



May 20, 2011

The Honorable Mike Crapo
239 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable John Kerry
218 Russell Senate Office Building
Washington, D.C. 20510

Dear Senators Crapo and Kerry,

I write in strong support of your bill, S. 534, the Brewer's Employment and Excise Relief (BEER) Act of 2011. This bill would lower the excise tax on small brewers, promoting economic growth and job production in an industry that is embattled by onerous regulatory and tax regimes at the federal, state and local levels.

The BEER Act would reduce from \$7 to \$3.50 the tax paid per barrel on the first 60,000 barrels produced by small brewers. This is estimated to generate \$19.9 million in capital for small beer producers, an enormous resource to promote job growth in the craft brewing industry.

Currently, brewers large and small pay the same tax on any production over 60,000 barrels. Set at an astounding \$18-a-barrel tax, this represents a crushing weight on small brewers. This onerous tax penalizes production and disincentivizes industry growth, unnecessarily handicapping an industry that provides 100,000 jobs in the United States alone.

Your bill addresses this discrepancy by lowering the excise tax from \$18 to \$16 per barrel for production from 60,000 barrels up to 2 million barrels. This will provide an estimated \$27.1 million for craft brewers to create jobs and spur economic growth.

The current small brewer tax places archaic definitions on an industry that has grown by 12 percent in just the last year alone. When the law was written twenty five years ago, small brewers were defined as producers of up to 2 million barrels annually. Your bill updates this definition by raising the ceiling to 6 million barrels, accurately reflecting modern standards and industry growth.

The craft brewing industry provides for widespread diversity and originality in the malt beverage marketplace. Comprising less than five percent of the entire beer market, this innovation stands to be eliminated by the current heavy-handed regulatory and tax regimes that favor traditional producers. Thus, I encourage your colleagues to support the Brewer's Employment and Excise Relief Act of 2011 and look forward to working with you to continue to ease the tax burden on American employers.

Sincerely,

Grover Norquist
President
Americans for Tax Reform

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