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114TH CONGRESS
1ST SESSION

H. R. 2520

To amend the Internal Revenue Code of 1986 to reduce the rate of excise tax on distilled spirits.

IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2015

Mr. YOUNG of Indiana (for himself and Mr. YARMUTH) 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 reduce the rate of excise tax on distilled spirits.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Distillery Innovation and Excise Tax Reform Act''.

SEC. 2. REDUCED RATE OF EXCISE TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Section 5001(a)(1) of the Internal Revenue Code of 1986 is amended by striking ''$13.50'' and inserting “$9 ($2.70 in the case of the first 100,000 proof gallons)”.

(b) REDUCED RATE APPLIED WITH RESPECT TO CONTROLLED GROUP.—Section 5001 of the Internal Revenue Code of 1986 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

“(c) REDUCED RATE APPLIED WITH RESPECT TO CONTROLLED GROUP.—

“(1) IN GENERAL.—In the case of a controlled group, the reduced rate on the first 100,000 proof gallons specified in subsection (a)(1) shall be applied to the controlled group and shall be apportioned among the taxpayers who are component members of such group in such manner as the Secretary may provide. 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’ each place it appears in such subsection. Principles similar to the principles of the preceding two sentences shall be applied to a group of taxpayers under common control where one or more members of such group is not a corporation.

"(2) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to prevent the reduced rate specified in subsection (a)(1) from being applied to proof gallons in excess of the limitation specified therein.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distilled spirits produced or imported in calendar years beginning after December 31, 2015.

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