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SHEFFER BEER DIST. CO., INC.

September 16, 2003

Attn: TTB No
Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
POBox 50221
Washington, D.C. 20091-0221

Dear Sir or Madam:

Sheffer Beer Dist. Co., Inc. supports the proposed rule issued in March 2003 by the Tax and Trade Bureau (TTB) that outlines the alcohol content requirements for flavored malt beverages (FMB) to be classified as beer. Specifically, the TTB proposes that for an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Historically beer has been taxed and regulated differently than other alcohol containing beverages. The rule proposed by the TTB is consistent with interpretation of what constitutes beer and other malt beverages. The regulatory treatment of beer is based on its production process and definition in the Internal Revenue Code dates back to the 1800's when Congress first imposed the beer excise tax. A "0.5% by volume standard" would guarantee the integrity of beer and the brewing process.

It is important not to blur the distinction between beer and beverages with higher alcohol content. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcoholic beverages.

Once again, Sheffer Beer Dist. Co., Inc. encourages the TTB to give final approval to the proposed 0.5% standard on FMB's.

Sincerely,

Sam Sheffer
President

1800 PENNSYLVANIA AVE. • YORK, PA. 17404 • (717) 848-6255