

Erie Times-News

Tax hike would hurt small distillers in Pa.

The craft distillery boom in Pennsylvania is a great example of what happens when pro-growth policies like the 2011 limited distillery license law are put in place that allow businesses to flourish.

This recognition of small distillers and the benefits they add to local economies has not gone unnoticed on the federal level either. In order to promote job growth and boost economic impact, Congress passed legislation in 2017 that reduced the heavy burden of the federal excise tax on distillers, brewers, vintners and cider makers.

This allowed distilleries to increase production, hire more workers and reinvest in their businesses.

Unfortunately, that reduction is set to expire at the end of the year, and Pennsylvania distilleries like those popping up in Erie will face a tax increase of up to 400 percent. For small mom-and-pop distilleries, this is a cost that many simply cannot afford, and this kind of increase will be devastating to their businesses.

Fortunately, Pennsylvania lawmakers are working hard to ensure the tax reduction is made permanent. U.S. Rep. Mike Kelly is a co-lead on the Craft Beverage Modernization and Tax Reform Act in the House, and Sens. Bob Casey and Pat Toomey are supportive of the Senate version of the bill.

It's time for others in Congress to join them and pass this critical legislation to provide small distillers the stability they need to grow. With 318 cosponsors in the House and 73 in the Senate, there is no reason to wait.

– Chris Swonger, president, Distilled Spirits Council of the United States, Washington, D.C.

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