

112TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to provide a reduced rate of excise tax on beer produced domestically by certain small producers.

IN THE SENATE OF THE UNITED STATES

Mr. KERRY (for himself and Mr. CRAPO) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to provide a reduced rate of excise tax on beer produced domestically by certain small producers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Brewer’s Employment
5 and Excise Relief Act of 2011”.

6 **SEC. 2. REDUCED RATE OF EXCISE TAX ON BEER PRO-**
7 **DUCTION DOMESTICALLY BY CERTAIN SMALL**
8 **PRODUCERS.**

9 (a) IN GENERAL.—Paragraph (2) of section 5051(a)
10 of the Internal Revenue Code of 1986 is amended—

1 (1) by redesignating subparagraphs (B) and
2 (C) as subparagraphs (C) and (D), respectively, and
3 (2) by striking subparagraph (A) and inserting
4 the following new subparagraphs:

5 “(A) IN GENERAL.—In the case of a brew-
6 er who produces not more than 6,000,000 bar-
7 rels of beer during the calendar year, the per
8 barrel rate of tax imposed by this section shall
9 be—

10 “(i) \$3.50 on the first 60,000 quali-
11 fied barrels of production, and

12 “(ii) \$16 on the first 1,940,000 quali-
13 fied barrels of production to which clause
14 (i) does not apply.

15 “(B) QUALIFIED BARRELS OF PRODUC-
16 TION.—For purposes of this paragraph, the
17 term ‘qualified barrels of production’ means,
18 with respect to any brewer for any calendar
19 year, the number of barrels of beer which are
20 removed in such year for consumption or sale
21 and which have been brewed or produced by
22 such brewer at qualified breweries in the United
23 States.”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) Subparagraph (C) of section 5051(a)(2) of
2 the Internal Revenue Code of 1986, as redesignated
3 by this section, is amended—

4 (A) by striking “2,000,000 barrel quan-
5 tity” and inserting “6,000,000 barrel quantity”,
6 and

7 (B) by striking “60,000 barrel quantity”
8 and inserting “60,000 and 1,940,000 barrel
9 quantities”.

10 (2) Subparagraph (D) of such section, as so re-
11 designated, is amended by striking “2,000,000 bar-
12 rels” and inserting “6,000,000 barrels”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to beer removed during calendar
15 years beginning after the date of the enactment of this
16 Act.