

114TH CONGRESS
1ST SESSION

S. 1444

To amend the Internal Revenue Code of 1986 to reduce the rate of tax regarding the taxation of distilled spirits.

IN THE SENATE OF THE UNITED STATES

MAY 21, 2015

Mr. PETERS (for himself, Mr. SULLIVAN, and Mrs. GILLIBRAND) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to reduce the rate of tax regarding the taxation of distilled spirits.

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 “Distillery Excise Tax
5 Reform Act of 2015”.

6 **SEC. 2. REDUCED RATE OF TAX ON CERTAIN DISTILLED**
7 **SPIRITS.**

8 (a) IN GENERAL.—Section 5001 of the Internal Rev-
9 enue Code of 1986 is amended by redesignating subsection

1 (c) as subsection (d) and by inserting after subsection (b)
2 the following new subsection:

3 “(c) REDUCED RATE.—

4 “(1) IN GENERAL.—In the case of a distilled
5 spirits operation, the otherwise applicable tax rate
6 under subsection (a)(1) on the first 100,000 of proof
7 gallons of distilled spirits which are removed in the
8 calendar year and which have been distilled, proc-
9 essed, or bottled by such operation at a qualified fa-
10 cility in the United States shall be \$2.70 per proof
11 gallon.

12 “(2) CONTROLLED GROUPS.—In the case of a
13 controlled group, the 100,000 proof gallon quantity
14 specified in paragraph (1) shall be applied to the
15 controlled group. For purposes of the preceding sen-
16 tence, the term ‘controlled group’ shall have the
17 meaning given such term by subsection (a) of section
18 1563, except that ‘more than 50 percent’ shall be
19 substituted for ‘at least 80 percent’ each place it ap-
20 pears in such subsection. Under regulations pre-
21 scribed by the Secretary, principles similar to the
22 principles of the preceding two sentences shall be ap-
23 plied to a group under common control where one or
24 more of the persons is not a corporation.”.

1 (b) CONFORMING AMENDMENT.—Section 7652(f)(2)
2 of the Internal Revenue Code of 1986 is amended by strik-
3 ing “section 5001(a)” and inserting “subsections (a)(1)
4 and (c)(1) of section 5001”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to distilled spirits produced in cal-
7 endar years beginning after December 31, 2015.

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