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October 17, 2003

Chief, Regulations and Productions Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, DC 20091-0221

Re: Taxation of Fermented Malt Beverages (FMBs)

Greetings:

Taxation of FMBs as a distilled spirit is good public policy for the following three reasons:

- 1) Research shows that an increase in alcohol taxes could have the largest long-term effect on alcohol-impaired driving of all policy and program options available (L. Ross, *Confronting Drunk Driving*, 1992, p. 94);
- 2) Classifying FMBs as a distilled spirit would require they be sold in establishments with a liquor license, which would help reduce access by underage people; and
- 3) States could use the additional tax revenues to fund alcohol treatment programs and drunk driving countermeasures (G. Washington Univ. Medical Ctr, *Ensuring Solutions to Alcohol Problems*, Press Release, May 29, 2003, www.ensuringsolutions.org).

Therefore, the standard definition of FMBs should not be revised to limit the amount of distilled alcohol to .5% by volume.

Sincerely,

Nina J. Emerson
Director

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