

February 16, 2016
Senate Federal & State Affairs Committee Testimony on **HB 2469**

Mr. Chairman, and Senators of the Committee,

I am Philip Bradley representing the Craft Brewers Guild of Kansas. Thank you for the opportunity to present testimony today.

This is the **House companion bill to SB 326** that you heard on Jan 21st and amended last week. This bill was amended in the House and has the same language as SB 326. **It passed the House 119 yea and 4 Nays.**

There are currently 33 Microbrewery and Package Warehouse Facility Licenses in Kansas. There is a list attached to this testimony. This is an increase of 13 in the last 5 years for a 76% rise. Currently this number is constantly growing.

These figures show the growth that creates challenges for any industry but it is the kind of challenge that is fantastic for the State of Kansas. I believe we all want that growth to continue. That translates into jobs, investment, purchases, taxes and a better economy. And it is not exclusive to metro areas. You can see growth in most areas of the state. So we ask for you to act to allow the increase in this industry in Kansas.

We believe these adjustments will only enhance the business climate of Kansas and **are of no harm to the state or its citizens**. HB 2469 simply addresses one significant issue, *the ability to grow*. And this is not a random request. 60k barrels is where the Federal TTB sets a line between small brewers and large brewers. It is where the Federal excise tax is changed. There is a link to the TTB website and the text from that site on page 3. Other states use this level and some levels are listed on page 3.

We ask you to pass favorably HB 2469 and if appropriate recommend it for the Consent agenda.

Thank you for your time.



Philip Bradley

KCBG- Kansas Craft Brewers Guild are the craft and microbrewers of Kansas. We are a diverse group that embraces the commercial operations and the home hobby artist brewer.



**KANSAS CRAFT
BREWERS
GUILD**

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County	Owner	Business Name	Street	City	Zip	License Type
Butler	Walnut River Brewing Company LLC	Walnut River Brewing Company	111 W Locust Avenue	El Dorado	67042	Microbrewery (20)
Cherokee	Belleville Brewing Company LLC	Belleville Brewing Company	119 W 6th Street	Galena	66739	Microbrewery (20)
Douglas	23rd Street Brewery Acquisition LLC	23rd Street Brewery	3512 Clinton Parkway	Lawrence	66047	Microbrewery (20)
Douglas	Duck Butter Drilling Inc	Henry Ts	807 E 23rd Street	Lawrence	66046	Microbrewery (20)
Douglas	Duck Butter Drilling Inc	Henry Ts	3520 W 6th Street	Lawrence	66049	Microbrewery (20)
Douglas	Free State Brewing Co Inc	Free State Brewing Co	1923 Moodie Road	Lawrence	66046	Microbrewery (20)
Douglas	Free State Brewing Co Inc	Free State Brewing Co	636 Massachusetts Street	Lawrence	66044	Microbrewery (20)
Ellis	Defiance Brewery LLC	Defiance Brewery	PO Box 429	Hays	67601	Microbrewery (20)
Ellis	Gellas Diner & Liquid Bread Brewing Co	Gellas Diner & Liquid Bread Brewing	117 E 11th Street	Hays	67601	Microbrewery (20)
Johnson	Granite City of Kansas Ltd	Granite City Food & Brewery	15085 W 119th Street	Olathe	66062	Microbrewery (20)
Lincoln	Fly Boy Brewery LLC	Fly Boy Brewery	105 N Main Street	Sylvan Grove	67481	Microbrewery (20)
Lyon	Radius Brewing Company LLC	Radius Brewing Company	610 Merchant Street	Emporia	66801	Microbrewery (20)
Miami	RCBC LLC	Red Crow Brewing Company	20561 S Lone Elm Road	Spring Hill	66083	Microbrewery (20)
Mitchell	Plum Creek Restaurant LLC	Plum Creek Restaurant	121 W Court Street	Beloit	67420	Microbrewery (20)
Riley	Little Apple Brewing Company Inc	Little Apple Brewing Company	1110 Westloop Place	Manhattan	66502	Microbrewery (20)
Riley	Tallgrass Brewing Company	Tallgrass Brewing Company	5960 Dry Hop Circle	Manhattan	66503	Microbrewery (20)
Riley	Tallgrass Tap House LLC	Tallgrass Tap House	320 Poyntz Avenue	Manhattan	66502	Microbrewery (20)
Saline	Big Johns Brewing Company LLC	Big Johns Brewing Company	2445 S 9th Street	Salina	67401	Microbrewery (20)
Saline	Blue Skye Brewery & Eats LLC	Blue Skye Brewery & Eats	116 N Santa Fe Avenue	Salina	67401	Microbrewery (20)
Sedgwick	Central Standard Brewing LLC	Central Standard Brewing	156 S Greenwood Street	Wichita	67211	Microbrewery (20)
Sedgwick	Granite City of Kansas Ltd	Granite City Food & Brewery	2661 N Maize Road	Wichita	67205	Microbrewery (20)
Sedgwick	Granite City of Kansas Ltd	Granite City Food & Brewery	2244 N Webb Road	Wichita	67226	Microbrewery (20)
Sedgwick	Henry K Sanford	Hank is Wiser	213 N Main Street	Cheney	67025	Microbrewery (20)
Sedgwick	Hopping Gnome Brewing Company LLC	Hopping Gnome Brewing Company	1710 E Douglas Avenue	Wichita	67214	Microbrewery (20)

Sedgwick	Hungry Heart & House of Living Elixirs LLC	Hungry Heart & Whole Brewing Co.	222 S Commerce Street	Wichita	67202	Microbrewery (20)
Sedgwick	Third Place Brewing LLC	Third Place Brewing	630 E Douglas Street	Wichita	67202	Microbrewery (20)
Sedgwick	Wichita Brewing Company East, LLC	Wichita Brewing Co & Pizzeria	535 N Woodlawn Street	Wichita	67208	Microbrewery (20)
Sedgwick	Wichita Brewing Company LLC	Wichita Brewing Co & Pizzeria	8815 W 13th St Ste. #100	Wichita	67212	Microbrewery (20)
Sedgwick	Wichita Hopps LLC	River City Brewing Company	150 N Mosley Street	Wichita	67202	Microbrewery (20)
Shawnee	Duck Butter Drilling Inc	Henry Ts	1521 SW 21st Street	Topeka	66604	Microbrewery (20)
Shawnee	Tiger Enterprises Inc	Blind Tiger Brewery	417 SW 37th Street	Topeka	66611	Microbrewery (20)
Washington	Kansas Territory Brewing Co Inc	Kansas Territory Brewing Co	310 C Street	Washington	66968	Microbrewery (20)
Wyandotte	Granite City of Kansas Ltd	Granite City Food & Brewery	1701 Village West Pkwy	Kansas City	66111	Microbrewery (20)

TAXES http://www.ttb.gov/tax_audit/atftaxes.shtml

PRODUCT	TAX	TAX PER PACKAGE (usually to nearest cent)
Beer	Barrel (31 gallons)	12 oz. can
Regular Rate	\$18	\$0.05
Reduced Rate	\$7 on first 60,000 barrels for brewer who produces less than 2 million barrels. \$18 per barrel after the first 60,000 barrels.	\$0.02

Kansas Revenue- According to information given to KS Legislators last week by the ABC, KS Beer Tax revenues were,

Liquor Tax Revenue-Gallonage-Beer(a portion of this is from KS Microbreweries)						
2012	2013	2014	2015			
\$7,771,427	\$,426,081	\$8,060,582	\$8,149,230			

Microbreweries also pay Federal Gallonage Taxes, KS Enforcement Taxes and Kansas Drink Taxes where applicable

OTHER STATES **Colorado-** 60K, **Oklahoma-**No Limit, **Texas-**225K, **Utah-**60K, **Iowa-**No Limit, **Indiana-**90k,