

112TH CONGRESS  
1ST SESSION

# S. 534

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

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## IN THE SENATE OF THE UNITED STATES

MARCH 9, 2011

Mr. KERRY (for himself, Mr. CRAPO, Mr. WYDEN, Ms. SNOWE, Mr. SCHUMER, Mr. CORNYN, Mr. LEAHY, Mr. BURR, Ms. MIKULSKI, Mr. BROWN of Massachusetts, Mr. MERKLEY, Mr. WICKER, Mr. BROWN of Ohio, Mr. CHAMBLISS, Mr. TESTER, Mr. COCHRAN, Ms. CANTWELL, Mr. PORTMAN, and Mr. CARDIN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## 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”.

1 **SEC. 2. REDUCED RATE OF EXCISE TAX ON BEER PRO-**  
 2 **DUCED DOMESTICALLY BY CERTAIN SMALL**  
 3 **PRODUCERS.**

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

6 (1) by redesignating subparagraphs (B) and  
 7 (C) as subparagraphs (C) and (D), respectively, and

8 (2) by striking subparagraph (A) and inserting  
 9 the following new subparagraphs:

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

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

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

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

1           such brewer at qualified breweries in the United  
2           States.”.

3           (b) CONFORMING AMENDMENTS.—

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

7                   (A) by striking “2,000,000 barrel quan-  
8                   tity” and inserting “6,000,000 barrel quantity”,  
9                   and

10                   (B) by striking “60,000 barrel quantity”  
11                   and inserting “60,000 and 1,940,000 barrel  
12                   quantities”.

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

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

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