

**33RD SENATORIAL DISTRICT**

JAN 03 2011

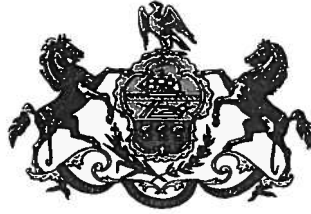
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**Senate of Pennsylvania**

**RICHARD ALLOWAY, II  
SENATOR**

**TO:** All Senators

**FROM:** Senator Richard Alloway II *Rian*

**SUBJECT:** Co-sponsorship Memo – Small Breweries Malt Beverage Tax Credit

**DATE:** December 29, 2010

In the near future, I intend to introduce legislation that would institute a permanent Malt Beverage Tax Credit of \$200,000 for small breweries for the purchase of equipment. A small brewery is defined as a brewery producing less than 1.5 million barrels of beer per year.

This legislation will be modeled after SB1296 of the 2009-2010 Legislative Session.

The credit was first enacted in 1974 as an emergency tax credit and expired at the end of 2008. The cost of this credit is estimated at \$1.1 million per year and will benefit small breweries across the commonwealth.

The malt beverage tax credit provides manufacturers of malt or brewed beverages, whose annual production of malt or brewed beverages do not exceed 1.5 million barrels, a maximum annual credit of \$200,000 for capital improvement expenditures (items of plant, equipment, and machinery intended for use in the manufacture and sale of malt or brewed beverages within the commonwealth). This tax credit cannot exceed the amount of qualifying capital expenditures made during the "effective period"

Sponsors of the previous legislation included the following: Alloway, Rafferty, Costa, Scarnati, Ferlo, Boscola, Kasunic, Must, Farnese, Logan, Erickson and McIlhinney.

If you are interested in co-sponsoring this legislation, please contact Melissa Knepper at [mknepper@pasen.gov](mailto:mknepper@pasen.gov) or by phone at 772-2929.