

June 3, 2020

AMERICANS
for TAX REFORM



The Honorable Steven T. Mnuchin
Treasury Secretary
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Mnuchin:

We urge you to defer excise tax payments for beer, wine, and distilled spirit manufacturers and importers through the end of 2020.

The Coronavirus pandemic has caused extensive damage to the American economy, businesses and workers. Americans across the country have been forced to self-isolate over the past several months, a situation that has closed retail establishments, tasting rooms, restaurants and bars, weakened consumer spending, and threatened the livelihood of small businesses. This decline in commerce has harmed alcohol manufacturers and importers, especially smaller breweries, distillers, and wineries.

Deferring excise tax payments will help these businesses receive much needed emergency liquidity and allow them to prioritize paying workers and meeting expenses over making tax payments. This is a modest step toward helping businesses, as these taxes will eventually be repaid.

Treasury has [already](#) utilized its legal authority to postpone excise taxes for the second quarter of 2020. This is also just one of many [tax deadlines](#) that the Trump administration has delayed in recognition of the economic damage caused by the virus.

As you consider enacting this deferral of tax payments, we urge you to ensure that any deferral is available equally to manufacturers and importers. There is no reason to exclude or limit importers given they face the same excise taxes as products manufactured in the U.S, and face the same economic challenges.

The Q2 excise tax deferral imposed burdensome requirements on importers by requiring “significant financial hardship,” which U.S. Customs and Border Protection [defined](#) as a loss of more than 40 percent in revenue. This is the wrong approach – excise tax deferral should be available equally to all alcohol manufacturers and importers.

Deferring excise tax payments for distillers, breweries and wineries through the end of the year is a simple step that will help manufacturers as they look to survive the damage caused by COVID-19.

It will provide liquidity for taxpayers and will build upon past actions taken by the Trump administration to mitigate the economic pain being felt by American workers and businesses.

Sincerely,

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President, Americans for Tax Reform

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Leader, Alabama Center-Right Coalition

Jim Martin
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