

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 \$9 billion industry creates more than 22,500 jobs and opportunities for Kentuckians with more than \$1.23 billion in annual payroll. Distillers are investing more than \$5.2 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 Bourbon barrels gently aging in Kentucky warehouses, 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 directly from the distillery or have them shipped to reciprocal states.
- Maintain the three-tier system for private barrel selections purchased by retail licensees.
- Let Master Distillers and Master Tasters craft their own unique private barrel selections and sell them at distillery gift shops, elevating tourism and attracting repeat visitors.



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 craft breweries and small wineries still have more privileges than our homegrown and signature industry is afforded.

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

- Sell bottles that are only available at distillery gift shops, helping drive tourism and repeat guests to Kentucky and giving consumers something special when visiting.
- Sell bottles at local fairs, festivals and farmer's markets, which will particularly increase the visibility of our craft distillery brands.
- Operate an off-site tasting room with retail privileges, enhancing brand awareness and tourism opportunities for communities and hospitality partners.
- Allow the sale of barrel-aged cocktails at restaurants, bars and distilleries.



TAX REFORM: Keeping Kentucky Competitive

Distilled spirits is the highest-taxed large manufacturing industry in Kentucky, 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:

- Eliminate the Bourbon barrel tax or make the credit refundable or transferable so distillers can fully realize this incentive.

- Streamline Kentucky alcohol taxes on canned cocktails, otherwise known as ready-to-drink cocktails (RTDs) to base the taxes on the volume of alcohol, not the base alcohol ingredient.



SPENT GRAINS:

Helping Our Farmers and Agricultural Partners

As a result of the fermentation process, distilleries produce what is called "spent grains," an agricultural byproduct after the corn, rye, barley and wheat are converted into starches.

Because distilleries are manufacturers, this byproduct is classified by the state as an industrial waste. However, spent grains are a beneficial product used by Kentucky farmers for livestock feed and fertilizer.

We seek to work with state regulators and farming interests to reclassify distiller spent grains as an agricultural byproduct so it can be more easily transferred to our farming partners and used as a sustainable resource.

Contact Us:

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



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