

□ *Will keep jobs flowing for the growing craft brewing industry*

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WASHINGTON, D.C. –U.S. Congressman Peter DeFazio (D-Springfield) joined a bipartisan coalition to introduce H.R. 1236, the Small Brewer Reinvestment and Expanding Workforce Act (Small BREW Act) which lowers taxes for over 1,600 small brewers across the country. The craft brew industry is an engine of job creation. Small brewers support over 100,000 full- and part-time jobs and create over \$3 billion a year in wages and benefits yet the industry is struggling with higher costs for production, raw materials, and packaging than their larger and in many cases foreign owned competitors. This legislation would provide needed relief for an industry that is domestically owned, mostly domestically sourced and supports American jobs.

"The two largest breweries in the U.S. are now foreign owned," DeFazio said. "This tax cut would provide a real economic boost for these craft brewers, who are U.S. owned and provide good paying jobs here at home, to compete. At a time when neither party seems to agree on much, this is a common sense job booster that both Republicans and Democrats can raise a glass to."

The Small BREW Act would reduce the per barrel tax for small brewers who produce less than 2 million barrels annually. The bill would reduce tax rates from \$7 to \$3.50 per barrel on the first 60,000 barrels produced and it would reduce taxes from \$18 to \$16 per barrel up to 2 million barrels. This will affect over 200 small brewers in Oregon, including Ninkasi, Oakshire and Rogue.

Eugene based brewery Ninkasi applauded the effort:

"As a small business that is growing, any excise tax savings will go directly back into our local economy, through hiring, facilities improvements or equipment purchases. The excise taxes that we pay are additional to all of the standard business taxes, so a reduction, especially for a smaller brewery like ours, really helps to enhance our ability to be successful in the current economic climate."

□ BACKGROUND

DeFazio is the co-founder of the bipartisan House Small Brewers Caucus. Over 80 Republican and Democratic members joined the Caucus in 2010, which educates Members on relevant business, regulatory and societal issues in addition to advancing key legislation to help the industry. DeFazio is an original cosponsor of the excise tax break legislation, which was first introduced by Representative Richard Neal in 2009.

Oregon is considered by many to be the birthplace of the modern craft brew renaissance.

- Oregon small breweries have about 11 percent of the market share in Oregon, which is the highest of any state
- Total economic impact from the beer industry on Oregon's economy is \$2.44 billion
- Oregon has over 200 breweries, which makes it the second largest producer of craft beer in the US
- 38% Percent of all draft beer consumed in Oregon is brewed in Oregon
- Oregon is the second largest hop producer in the United States