Virginia distillers support the Craft Beverage Modernization and Tax Reform Act (H.R. 1175/S. 362). If Congress doesn’t enact the Craft Beverage Modernization and Tax Reform Act by the end of the year, craft distillers could face a 400% tax increase. Combined with current financial uncertainty, that would force many distillers to permanently close their doors.

Virginia and Distilled Spirits

- Virginia is the birthplace of American spirits.
- Virginia has 57 active distilleries.
- Nearly 70% of all agricultural products use in the production of Virginia distilled spirits are grown within the state.
“The federal excise tax reduction has had a tremendous impact on the way we’re able to do business at our American Single Malt whisky distillery. We’re in the midst of launching our new Courage & Conviction whisky line and the ability to direct these dollars to efforts that grow the brand, like funding market managers in important markets and investing in capital expenditures to support the growing demand our products are seeing, has been key.”

- **Gareth Moore**  
  *Virginia Distillery Co.*  
  Lovingston, Virginia

“Craft distilling is a relatively new industry in the U.S. with over 2000 distilleries now employing people throughout the U.S. Before passage of H.R.1 in December of 2017, there was a one-size-fits-all flat tax rate with small distillers paying the same amount as large brands. If you believe in American entrepreneurship, look no further than how we have grown our industry.... We are re-investing in our businesses, hiring new employees, purchasing American made equipment and increasing purchases from local agriculture. We are supporting main street in our small town and increasing tourism to northern Virginia.”

- **Becky Harris**  
  *Catoctin Creek Distillery*  
  Purcellville, Virginia  
  *(Washington Post, 1/2/19)*