

105TH CONGRESS  
1ST SESSION

# H. R. 1981

To amend the Internal Revenue Code of 1986 to eliminate tax deductions for advertising and goodwill expenditures relating to alcohol beverages.

---

## IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 1997

Mr. KENNEDY of Massachusetts introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to eliminate tax deductions for advertising and goodwill expenditures relating to alcohol beverages.

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 “The Alcohol Promotion  
5       and Advertising Tax Fairness Act”.

6       **SEC. 2. DISALLOWANCE OF DEDUCTION FOR ADVERTISING**  
7                               **AND GOODWILL EXPENSES RELATING TO AL-**  
8                               **COHOLIC BEVERAGES.**

9       (a) IN GENERAL.—Part IX of subchapter B of chap-  
10      ter 1 of the Internal Revenue Code of 1986 (relating to

1 items not deductible) is amended by adding at the end  
 2 the following new section:

3 **“SEC. 280I. ADVERTISING AND GOODWILL EXPENDITURES**  
 4 **RELATING TO ALCOHOLIC BEVERAGES.**

5 “(a) IN GENERAL.—No deduction otherwise allow-  
 6 able under this chapter shall be allowed for any amount  
 7 paid or incurred to advertise (by means of television,  
 8 radio, other electronic means, newspaper or other periodi-  
 9 cal, billboard, or any other means), or promote goodwill  
 10 regarding, any alcoholic beverage.

11 “(b) ALCOHOLIC BEVERAGE.—For purposes of this  
 12 section, the term ‘alcoholic beverage’ means any item  
 13 which is subject to tax under subpart A, C, or D of part  
 14 I of subchapter A of chapter 51 (relating to taxes on dis-  
 15 tilled spirits, wines, and beer).”

16 (b) CLERICAL AMENDMENT.—The table of sections  
 17 for part IX of subchapter B of chapter 1 of such Code  
 18 is amended by adding at the end the following new item:

“Sec. 280I. Advertising and goodwill expenditures relating to alco-  
 holic beverages.”

19 (c) EFFECTIVE DATE.—The amendments made by  
 20 this section shall apply to amounts paid or incurred after  
 21 the date of the enactment of this Act.

○