

A. FEDERAL / NATIONAL / INTERNATIONAL

Small Brewer Federal Excise Tax Legislation Update. [H.R. 1236](#), the Small Brewer Reinvestment and Expanding Workforce Act (Small BREW Act) introduced by Representatives Jim Gerlach (PA-6) and Richard E. Neal (MA-2), now has [112 co-sponsors](#). [S.534](#), companion legislation in the Senate introduced by Senators John Kerry (MA-D) and Mike Crapo (ID-R), has [35 co-sponsors](#).

H.R. 1236 and S. 534 mirror the provisions contained in last session's H.R. 4278 and S. 3339 which gained the support of 132 U.S. Representatives and 28 Senators respectively. Specifically, the bills would reduce the small brewer rate on the first 60,000 barrels by 50 percent (from \$7.00 to \$3.50/barrel) and institute a new rate \$16.00 per barrel on beer production above 60,000 barrels up to 2 million barrels. Breweries with an annual production of 6 million barrels or less would qualify for these tax rates.

Different Name, Same Agenda. Anti-alcohol group Marin Institute has changed its name to [Alcohol Justice](#), claiming the "new name shows we are vigilant, fair and laser-focused."

B. THE COURTS

Federal Court Calls Timeout in New Jersey Wine Fight. A U.S. District Court judge has suspended the legal wrangling over the state's wine laws in hopes that the legislature can provide a fix. New wineries and retail operations have been unable to open since an appeals court ruled that New Jersey law unfairly impacted interstate wine sales. Two bills are currently under active consideration in the legislature to provide that fix; however, they differ on whether to allow the direct shipment of wine to consumers, a point that has hampered the progress of both bills (see C. The States – Direct Shipping, below).

C. THE STATES

Direct Shipping:

New Jersey

[Senate Bill 2782](#), seeking to allow direct shipping of wine, continues to receive consideration in the Senate, while competing [Assembly Bill 3831](#) has been amended to remove the ability to direct ship wine (see B. The Courts, above).

Pennsylvania

[H.B. 1770](#) seeks clarify the conditions under which wine may be shipped direct to residents of the Commonwealth.

Trade Practice & Other:

California

Approved by the Governor and thereby becoming law, [Senate Bill 39](#) prohibits the import, production, manufacture, distribution, or sale of beer to which caffeine has been directly added as a separate ingredient at retail locations within the state.

[A.B. 1014](#), which has been signed into law by the Governor, exempts premises set aside by a beer manufacturer, as defined, for beer tasting, from the definition of a food facility, thereby, exempting beer tasting premises from the provisions of the California Retail Food Code. The bill is sponsored by the California Small Brewers Association.

Adopted by both legislative chambers and formally filed with the Secretary of State's office, [Assembly Joint Resolution 11](#) urges Congress to defeat H.R. 1161 in order to protect and preserve the ability of California wineries, and all wineries in the United States, to ship wine directly to consumers without discrimination or unnecessary limitation between in-state and out-of-state wine producers.

Massachusetts

A move by the [Alcoholic Beverages Control Commission](#) to require farmer-brewery license holders to grow at least 50% of their grain or hops, directly threatened the viability of the state's small brewers through increased licensing fees and the loss of the ability to provide a tasting room and direct from premise sales. Fortunately, the decision has been reversed due in large part to input from the Massachusetts Brewers Guild.

Michigan

[Senate Resolution 71](#), designating July 2011 as Michigan Craft Beer Month and commending the Michigan craft brewers, has been adopted.