

A. FEDERAL / NATIONAL / INTERNATIONAL

Small Brewer Federal Excise Tax Legislation

Small brewer excise tax recalibration legislation, The Small Brewer Reinvestment and Expanding Workforce Act (Small BREW Act) continues to gain support in both chambers of the 113th U.S. Congress. H.R. 494 was introduced on February 5 by Representatives Jim Gerlach (R-PA) and Richard E. Neal (D-MA). Joining as original co-sponsors of the bill were Representatives Peter De Fazio (D-OR), Erik Paulsen (R-MN), Earl Blumenauer (D-OR) and Patrick McHenry (R-NC). The bill now has a total of [132 sponsors](#).

On May 9, Senators Ben Cardin (D-MD) and Susan Collins (R-ME) introduced S. 917 in the U.S. Senate. The bill now has the support of [34 Senate sponsors](#).

The Small BREW Act seeks to reduce the small brewer rate on the first 60,000 barrels by 50 percent (from \$7.00 to \$3.50/barrel) and institute a new rate \$16.00 per barrel on beer production above 60,000 barrels up to 2 million barrels. Breweries with an annual production of 6 million barrels or less would qualify for these tax rates. Legislation introduced last session, [H.R. 1236](#), gained a total of [174 total sponsors](#). In the Senate, companion legislation [S.534](#) realized [44 total sponsors](#).

B. THE STATES

Sales, Distribution and Franchise:

Florida

Companion legislation [House Bill 283](#) and [Senate Bill 406](#) authorize containers of malt beverages to be sold or offered for sale by a vendor at retail in any size, thereby allowing the sale of traditional 64 ounce growlers. The bill also authorizes malt beverage tastings in a licensed premise.

Michigan

A package of three bills, all of which have passed the House and are under Senate consideration, seeks to redefine production restrictions and consumption regulations affecting small brewers:

[House Bill 4709](#) would amend the definition of "microbrewer" to increase the amount of beer that a business could brew and still be considered a microbrewer from 30,000 to 60,000 barrels per year.

[House Bill 4710](#) would allow a brewpub to have an interest in up to five other brewpubs as long as the combined production of all the locations in which the brewpub has an interest does not exceed 18,000 barrels of beer in a calendar year. Under current law, brewpubs are limited to an interest in up to two other brewpubs if the combined production does not exceed 5,000 barrels of beer per calendar year.

[House Bill 4711](#) would allow a brewer to sell beer for on-premises consumption at up to two locations that are on any of its licensed brewery premises where the brewer is engaged in the production of beer (defined in the bill to mean the full and complete brewing process, not just a portion of the brewing process). Currently, a brewer can only sell beer for on-premises consumption at one location.

Ohio

The Ohio Department of Commerce, Division of Liquor Control, has responded to an inquiry from the Wholesale Beer and Wine Association of Ohio concerning the permissibility of a wholesaler entering into a contract with a brewer that requires the wholesaler to pay money to obtain distribution rights for the brewer's products. The position of the agency is that such a contract is not permissible under current Ohio law.

Trade Practice & Other:

New York

Signed into law, [A.B. 8047](#) authorizes the establishment and licensure of farm cideries for the manufacture and sale of cider made from crops grown in New York State.