

Congress of the United States
Washington, DC 20515

June 17, 2020

The Honorable Nancy Pelosi
Speaker of the House
H-232 The Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
H-204 The Capitol
Washington, DC 20515

The Honorable Richard Neal
Chairman
House Committee on Ways and Means
2309 Rayburn House Office Building
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
House Committee on Ways and Means
1011 Longworth House Office Building
Washington, DC 20515

Dear Speaker Pelosi, Leader McCarthy, Chairman Neal, and Ranking Member Brady:

Like many other members of Congress, our congressional districts are home to a growing number of craft distilleries, breweries, small wineries, and cideries. American production of craft beverages has significantly increased over the past decade in response to a rapidly rising demand. Overall, beverage alcohol producers and importers support over four million American jobs.

With the devastating impacts of COVID-19 sweeping across our country, craft beverage producers have been hit hard as nearly half of all revenue comes from tasting rooms and in person sales. Restaurant and bar closures have also had a tremendous impact on sales. At the same time, many distillers and breweries have redirected their resources to manufacture hand sanitizer and are donating the product to local first responders, postal workers, law enforcement officers, and other front-line employees. Now more than ever, these businesses need certainty that they will not face a substantial tax increase in 2021 so that they can rebuild their businesses once this pandemic begins to subside without fear of further financial turmoil looming.

Fortunately, Representative Ron Kind and Representative Mike Kelly introduced H.R. 1175, *The Craft Beverage Modernization and Tax Reform Act*. This legislation would make permanent the recalibrated Federal Excise Tax (FET) rates that were passed in 2017, again in 2019, and are set to expire on December 31 of this year. This FET relief has already proven to work just as Congress believed it would. Prior to COVID-19, beverage alcohol producers and importers were reinvesting in their businesses, hiring new employees, purchasing American-made equipment, and increasing purchases from local agriculture suppliers. H.R. 1175 will help strengthen these

Main Street businesses and preserve American jobs not just in the alcohol beverage industry but also retail, agriculture, and manufacturing.

Waiting to subject this tax relief to another extension or spending package at best disrupts business planning decisions, and at worst could potentially cause a return to unrealistic tax levels – that is why over 340 bipartisan members of the House have signed on as cosponsors to H.R. 1175. Given this overwhelming support, we hope that you will work to include H.R. 1175 in any appropriate legislation that is set to be considered on the House floor.

Sincerely,



Roger Williams
Member of Congress



Jason Crow
Member of Congress

Rep. Salud O. Carbajal
Rep. Julia Brownley
Rep. John Garamendi
Rep. Harley Rouda
Rep. TJ Cox
Rep. Ted Lieu
Rep. Jim Costa
Rep. Juan Vargas
Rep. Eric Swalwell
Rep. Paul Cook
Rep. Doug LaMalfa
Rep. W. Gregory Steube
Rep. Ted S. Yoho, D.M.V.
Rep. John H. Rutherford
Rep. Brian J. Mast
Rep. Gus M. Bilirakis
Rep. Neal P. Dunn
Rep. Bill Posey
Rep. Ross Spano
Rep. Francis Rooney
Rep. Darren Soto

Rep. Charlie Crist
Rep. Alcee L. Hastings
Rep. Al Lawson, Jr.
Rep. Anthony Brindisi
Rep. Joseph D. Morelle
Rep. Sean Patrick Maloney
Rep. John Katko
Rep. Van Taylor
Rep. Bill Flores
Rep. Chip Roy
Rep. Vicente Gonzalez
Rep. Susan Wild
Rep. Daniel P. Meuser
Rep. Brian K. Fitzpatrick
Rep. Scott Perry
Rep. Steve Chabot
Rep. Steve Stivers
Rep. David P. Joyce
Rep. Paul A. Gosar, D.D.S
Rep. Bob Gibbs
Rep. Christopher H. Smith

Rep. Bill Johnson
Rep. Troy Balderson
Rep. Anthony Gonzalez
Rep. Adam Kinzinger
Rep. Tom Malinowski
Rep. Andy Kim
Rep. Mikie Sherrill
Rep. Daniel T. Kildee
Rep. Ted Budd
Rep. David Rouzer
Rep. Tom O'Halleran
Rep. Andy Biggs
Rep. Barry Loudermilk
Rep. Doug Collins
Rep. Tom Graves
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Rep. French Hill
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Rep. Eleanor Holmes Norton
Rep. Scott DesJarlais, M.D.
Rep. Susan W. Brooks
Rep. Lance Gooden