



December 16, 2019

U.S. Senate  
Washington, D.C. 20510

Dear Senator:

On behalf of America's leading producers of beer, wine, distilled spirits, cider, and mead products who help support over 2.4 million American jobs and contribute nearly \$220 billion to the national economy, we respectfully urge your support for permanence or an extension of the Craft Beverage Modernization and Tax Reform Act (S. 362) in any year-end revenue package.


Our businesses are growing and thriving in nearly every congressional district in part due to the recalibration of federal excise tax rates in 2017. Since its enactment, beverage alcohol producers have been able to collectively reinvest their tax savings into the creation of new jobs and employment benefits, together with capital improvements. With these impacts being seen across the country, a permanent extension now has bipartisan support from 74 lawmakers in the Senate – nearly three-quarters of the chamber.

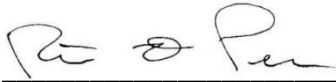
Unfortunately, without immediate Congressional action, the sustained growth and success of our businesses and supply chain partners who are essential to our production and distribution will be jeopardized. We have already learned that a number of grain orders will be cancelled, and new product lines could be cut by over fifteen percent. The economic benefits provided by the craft beverage legislation will expire on December 31, 2019, and its effect will be felt almost immediately. Unlike individual taxpayers and other businesses, many craft producers' excise taxes will come due and rise dramatically on January 15, 2020. Many craft producers around the country are already reconsidering further employment and investment decisions in this state of uncertainty. These losses will substantially impact the industry's ability to innovate and remain competitive both here and abroad.

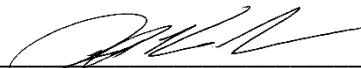
As you address outstanding issues in the closing days of session, we urge you to include a permanent or short-term extension of the Craft Beverage Modernization and Tax Reform Act in any year-end revenue package.


Thank you for your consideration. Please contact us if you have questions.

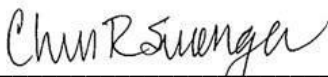
Sincerely,


  
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Jim McGreevy, President & CEO  
Beer Institute


  
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Robert D. Pease, President & CEO  
Brewers Association


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

  
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Jim Trezise, President  
WineAmerica

  
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Chris Swonger, President & CEO  
Distilled Spirits Council

  
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Margie A.S. Lehrman, Chief Executive Officer  
American Craft Spirits Association

  
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Michelle McGrath, Executive Director  
United States Association of Cider Makers

  
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Sergio Moutela, President  
American Mead Makers Association