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Beer Brings Dems And Republicans Together

Our tax system is woefully in need of repair, yet seems to garner little Congressional attention apart from rate increases. But when it comes to beer, it's a different story. Beer and taxes go together like a frothy drink and salty bar snacks.

A bipartisan beer tax-relief bill, lauded by brewers and importers, is building a frothy head of steam. The House version of the BEER Act—Brewers Excise and Economic Relief Act of 2013, H.R. 1918, was introduced by Reps. Tom Latham (R-IA) and Ron Kind (D-WI).

Like changing a high calorie Guinness into a svelte Miller 64, this bill would reduce excise taxes for brewers and importers. And beloved craft and other little guy brews that are so shi shi today would benefit most. Turns out that 90% of America's brewers produce fewer than



Pint of American beer (Photo credit: Wikipedia)

15,000 barrels annually. Soon, their taxes will be slimmer than a svelte Miller 64.

The Beer Institute represents brewers, importers and supply-chains. It praised the BEER Act for encouraging re-investment in the \$246.5 billion industry. Whether you imbibe or are a teetotaler, taxes on beer are more bloated than the federal budget.

In fact, over 40 percent of what you pay for beer goes toward federal, state and local taxes. Add up excise, consumption and sales taxes to business income taxes and you have beer tax bloat. Some say taxes are the most expensive ingredient in beer. And in a nod to everyman, the industry points out that the average American beer drinker earns less than \$50,000.

Want more reason to support this bill? In a time when it isn't fashionable to line the pockets of fat cats, beer taxes disproportionately affect middle-class Americans already struggling through a sluggish recovery. Can't we buy everyman a few extra brewskis? You bet, Congress is poised to say.

Except for small brewers, defined by the tax code as those making less than 2 million barrels annually, the current federal excise tax rate for beer is a hefty \$18/barrel. The BEER Act of 2013 would address this vital issue by making sure that:

- Small brewers would pay no federal excise tax on the first 15,000 barrels.
- Small brewers would pay \$3.50 on barrels 15,001 to 60,000.
- Small brewers would pay \$9 a barrel over 60,000 and up to 2 million barrels.
- Producers of over 2 million barrels annually and all beer importers would pay \$9 for every barrel. See [BEER Bill Aims to Cut Taxes](#).

Contact me at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.