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S.R. Perrott, Inc.

4 NORTH PERROTT DRIVE MICHELE P. CONNORS  
ORMOND BEACH, FL 32174 PRESIDENT  
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September 9, 2003

Attn: TTB Notice No. 4  
Chief, Regulations and Procedures Division  
Alcohol and Tobacco Tax and Trade Bureau  
P.O. Box 50221  
Washington, DC 20091-0221

Gentlemen:

S.R. Perrott, Inc., would like to show its support for the proposed rule that was announced March 2003 by your agency, which describes the alcohol content required in flavored malt beverages so that they would be classified as beer. The Tax and Trade Bureau offered that for flavored malt beverage to be considered a beer that its alcohol content from distilled alcohol could not exceed 0.5%.

Beer is a distinctive product that is being regulated and taxed in a manner unlike any other alcohol beverage. The Tax and Trade Bureau's rule is consistent with the past understanding of what determines beer and other malt beverages. The distinct rigid treatment of beer is based on its age-old production process. The explanation in the Internal Revenue Code dates back to 19th century when Congress first imposed the Beer Excise Tax. Acceptance of the Tax and Trade Bureau "0.5 by volume standards would guarantee the integrity of beer and the brewing process.

Regulatory policies are important, while each state enjoys regulatory power over alcohol; the majority follows federal regulatory procedure. This proposed rule would preserve an organized marketplace and avoid costly and confusing disruptions in state licensing, taxation and distribution policies, any of these which would deal a brutal blow to beer wholesalers nationwide.

Beer is a distinct product made through the brewing process and the 0.5% standard will ensure that the integrity of beer remains.

S.R. Perrott, Inc. encourages the Tax and Trade Bureau to give its final approval to the proposed 0.5% standard on flavored malt beverages.

Sincerely,

Michele Connors  
President/CEO

MCP: mcb

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