

Is Congress about to raise taxes by 400% on American small businesses?

THE AVERAGE DISTILLERY PRODUCES 3,000 CASES ANNUALLY WITH 3-6 EMPLOYEES.

"This would be devastating to our business and we would not have the cash flow to survive."

"This will be a one-two punch to the gut if FET rises by 400% while still being in the middle of the pandemic. Our tasting room sales are down 40.8% as compared to 2019."



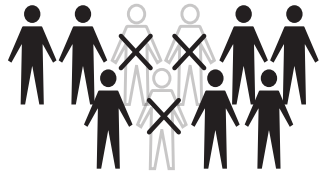
Inaction on FET legislation will result in a 400% tax increase on January 1st for all craft distillers. Payments for most will be due by January 29th.

TAX OBLIGATION

+400%

"Covid has left our tasting room closed and primarily relying on wholesale business. The already smaller margins from wholesale cut even further with increased tax burden will remove the ability to pay for further production expansion. FOR TWO YEARS NOW, I've curbed expansion into a brand new facility strictly because of the uncertainty on permanent FET relief."

Eliminating the FET reform will reduce grain, barrel, bottles, label and advertising purchases. Affecting us as well as agriculture, manufacturing, packaging, transportation advertising, taxes revenue, and local economies.



EMPLOYEES

9,255 (or 9.9 out of every 30 employees) is roughly 1/3 of the industry in Q1 that could potentially lose their job.

-30%

WORKFORCE JOB LOSSES

-40%

MANUFACTURING REDUCTION



MANUFACTURING

Losing 30% of our employees could result in less production by up to 40% which would have the effect of stifling innovation and making the industry less competitive to the larger brands.

"Unclear right now how we'll be able to stay competitive if FET goes up. We survived 2020 by making hand sanitizer and are just now getting back into contract production for emerging brands. If FET goes up, our contract production business will no longer be competitive with the larger-scale distilleries."



The Craft Beverage Modernization and Tax Reform Act (H.R.1175 and S.362) will expire on December 31st, 2020. Immediate Congressional action is critical!

