Public Law 94-529
94th Congress

An Act

To amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer).

Oct. 17, 1976
[H.R. 3605]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 5051 of the Internal Revenue Code of 1954 (imposing a tax of $9 a barrel on beer produced or imported into the United States) is amended to read as follows:

Beer.
Small business tax reduction.
26 USC 5051.

"(a) RATE OF TAX.—

"(1) IN GENERAL.—A tax is hereby imposed on all beer brewed or produced, and removed for consumption or sale, within the United States, or imported into the United States. Except as provided in paragraph (2), the rate of such tax shall be $9 for every barrel containing not more than 31 gallons and at a like rate for any other quantity or for fractional parts of a barrel.

"(2) REDUCED RATE FOR CERTAIN DOMESTIC PRODUCTION.—

"(A) $7 A BARREL RATE.—In the case of a brewer who produces not more than 2,000,000 barrels of beer during the calendar year, the per barrel rate of the tax imposed by this section shall be $7 on the first 60,000 barrels of beer which are removed in such year for consumption or sale and which have been brewed or produced by such brewer at qualified breweries in the United States.

"(B) CONTROLLED GROUPS.—In the case of a controlled group, the 2,000,000 barrel quantity specified in subparagraph (A) shall be applied to the controlled group, and the 60,000 barrel quantity specified in subparagraph (A) shall be apportioned among the brewers who are component members of such group in such manner as the Secretary or his delegate shall by regulations prescribed. For purposes of the preceding sentence, the term 'controlled group' has the meaning assigned to it by subsection (a) of section 1563, except that for such purposes the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' in each place it appears in such subsection. Under regulations prescribed by the Secretary or his delegate, principles similar to the principles of the preceding two sentences shall be applied to a group of brewers under common control where one or more of the brewers is not a corporation.

"Controlled group."
26 USC 1563.

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"(3) TOLERANCES.—Where the Secretary or his delegate finds that the revenue will not be endangered thereby, he may by regulations prescribe tolerances for barrels and fractional parts of barrels, and, if such tolerances are prescribed, no assessment shall be made and no tax shall be collected for any excess in any case where the contents of a barrel or a fractional part of a barrel are within the limit of the applicable tolerance prescribed.".

Effective date.
26 USC 5051 note.

SEC. 2. The amendment made by the first section of this Act shall take effect on the first day of the first calendar year which begins after the date of the enactment of this Act.

Approved October 17, 1976.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 94-1346 (Comm. on Ways and Means).
CONGRESSIONAL RECORD, Vol. 122 (1976):
Sept. 13, considered and passed House.
Sept. 30, considered and passed Senate.