Dear Members of the Pennsylvania Legislature,

Governor Tom Corbett made clear this week that the budget should be balanced without raising taxes and I write today to encourage you to join him in standing up for Pennsylvania taxpayers. Your constituents have been hit with over 20 new or higher federal taxes by lawmakers in Washington over just the last four years and Pennsylvania taxpayers already contend with the 10th highest state and local tax burden in the country. In light of these facts and a weak economy that actually contracted in the first quarter of the year, the last thing Pennsylvania taxpayers and the commonwealth economy need are higher taxes imposed from Harrisburg.

There are numerous ways to balance the budget without resorting to tax hikes, but one of the best and most fiscally sound ways to work toward that goal is to get the state out of the liquor and wine business. It is estimated that selling off the state run alcohol stores could generate as much as $1 billion in revenue for the commonwealth. Aside from serving as a great way to balance the budget without taking more of Pennsylvania taxpayers’ hard-earned income, privatization is a good idea because wholesale distribution and retail sales of liquor and wine are simply not core functions of government.

The House of Representatives commendably passed legislation (HB 790) last year to gradually get the government out of the alcohol business, and I urge the Senate to do likewise. However, a proposal that would only privatize wine sales is now under consideration. Make no mistake, a wine only privatization bill is not real reform and would keep the current state-run alcohol wholesale and retail system in place, at a cost of $400 million per year to Pennsylvania taxpayers.

Putting aside the numerous economic reasons for Pennsylvania to get out of the alcohol sales business, the commonwealth’s liquor and wine monopoly has begotten a breeding ground for corruption. For example, the state’s ethics commission recently found several Pennsylvania Liquor Control Board members guilty of taking gifts from PLCB vendors. As the Commonwealth Foundation accurately points out, “if government bureaucrats did not have the sole authority to determine what alcohol is sold in all the state’s liquor stores, businesses would have no incentive to bribe them with golf outings, fancy dinners, and free liquor.”

It’s time for the state’s 80 year monopoly on wine and spirits sales to end. If lawmakers could balance the budget this summer without tax increases, and get the state out of the liquor and wine sales business once and for all, members of the legislature would have a strong case to make to voters this fall who are looking for fiscally responsible candidates who will stand up for taxpayers. Americans for Tax Reform will be educating Pennsylvania taxpayers as to how their state senators and representatives vote on these important matters. If ATR can be of any assistance, don’t hesitate to contact Patrick Gleason, ATR’s Director of State Affairs, at 202-785-0266 or pgleason@atr.org.

Onward,

Grover Norquist
President, Americans for Tax Reform