

# BOURBON.

## IT'S MORE THAN A DRINK.

Bourbon is a manufacturing backbone for our Commonwealth that fuels economic development and tourism.



## 2022 LEGISLATIVE PRIORITIES

### **Bourbon's Partnership with the Kentucky General Assembly**

As one of the state's top global exports, this legendary \$8.6 billion industry creates more than 20,100 jobs and opportunities for Kentuckians with more than \$1 billion in annual payroll. Distillers are investing more than \$5 billion in capital projects to expand production and create memorable Kentucky Bourbon Trail® tourism experiences for millions of guests from all over the world.



## PRIVATE BARREL SELECTIONS:

### Meeting Consumer Demand

Picking your own private barrel of a favorite brand is an exciting and popular experience, but the logistics are mired in a flawed and inefficient regulatory process. Both consumers and retailers will tell you that private barrel selections are a vital part of the future of distilling. With an all-time record of 10+ million barrels gently aging in Kentucky rickhouses, there's more opportunity than ever before to meet (and exceed) consumer demand for America's native spirit.

### Our goals are to:

- Establish a sound regulatory framework for private barrel selection events at distilleries
- Give consumers the option to purchase private barrel selection bottles from the distillery
- Let Master Distillers craft their own private barrel selections and sell them at distillery gift shops



## FREE & FAIR TRADE: Eliminate Costly Tariffs

In 2020 alone, tariffs imposed on U.S. spirits as a result of unrelated trade disputes slashed exports of Kentucky Bourbon by 35%, with shipments to the European Union tumbling by nearly 50%. The non-stop trade wars have had a devastating impact on Kentucky

distillers, consumers, farm families, cooperages and suppliers, bringing a slew of unintended consequences to our communities and industry at large.

The KDA is urging President Biden and his administration to work with their counterparts overseas to suspend tariffs and settle these ongoing trade disputes before more long-term damage is done.



## PARITY: Leveling the Playing Field with Beer and Wine

While the legislature has made great strides in the last few years at leveling the playing field among alcohol producers, Kentucky breweries and wineries still have more privileges than our legendary distilleries are afforded.

### We are seeking parity with beer and wine that would allow distillers to:

- Sell bottles at local fairs, festivals and farmer's markets, which will increase the visibility of our craft distillery brands
- Operate off-site tasting rooms with retail privileges, enhancing brand awareness and tourism
- Sell bottles that are only available at distillery gift shops
- Buy collaborative beer packages directly from micro-brewers
- Allow the sale of barrel-aged cocktails at restaurants, bars and distilleries



## TAX REFORM: Keeping Kentucky Competitive

Distilled spirits is the highest taxed industry in Kentucky by a long shot, and Kentucky is the only place in the world that taxes aging barrels of spirits each and every year. This discriminatory barrel tax puts Kentucky at a competitive disadvantage as we compete with other states and countries to attract distilleries, jobs, tourism and vital economic investment.

### Building on the Bourbon Barrel Tax Credit passed in 2014 via HB 445, we aim to:

- Make the Bourbon barrel tax credit refundable or transferrable so distillers can fully realize this incentive
- Streamline Kentucky alcohol taxes on canned cocktails

### Contact Us

For more information regarding any of our legislative activities, contact our government relations team:



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