



May 18, 2017 | 10:18 am By Joanna Fantozzi, Staff Writer

The proposed Craft Beverage Modernization and Tax Reform Act will make it cheaper to produce wine with high alcohol content

As if we needed another reason to love wine: Congress may soon pass a bill that could make it easier and cheaper for American wineries to produce boozier wine.

The proposed Craft Beverage Modernization and Tax Reform Act of 2017 has gotten plenty of bipartisan support, and would raise the alcohol-by-volume threshold for taxing purposes. Currently, the tax rate for lower ABV rates is \$1.07 per gallon, while more alcoholic wines are taxed at \$1.57 per gallon, according to Food & Wine. This new bill would eliminate the tax differences, giving wineries and distilleries more incentive (and fewer financial barriers) to create boozier spirits.

The bill would also reduce excise tax rates on beer and distilled spirits and increase the amount of tax credits allowed to small wine producers. The bill is supposed to incentivize American wine, beer, and spirits production to boost the economy. But activists are concerned it will boost excessive consumption instead:

"Overnight, people would have about 18 percent more alcohol in the same glass of wine they're now drinking," Michael Scippa, public affairs director for the Bay Area-based advocacy group Alcohol Justice, told Fair Warning. "The health implications of that are serious."