

115TH CONGRESS
1ST SESSION

S. 429

To exempt the aging process of distilled spirits from the production period
for purposes of capitalization of interest costs.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 16, 2017

Mr. McCONNELL (for himself and Mr. PAUL) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To exempt the aging process of distilled spirits from the
production period for purposes of capitalization of inter-
est costs.

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 “Advancing Growth in
5 the Economy through Distilled Spirits Act” or the
6 “AGED Spirits Act”.

7 **SEC. 2. PRODUCTION PERIOD OF DISTILLED SPIRITS.**

8 (a) IN GENERAL.—Section 263A(f) of the Internal
9 Revenue Code of 1986 is amended—

1 (1) by redesignating paragraph (4) as para-
2 graph (5), and

3 (2) by inserting after paragraph (3) the fol-
4 lowing new paragraph:

5 “(4) EXEMPTION FOR AGING PROCESS OF DIS-
6 TILLED SPIRITS.—For purposes of this subsection,
7 the production period shall not include the aging pe-
8 riod for distilled spirits (as described in section
9 5002(a)(8)), except such spirits that are unfit for
10 use for beverage purposes.”.

11 (b) CONFORMING AMENDMENT.—Paragraph
12 (5)(B)(ii) of section 263A(f) of the Internal Revenue Code
13 of 1986, as redesignated by this section, is amended by
14 inserting “except as provided in paragraph (4),” before
15 “ending on the date”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to interest costs paid or incurred
18 in taxable years ending on or after December 31, 2018.

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