

FACT Sheet

Fair BEER Act

The Fair Brewers Excise and Economic Relief Act

H.R. 767



Introduced by Reps. Steve Womack, R-Ark., and Ron Kind, D-Wis., the Fair Brewers Excise and Economic Relief Act of 2015 (Fair BEER Act) creates a **graduated, equitable tax structure, simplifying the tax code** in a comprehensive way that benefits the smallest brewers the most. The legislation serves all beer drinkers, no matter what brand they choose. Beer tax reform must be comprehensive or it will create new barriers to growth by altering the industry structure.

The Fair BEER Act enables members of Congress to **support brewpubs, microbrewers, national craft brewers, major brewers and beer importers**, without picking winners and losers among a U.S. manufacturing industry that is important to our national economy.

The federal excise tax on beer is a major contributor to the tax burden on beer itself. It is estimated that more than **40 percent of the retail price of beer goes toward taxes**¹. Research shows that the tax burden borne by beer drinkers is **more than 68 percent higher than for the average purchase made in the U.S.**²

The **Fair BEER Act simplifies and reforms the federal beer tax** in an equitable, comprehensive way for all companies that brew or import beer.

PRODUCTION RATE	TAX RATE
0-7,143 barrels	No excise tax
7,144-60,000 barrels	\$ 3.50/barrel
60,001-2M barrels	\$16.00/barrel
2M-plus barrels	\$18.00/barrel

Today, more than 90 percent of all federally-permitted brewers produce fewer than 7,143 barrels.

The Fair BEER Act does not discriminate against any individual brewer, opens pathways to the marketplace for new brewers, and maintains significant tax advantages for the truly small brewers.

TO CO-SPONSOR THE FAIR BEER ACT, PLEASE CONTACT IVY WILLIAMS MALONE
IN REP. STEVE WOMACK'S OFFICE AT 202-225-4301 OR HANA GREENBERG IN REP. KIND'S OFFICE AT 202-225-5506.

¹ "Beer Serves America: Economic Impact of the Malt Brewing Industry in 2012," prepared by John Dunham & Associates of New York City.

² "Tax Burden on the Brewing Industry," prepared in 2005 by Global Insights, Inc., and The Parthenon Group.

BEER'S TAX BURDEN INCLUDES:

- Taxes paid at all stages of production, distribution and sales;
- Taxes related to sales, income, profits and payroll; and
- Taxes paid to federal, state and local governments.

BEER'S ECONOMIC FOOTPRINT:

- The combined economic impact of brewers, distributors, retailers and supply-chain partners totaled more than \$246.5 billion dollars in 2012.
- The beer industry is an economic powerhouse – directly and indirectly employing more than 2 million Americans, accounting for \$79 billion in wages and benefits, from factory hands to farm workers, from brewers to bartenders.
- Every job in the brewing or beer importing industry supports another 45 jobs in industries such as agriculture, marketing, manufacturing, transportation, warehousing, financial services, grocery, restaurant and retail.
- The tax burden on the industry is already steep. In 2012, the beer industry contributed more than \$49 billion in federal, state and local taxes.

Learn more about the Beer Institute and the Fair BEER Act at www.BeerInstitute.org.

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