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Indiana
Beverage
Alliance

150 W. Market St., Suite 812
Indianapolis, Indiana 46204
(317) 687-9615

September 9, 2003

Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P O Box 50221
Washington, D.C. 20091-0221

Re: Tax and Trade Bureau Notice #4

Dear Chief, Regulation and Procedures Division:

On behalf of our membership, the Indiana Beverage Alliance writes today in support of the proposed standard for flavored malt beverages published in the Federal Register on March 24, 2003. The beer wholesalers who make up the Indiana Beverage Alliance deliver 92% of all the beer sold in Indiana.

The current TTB rulemaking is important to balance traditional governmental concerns with new product development. Federal laws defining "beer" and "malt beverage" are essential building blocks in the federal and state regulation systems and have a tremendous impact on the regulation and taxation of beer and other alcoholic beverages.

Beer is not distilled spirits. Beer is not fortified wine. Beer is not a product that has been through the distillation process. Equating beer and beverages that derive a majority of their alcohol content from distilled spirits could weaken the important distinctions between beer and products with higher alcohol content.

If traditional distinctions disappear, it will only be a matter of time before other producers of alcoholic beverages attempt to categorize their products as beer, if for no other reason but to take advantage of lower tax rates.

Thank you for your consideration of our support of Notice #4.

Marc Carmichael, President