



AT THE BAR WITH BOWDITCH

A Legal Blog for the Craft Brewing Community

Craft Brewers Raising Their Glasses to the Beer Excise Tax

BY SCOTT C. CASHMAN • FEBRUARY 6, 2018

The over 3,700 small brewers (defined as those producing less than 2 million barrels) in the United States had something to cheer about in the [Tax Cuts and Jobs Act](#), which was signed into law at the end of 2017. As part of the Act, small brewers saw the excise tax paid per barrel of beer reduced from \$7.00 per barrel to \$3.50 per barrel on the first 60,000 barrels produced per year. The Act also reduces the excise tax for barrels produced in excess of 60,000 from \$18.00 per barrel to \$16.00 per barrel.

The craft beer industry has exploded in the past few years. In the U.S. alone, there are over 3,100 small and independent brewers that often produce less than 15,000 barrels per year. A typical small brewer employs between 10 to 100 people. These small brewers face many economic challenges as they scale up their businesses and often face higher costs of production. A 50% reduction in the beer excise tax should assist the industry by maintaining and creating more jobs, which is certainly something for brewers to raise their glasses to.