

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

October 1, 2019

The Honorable Richard Neal
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Neal and Ranking Member Brady:

As Chairwoman and Ranking Member of the House Committee on Small Business, we write in support of H.R. 1175, the Craft Beverage Modernization and Tax Reform Act of 2019, which permanently reduces the tax burden on alcoholic beverage producers, streamlines duplicative and outdated regulations, and ensures small, innovative producers have opportunities to grow their operations.

The craft beverage industry plays an important role within the small business ecosystem. With sales exceeding \$31 billion in 2017, businesses producing craft beverages are creating jobs and contributing to local economies all across America. This growing and flourishing industry is transforming Main Streets from coast to coast.

As you are aware, the provision contained within the Tax Cuts and Jobs Act, which recalibrated the federal excise tax on alcoholic beverage producers is set to expire at the end of this year.¹ Aimed at reducing burdens and increasing investment opportunities, the tax provision has resulted in producers enhancing operations, expanding offerings, and creating jobs in every Congressional district.

As you explore next steps, we respectfully request that you consider the role small businesses and small alcoholic beverage producers have on our economy, and their vital importance. By making the federal alcohol excise tax reforms permanent, businesses will have the long-term certainty and stability they need to grow. Doing so addresses the feedback our Committee has heard again and again — to simplify and streamline the tax code for small firms. As has been shown repeatedly, when small businesses are growing and expanding, so does the American economy.

¹ Pub. L. No: 115-97 (2017).

Please contact our House Small Business Committee staff, Gerardo Bonilla with the Majority at 202-225-4038 or Robert Yavor with the Minority at 202-225-5821 with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Nydia Velázquez". The signature is fluid and cursive, with the first name "Nydia" and the last name "Velázquez" clearly legible.

Nydia M. Velázquez
Chairwoman

A handwritten signature in blue ink that reads "Steve Chabot". The signature is fluid and cursive, with the first name "Steve" and the last name "Chabot" clearly legible.

Steve Chabot
Ranking Member