



## **The Craft Beverage Modernization and Tax Reform Act of 2017**

### **S.236/H.R.747**

Introduced by Senators Ron Wyden (OR) and Roy Blunt (MO), and Representatives Erik Paulsen (MN-3) and Ron Kind (WI-3), the Craft Beverage Modernization and Tax Reform Act of 2017 (S.236/H.R. 747) has the full support of the beer, wine and distilled spirits producers. Similar legislation of the same name counted more than 50% of the U.S. Congress as cosponsors in the 114<sup>th</sup> Congress. The Brewers Association believes that the beer provisions of the legislation create a fair, equitable and comprehensive tax structure for small and independent brewers, global multinational brewers and beer importers.

This bill reforms the federal excise tax structure on beer by:

- Reducing the federal excise tax to \$3.50 per barrel on the first 60,000 barrels for domestic brewers producing fewer than 2 million barrels annually and reducing the amount they pay from 60,001-2 million to \$16 per barrel.
- Reducing the federal excise tax to \$16 per barrel on the first 6 million barrels for all other brewers and all beer importers.

Lowering the federal excise tax on the brewing industry will help small businesses, spur job creation and incentivize continued growth of the brewing industry.

Non-tax provisions in the bill simplify regulation on beer by:

- Allowing for consolidated bookkeeping for brew pubs.
- Expanding the list of ingredients that could be included in a beer without approval from the Alcohol and Tobacco Tax and Trade Bureau (TTB).
- Allowing small, unaffiliated brewers to collaborate on new beers by giving them the flexibility to transfer beer between breweries without tax liability.
- Exempt beverage producers from complex capitalization rules for aged products and level the playing field between U.S. businesses and their international competitors.

This legislation enables members of Congress to support brewpubs, microbrewers, national craft brewers, major brewers, and beer importers, who together form a growing U.S. manufacturing industry that is important to our national economy.

- 5,200+ breweries in the United States would benefit from the passage of the Craft Beverage Modernization and Tax Reform Act.
- The brewing sector is a job creator, adding nearly 14,000 jobs between 2013-2015 (BLS Quarterly Census of Employment and Wages).
- If enacted, the Craft Beverage Modernization and Tax Reform Act would create close to 9,000 jobs in the first 12-18 months in the American small brewing sector alone.

The Craft Beverage Modernization and Tax Reform Act also includes provisions related to wine and spirits and enjoys the support of the Brewers Association, Beer Institute, DISCUS, American Craft Spirits Association, Wine America and Wine Institute.

If you have any questions please don't hesitate to contact the Brewers Association's Federal Affairs Manager, Katie Marisic at [Marisic@brewersassociation.org](mailto:Marisic@brewersassociation.org) or 571-262-9248.