



AT THE BAR WITH BOWDITCH

A Legal Blog for the Craft Brewing Community

Federal Excise Tax Rates Extended

JANUARY 31, 2020

The 116th Congress has extended the current federal excise tax (FET) rates for breweries for one year (2020). Those rates, which were recalibrated lower in 2018, were slated to increase—in most cases by 100 percent—unless Congress acted by Dec. 31.

“The lower FET rates have been a boon to small and independent brewers located in all 50 states and nearly every congressional district,” said Bob Pease, president and CEO, Brewers Association. “These savings empowered brewers to reinvest in their businesses and resulted in an annual tax savings of more than \$80 million.”

Brewers reinvested the additional capital by creating thousands of new jobs, buying new equipment, expanding their operations, and improving employee benefits. Thanks to the recalibrated rates, craft brewing jobs grew by 15,000 in 2018 to more than 150,000 nationally—the largest job increase on record for small brewers.

The Brewers Association will continue to work with its congressional champions to pass the Craft Beverage Modernization and Tax Reform Act (CBMTRA), legislation that would make the rates permanent.

This blog post was reprinted with permission of the [Massachusetts Brewers Guild](#).