



# A look at when sin pays

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**Marijuana plants.**

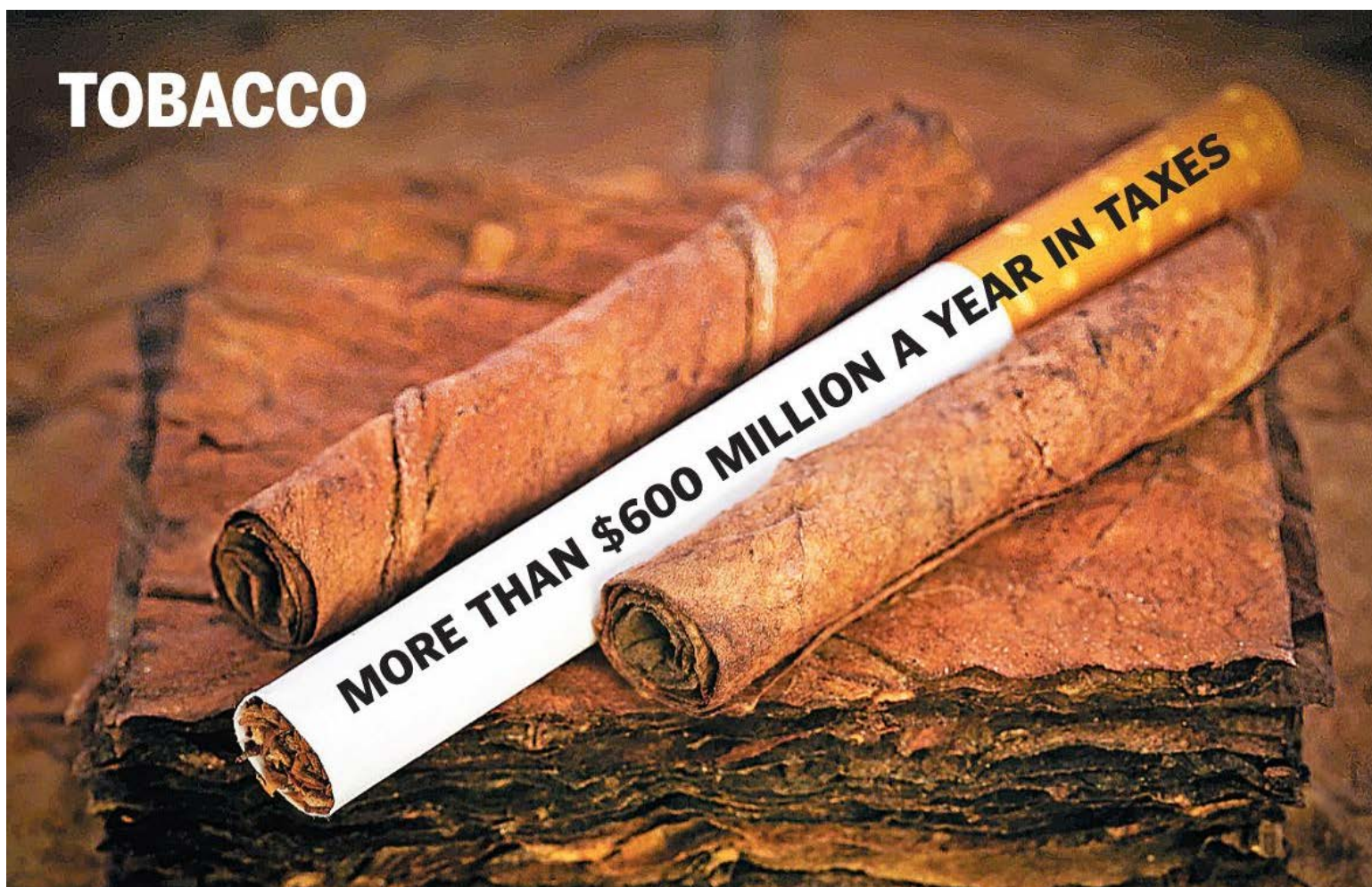
By [Matt Rocheleau](#) and [Sean P. Murphy](#)

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Governments have long turned to “sin” taxes to boost revenue, and next year marijuana will be added to the slate in Massachusetts, joining tobacco, alcohol, the lottery, and casino gambling. Combined,

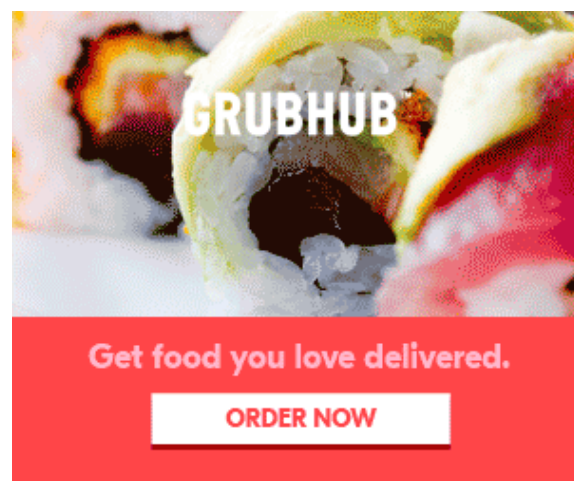
the taxes could soon represent more than 5 percent of all tax collections. Here's a look at how the other sin taxes are faring.

## Tobacco



**HOW MUCH** No product is taxed as heavily. It yields more than \$600 million annually, but only a small fraction finances smoking cessation programs.

**TREND** Less than 15 percent of adults in Massachusetts smoke, the fifth lowest rate in the country. But the slice of the state budget underwritten by smokers has held fairly steady, because the state often increases the tax rate during budget crunches.



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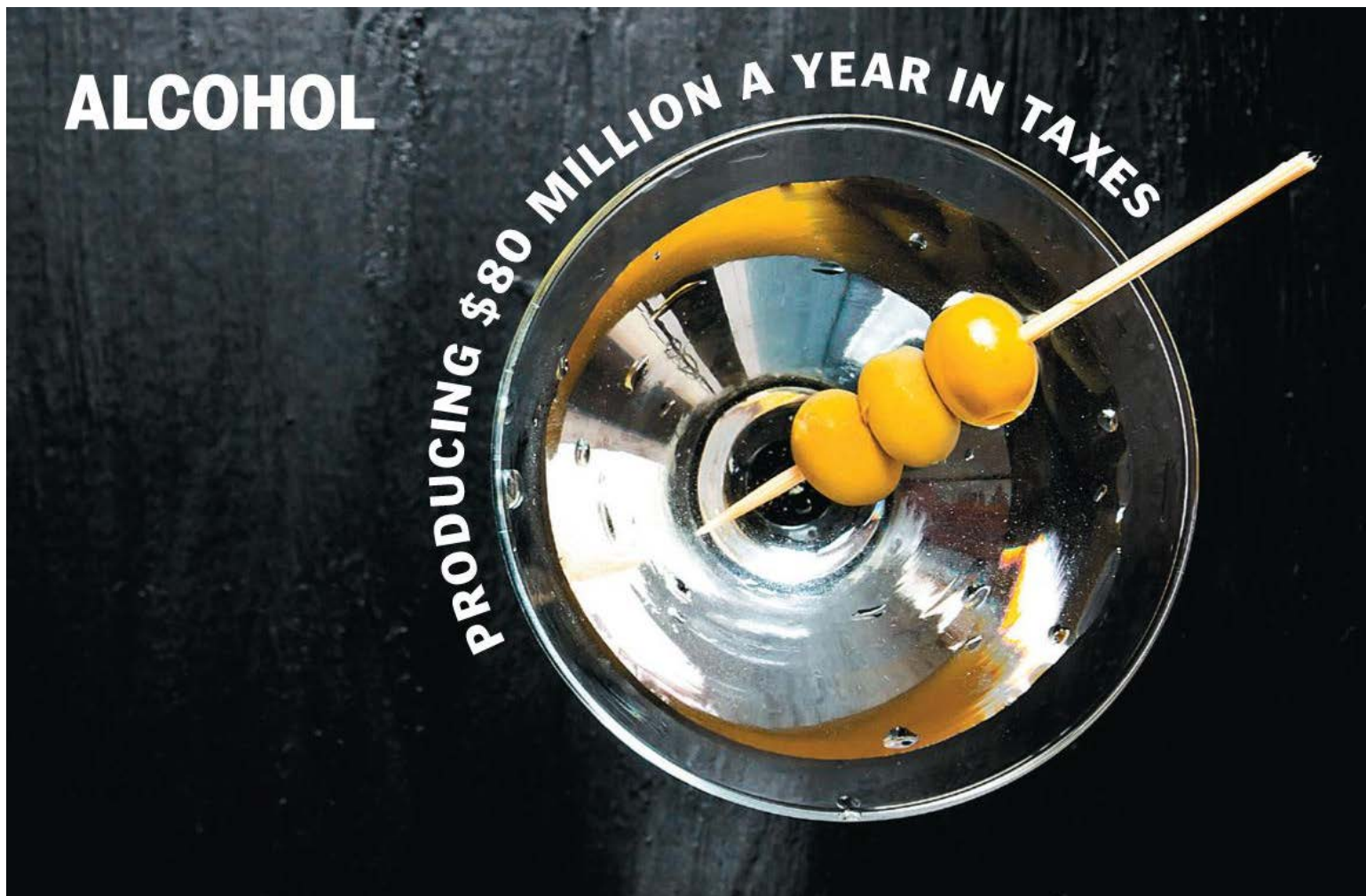
**NEED TO KNOW** While taxing cigarettes produces significant revenue, it also seeks to reduce smoking, which causes close to 10,000 deaths a year in Massachusetts. Smokers in Massachusetts pay \$3.51 in taxes per pack (not including the sales tax), the nation's fourth highest amount.

## Graphics that explain 'sin tax' revenue in Massachusetts

These graphics show how "sin taxes" factor in as a source of state revenue.

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## Alcohol



**HOW MUCH** Very lightly taxed, especially beer, producing a mere \$80 million a year. That's less than 15 percent of tobacco revenue.

**TREND** More than 60 percent of adults drink beer, wine, or liquor at least occasionally. But tax revenue is modest because the rate has not increased in nearly 40 years.

**NEED TO KNOW** Wholesalers in Massachusetts pay per-gallon taxes on wine (the 18th lowest in the country), liquor (16th lowest) and beer (sixth lowest). All but a handful of states apply a sales tax to retailers, but not Massachusetts. A short-lived law to apply the sales tax to alcohol was defeated in a 2010 voter referendum, which featured substantial funding from the alcohol industry.

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## Lottery



**HOW MUCH** Not a tax, exactly, but a major source of revenue from an activity once considered verboten. Last year, lottery players lost close to \$1 billion, a large chunk of money that is put toward essential local services such as education and public safety.

**TREND** For years, the state could rely on the lottery for healthy annual revenue increases, but no longer. Lottery revenue tumbled by 16 percent between 2008 and 2015, accounting for inflation. In response, Treasurer Deborah Goldberg is lobbying to make lottery games available online, a move designed to attract younger players.

**NEED TO KNOW** Every state except for Hawaii and Utah now runs a lottery. In Massachusetts, anyone age 18 and older can plunk down a bet at thousands of outlets, and about 60 percent of adults do, at least occasionally. The lottery has created millionaires, but may well feel like a “voluntary tax” for the rest of us.

## Casino gambling



**HOW MUCH** Only one casino — Plainridge Park Casino in Plainville — is open, and is limited by law to 1,250 slot machines and no table games like blackjack and roulette. In its first year, Plainridge generated about \$65 million in tax revenue, as well as \$15 million to support the struggling horse racing industry.

**TREND** Two, and possibly three, full-scale casinos are coming, bringing as many as 10,000 slot machines and hundreds of table games (not to mention hotels, restaurants, and a range of retail outfits). Projections call for as much as \$300 million in new tax revenue when MGM Resorts opens in Springfield in 2018 and Wynn Resorts in Everett in 2019.

**NEED TO KNOW** For years, state political leaders watched with frustration as Massachusetts residents drove to Connecticut to gamble. Now that money is coming home.

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