over 100,000 adults in North Carolina suffer from long-term mental
16 illnesses, and over 90,000 children in North Carolina suffer from serious emotional
17 disorders; and

18 Whereas, more than 751,000 North Carolinians will suffer from an addictive
19 disorder during their lives, affecting more than 3,759,000 people, family members,
20 employers, friends, and innocent victims as a result of their addictions; and

21 Whereas, alcohol and other drug addictions and abuses cost North Carolina
22 more than \$8,260,000,000 per year; and

23 Whereas, there is a strong link between substance abuse and mental illness as
24 evidenced by the fact that in 1999 more than 50,000 North Carolinians were dually
25 diagnosed with substance addiction and mental illness; and

26 Whereas, the children of substance abusers are three times as likely to be
27 substance abusers themselves, are twice as likely to be admitted for mental disorders,

1 and have a rate of total health care costs that is 32% greater than children from
2 nonsubstance abusing families; and

3 Whereas, over 118,000 children and adults with developmental disabilities
4 live in North Carolina communities and over 7,920 of them are on waiting lists for
5 essential services; and

6 Whereas, our State can no longer afford to house clients in overcrowded,
7 expensive, outdated, and unsafe facilities; to impose additional costs on our public
8 schools, criminal justice system, local governments, public hospitals, and communities
9 at large by continuing to shift the burden of treatment; and to ignore the needs of our
10 State's most vulnerable adults and children who are least able to care for themselves;
11 Now, therefore,

12 Be it resolved by the Senate, the House of Representatives concurring:

13 **SECTION 1.** Part 4 of Article 2C of Chapter 105 of the General Statutes is
14 amended by adding a new section to read:

15 **"§ 105-113.80A. Surtax on beer, wine, and liquor.**

16 (a) Surtax. – In addition to the excise taxes on beer, wine, and liquor imposed in
17 G.S. 105-113.80, every taxpayer required to file a return under this Article must pay the
18 surtax levied by this section. The surtax is due at the time prescribed for paying the
19 excise taxes under this Article. The amount of the surtax is as follows:

20 (1) Beer. – An additional excise tax of thirty-one cents (31¢) per gallon is
21 levied on the sale of malt beverages.

22 (2) Wine. – An additional excise tax of fifteen cents (15¢) per liter is
23 levied on the sale of unfortified wine, and an additional excise tax of
24 fifteen cents (15¢) per liter is levied on the sale of fortified wine.

25 (3) Liquor. – An additional excise tax of twelve percent (12%) is levied on
26 liquor sold in ABC stores. The price of liquor on which this surtax is
27 computed is the same as the price on which the excise tax under G.S.
28 105-113.80 is imposed.

29 (b) Distribution. – The surtax levied by this section is not subject to the
30 distribution under G.S. 105-113.81A or G.S. 105-113.82. The Secretary must credit the
31 proceeds of the surtax levied by this section quarterly to the Trust Fund for Mental
32 Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding
33 Needs in the Office of State Budget and Management."

34 **SECTION 2.** In order to pay for its costs of postage, printing, and computer
35 programming to implement this act, the Department of Revenue may withhold not more
36 than seventy-five thousand dollars (\$75,000) from collections under this act during the
37 2003-2004 fiscal year.

38 **SECTION 3.** Section 1 of this act becomes effective November 1, 2003.
39 The remainder of this act becomes effective July 1, 2003.