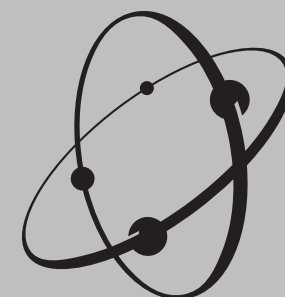




College of Arts and Sciences Research Discussion Series



4:00- 5:00pm Friday, October 19, 2018
132 Ellison Hall

Lecture title: The pass-through of alcohol taxes to prices in OECD countries

Ce Shang, Ph.D.,
OU Health Science Center

Dr. Ce Shang is an Assistant Professor at the Oklahoma Tobacco Research Center and the Department of Pediatrics of the Stephenson Cancer Center at the University of Oklahoma Health Sciences Center. Her research focuses on the economic analysis of health behaviors, with an emphasis on how taxes and policies impact substance use and abuse. She is funded by the NIH Pathway to Independence Award to study alcohol taxation and affordability. Her other projects involve using experiments to estimate consumers' preferences and demand for tobacco products. Dr. Shang received the 2015 Centers for Disease Control and Prevention Kaafee Billah Memorial Award in Economics Research, and was among the 2016 cohort of World Heart Federation (WHF) Emerging Leaders of tobacco control.



Abstract: Recent studies in the U.S. show that beer excise taxes are over-shifted to prices. However, the pass-through of wine and liquor taxes to prices are less studied. We linked alcohol excise tax data from OCED tax database to prices at different levels collected from supermarkets and mid-priced stores by the Economist Intelligence Unit (EIU) city surveys, to assess the pass-through of excise taxes to prices exclusive of sales taxes, for beer, wine, and liquor (spirits), respectively. Different types of alcoholic beverages show different patterns of tax pass-through to the price distribution. Overall, beer and wine excise taxes were over-shifted at the mean whereas the liquor taxes were under-shifted. In addition, liquor taxes were fully passed to prices at the higher-priced level, and countries without lower taxes for small distillers have higher liquor prices at the lower-priced level. Future research is needed to identify how market structures of different alcoholic beverages and manufacturers' incentives impact the shifting of excise taxes to prices.

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