

## TAX CUTS AND JOBS ACT – ALCOHOL EXCISE TAX CHANGES

TOPIC	OLD LAW	NEW LAW
<b>Excise Tax Rate on Wine</b>	Tiered rates for still wine based on ABV; flat rates for sparkling and artificially-carbonated wines and hard cider. Tiered credit system for small producers.	No change to rates, however, the credit system is now available to all producers.
<b>Excise Tax Rate for Mead and Certain Low ABV Wines</b>	No specific provision - no definition of "mead" or "low ABV wine."	Taxed at the lowest excise tax rate applicable to still wine -- \$1.07 per gallon. "Mead" is defined as: 1) containing not more than 0.64 gram of CO <sub>2</sub> per 100 ML of wine; 2) derived solely from honey and water; 3) containing no fruit product or fruit flavoring, and 4) containing less than 8.5% ABV. "Low ABV wine" is defined as: 1) containing not more than 0.64 gram of Co <sub>2</sub> per 100 ML of wine; 2) derived primarily from grapes or grape juice concentrate and water; 3) containing no fruit product or flavoring other than grape; and 4) containing less than 8.5% ABV.
<b>Alcohol Content of Wine for Excise Taxation at Still Wine Rate of \$1.07 Per Gallon</b>	14% ABV.	16% ABV.
<b>Excise Tax Credit for Wineries</b>	Phased out based on amount of production.	Credit of between 53.5c to \$1 per gallon allowed to all wineries on the first 750,000 gallons of production.
<b>Availability of Excise Tax Credit for Wineries for Sparkling Wine</b>	Not available.	Available.
<b>General Tax Rate on Beer</b>	\$18 per barrel.	\$16 per barrel for the first 6 million barrels produced; \$18 per barrel for all barrels produced in excess of 6 million.
<b>Tax Rate on Beer for Small Brewers</b>	\$7 per barrel for the first 60,000 barrels.	\$3.50 per barrel for the first 60,000 barrels.
<b>Transfer of Beer in Bond</b>	Not permitted without payment of excise tax unless receiving brewery belongs to the same brewer.	Transfers between bonded breweries allowed without payment of excise tax.
<b>Tax Rate on Distilled Spirits</b>	Flat rate of \$13.50 per proof gallon.	Tiered rates as follows: \$2.70 per proof gallon on the first 100,000 proof gallons; \$13.34 per proof gallon for all proof gallons in excess of 100,000 but less than 22,130,000; and \$13.50 per proof gallon for all proof gallons in excess of 22,130,000.
<b>Transfer of Bonded Spirits</b>	Only bulk distilled spirits may be transferred in bond between bonded premises without payment of excise tax.	All distilled spirits may be transferred in bond between bonded premises without payment of excise tax.
<b>Production Period for Beer, Wine, and Distilled Spirits</b>	Brewers, vintners, and distillers required to capitalize interest with respect to aging products.	Brewers, vintners, and distillers are no longer required to capitalize interest with respect to aging products.