

MEMORANDUM OF SUPPORT

Senate Bill 7396 (Senator Funke)/A. 8996 (Assemblyman Morelle)

AN ACT TO AMEND THE TAX LAW, IN RELATION TO THE AMOUNT OF CREDIT FOR CIDER, WINE AND LIQUOR UNDER THE ALCOHOLIC BEVERAGE PRODUCTION CREDIT

February 13, 2018

New York Farm Bureau, the state's largest agricultural advocacy organization, respectfully requests your support of this legislation. If enacted, this bill would provide excise tax parity for all New York produced, farm-based beverages in the state.

The growing industry of farm distillers supports local economies by purchasing the ingredients for t their products from farmers across the state. These manufacturers of locally made spirits, pay a significant excise tax in addition to the traditional payroll, property and school taxes.

For several years now, locally made beer has rightly had a tax credit to encourage the manufacture of that product. However, that tax credit covers almost all of the taxes for brewers, but the same tax credit provided to distillers does not go nearly as far. As a result, this legislation will provide parity for these business and level the playing field for the industry.

With this tax savings, farm distillers will be able to invest in more employees, equipment and marketing, while ultimately creating more jobs in the state and leading more consumers to choose locally crafted beverages.

For these reasons, New York Farm Bureau requests your support of this legislation.