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SENATE TAX BILL DELIVERS \$642 MILLION TURKEY FOR BOSTON BEER AND FRIENDS

Sen. Rob Portman – Amendment Author - Banks Big Bucks from Big Alcohol

SAN FRANCISCO, CA (November 20, 2017) – [Alcohol Justice](#) is raising a red flag over language from S. 236 / H.R. 747—the Craft Beverage Modernization and Tax Reform Act of 2017— inserted into the Senate version of the Republican tax cut bill that passed out of the Senate Finance Committee on a party line vote Thursday, November 17, 2017. The language mandates savage, reckless cuts to alcohol excise taxes, as contained in an amendment put forth by Committee Member Sen. Rob Portman (R-Ohio). The Senator, according to [OpenSecrets.com](#) has received \$210,981 from beer, wine and liquor interests since 2010, including at least \$29,000 from Boston Beer executives and family members.

According to an Alcohol Justice [report](#), the proposed two-year Senate tax break would cost the U.S. \$642 million. In stark contrast to the Craft Beverage Modernization and Tax Reform Act's stated intent to nurture small brewers, distillers, and wineries, *a lion's share of the cuts accrues to Big Alcohol*. Hard liquor distillers making over 100,000 proof-gallons a year take home almost 75% of the cuts. Of the projected \$126 million annual giveaway to beer manufacturers, \$50 million will be claimed by just seven "mega-craft" brewers.

In light of the House of Representative's November 16, 2017, passage of its version of the tax bill which, if passed, would eliminate public funding for substance abuse treatment, public health advocates are expressing immediate concern, predicting an explosion of alcohol-related harm in the country.

"This \$642 million tax cut for Big Alcohol is a bloated turkey," said Michael Scippa, Public Affairs Director for Alcohol Justice. *"We need to reach out to senators right now and tell them: Stop. Think. Reject this language. Don't gobble up American lives while making Big Alcohol more profitable."*

The revisions to the Senate's bill come at the behest of six of the largest alcohol special interest front groups in the country, including the Beer Institute, the Wine Institute, and the Distilled Spirits Council. In a November 13, 2017, [letter](#) to the Senate Finance Committee Chairman Orrin Hatch (R-Utah), the lobbyists complain, *"outdated regulations and tax laws impede the growth of these individual businesses."*

"The U.S. federal alcohol excise tax hasn't budged since 1991," said Bruce Lee Livingston, CEO/Executive Director of Alcohol Justice. *"Of course it's outdated. It hasn't even kept up with inflation. The industry says 'craft' and people think of a family woodshop,"* added Livingston. *"But that word means nothing now. Alcohol lobbyists have rewritten it. Look at Sam Adams. They pull down almost a billion dollars a year, but this tax cut babies them."*

Sam Adams is produced by Boston Beer whose CEO Martin Roper enjoys an estimated annual compensation in excess of \$43 million. Boston Beer founder and chairman C. James Koch's compensation is not reported yet it is safe to say these men are not struggling, small craft brewers. The tax savings from the Senate giveaway will put additional millions in their pockets.

Sam Adams was already notorious for bullying the [Brewers Association](#)—also a cosignatory on the letter to Sen. Hatch—into raising the production threshold for “craft brewery” to accommodate the brewer's growth. They have since managed to influence key legislators, in particular Senator Rod Wyden (D-Oregon), who authored the original S. 236, and Portman. These bills all offer tax cuts to very large volume producers of beer, wine, and spirits.

However, the effects of this on public health will be immediate. Evidence abounds that raising alcohol excise taxes reduces harmful drinking. Alcohol Justice strongly favors they be doubled. This would result in a 35% decrease in alcohol-related mortality, 11% reduction in deaths from alcohol-related crashes, and markedly reduce incidences of sexually transmitted infections, violence and crime. Moreover, the revenue generated by alcohol excise taxes can be earmarked for healthcare, prevention, and recovery efforts—a concept Alcohol Justice refers to as [“Charge for Harm.”](#)

Current economic harm from excessive alcohol consumption in the U.S. costs \$249 billion annually, including 88,000 deaths, alcohol-related car crashes, violence, chronic illness, and lost productivity.

The U.S. Substance Abuse and Mental Health Services Administration ([SAMHSA](#)) estimates that almost 40% of individuals seeking treatment for alcohol use disorder were unable to access it. Moreover, the House version of the U.S. tax bill seeks to begin eliminating the Affordable Care Act and its access to hospital care. The acute harms from alcohol use—including accidental injury, toxicity, and violence—will be exacerbated by the elimination of the tax while access to treatment will be more difficult.

“If you want to keep alcohol safe, you invest in prevention and treatment,” said Scippa. *“Looking at the Senate and House versions of this tax bill, it's like the FAA saying inspecting a plane takes too long and parachutes are too expensive.”*

Alcohol Justice strongly opposes the Senate version of the tax bill and urges everyone concerned with the health of the country to act now to oppose it. Tell your senators to reject the Portman amendment and keep Big Alcohol from hijacking Congress.

[TAKE ACTION](#) to tell your Senator to reject the Portman Amendment tax breaks for Big Alcohol.

[READ MORE](#) about the Craft Beverage Modernization Act's \$3.2 billion giveaway.

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