

**MASSACHUSETTS LICENSED BEVERAGE ASSOCIATION ADVOCATES
AGAINST ALCOHOL TAX**

The Massachusetts Licensed Beverage Association, headed by Grant Hecht of G&B's Boston office, recently responded to tax increases applicable to alcohol sales in the following letters to the editors of the Salem News and the Wakefield Daily Item.

Letter: Tax hikes bad for hospitality industry

To the editor:

The recent approval by the Senate of a number of tax measures, including a new levy on alcohol sales and allowing cities and towns to increase meals and hotel taxes, could prove devastating to the hospitality and package store industries in Massachusetts.

The increase of the tax from 5 percent to 6.25 percent on alcohol purchased at liquor stores, will drive many over the border to tax-free New Hampshire. And for all the simple pleasure of stopping at a local package store to pick up a couple bottles of wine or a six-pack of beer may be a rarer event.

Giving cities and towns the option to impose local taxes of up to 2 percent on restaurant meals and hotel rooms on top of the meals and hotel taxes already levied, approved by a voice vote in the Senate, is also unwise.

Where disposable income has been greatly reduced, the entertainment industry has been hardest hit. To compound this problem by increasing taxes on the already strapped consumer, will have serious and potentially devastating consequences for our industry.

These ill-conceived tax hikes will reduce sales, furthering the decline of what has been an important revenue source for the commonwealth. It makes no sense.

GRANT HECHT, Executive Director
Massachusetts Licensed Beverage
Association
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Tax hikes inhospitable to hospitality industries

The recent approval by the Senate on a number of tax measures, including a new levy on alcohol and a municipal aid package allowing cities and towns to increase meals tax is at best disturbing and at worst could prove devastating to the bar, tavern, hospitality and package store industries.

The toll the Senate's lifting of an existing exemption from the sales tax on beer, wine and alcohol purchased will have on package store owners will have serious financial effects.

The increase from 5 to 6.25 percent on alcohol purchased at liquor stores will only drive Massachusetts consumers over the border to neighboring tax-free New Hampshire. And for many residents not living close enough to take the drive (yes, gas prices are once again inching up) the simple pleasure of stopping at the local package store to pick up a couple bottles of wine or a six-pack of beer may be one enjoyed far less often due to the increase at the cash register.

Likewise the effects on taverns and restaurants now that the Senate's voice vote approval to allow cities and

towns the option to impose local taxes of up to 2 percent on restaurant meals and hotel rooms on top of the meals and hotel taxes already levied.

Where disposable income has been greatly reduced, the entertainment industry has been hardest hit. To compound this problem by increasing taxes on the already strapped consumer will have serious and potentially devastating consequences on the bar, tavern and hospitality industry.

The bar, tavern, restaurant and hospitality industries are vital to the economic well-being of the Commonwealth but sales tax increases will only make an already damaged situation worse.

These ill-conceived tax hikes seem destined to reduce sales and incur a subsequent slide in an important revenue source for the Commonwealth. It makes no sense to penalize an industry that significantly and consistently contributes to the Commonwealth's economic engine.

**Grant Hecht,
Executive Director,
Massachusetts
Licensed Beverage
Association**