



November 13, 2018

The Honorable Orrin Hatch
Chairman, Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Dear Chairman Hatch:

As you prepare your Manager's Amendment to the Senate Tax Cuts and Jobs Act, we are writing to express our support for excise tax reform for the beverage alcohol industry as embodied in Portman Amendment #1, and request that the Portman Amendment be included in your Manager's Amendment.

Portman Amendment #1 is a modest, two-year version of S.236, the Craft Beverage Modernization and Tax Reform Act. Since its initial introduction in 2015, the Craft Beverage Modernization and Tax Reform Act (currently S.236) has enjoyed overwhelming support in Congress. The legislation currently counts nearly 300 cosponsors in the House and 54 in the Senate. Additionally, the bill has the support from a broad array of outside organizations, including the National Association of Manufacturers, and the American Farm Bureau. Even the National Taxpayers Union has described the Craft Beverage Bill as a "no brainer" bill that is "commonsense, bipartisan legislation..."

Every congressional district in the United States includes a brewery, winery, distillery, importer, or industry supplier. These businesses are often cornerstones of their communities. Unfortunately, outdated regulations and tax laws impede the growth of these individual businesses.

The beverage alcohol industry remains one of the most regulated industries in America. Brewers, winemakers, and distillers pay state, local and federal taxes on their production. Federal excises taxes, which are regressive taxes, are simply too high. S.236 would recalibrate and simplify federal excise taxes on domestic and imported beer, wine and spirits sold in the United States. It would also update and streamline outdated regulations.

The excise tax and regulatory reform embodied in Portman Amendment #1 supports businesses of many shapes and sizes, both small and large. The broad, bipartisan, bicameral showing of support for this bill signifies how important excise tax reform is to many in Congress. We strongly support Portman Amendment #1 and urge you to include it in your Manager's Amendment that is slated for consideration this week. Thank you.



Sincerely,

Jim McGreevy, President & CEO
Beer Institute

Bob Pease, President & CEO
Brewers Association

Robert P. "Bobby" Koch, President & CEO
Wine Institute

Jim Trezise, President
WineAmerica

Kraig R. Naasz, President & CEO
Distilled Spirits Council

Margie A.S. Lehrman, Executive Director
American Craft Spirits Association