0040453

Department of Revenue

Alcohol & Tobacco Division

Director

Ronald D.Johnson

June 18, 2003

Mr. William Foster Chief, Regulations and Procedures Division Washington, DC 20091-0221

Robert J. Lenihan, Jr.

Acting Commissioner

RE: Notice No. 4 Flavored Malt Beverages and Related Proposals

Dear Mr. Foster:

This letter is submitted by the Georgia Department of Revenue, Alcohol & Tobacco Division in response to the Notice of Proposed Rulemaking regarding a standard for flavored malt beverages and related proposals, 68 Federal Register 14292.

The present proposal will provide that those classes of alcoholic beverages affected by the proposed rule are to be taxed and regulated as beer or malt beverages only if less than one half of one percent of the content of the beverage is from alcohol added through the addition of distilled spirits rather than from the brewing process, would most likely cause Georgia to enact new legislation to maintain this standard because the Georgia Alcoholic Beverage Code did not anticipate such products. It should be noted however, that regardless of the ruling, it might be necessary for Georgia to enact legislation in order to bring clarity to the issues of taxation and distribution.

Please feel free to contact this office if any additional information is needed.

Sincerely,

RONALD D. JOHNSON DIRECTOR