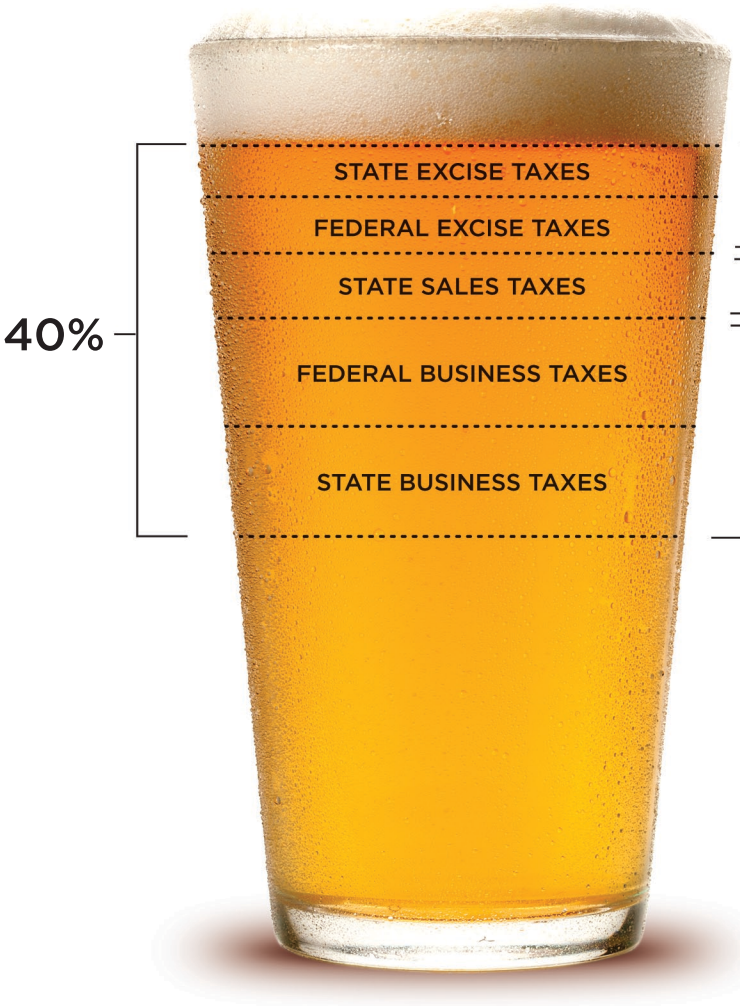
The most expensive ingredient in beer is taxes.

Every time an American enjoys a cold, refreshing beer, 40 percent[1] of their hard-earned money goes to taxes. The federal government and state governments pile taxes on the production and sale of beer, including hidden federal and state excise taxes. Additionaly, the U.S. beer industry contributes more than $246.5 billion to our economy and supports more than 2 million American jobs.[2]



Federal and state excise taxes. When you combine the federal excise tax of $18 per barrel with state duties, it amounts to four cents of every dollar spent on beer.[2]

Sales, wholesale, hotel, over-the-bar and local excise taxes. State and county taxes account for four cents of every dollar spent on beer.[2]

Federal and state business taxes. Brewers, distributers and retailers are subject to the same taxes every other business pays. This accounts for 32 cents for every dollar spent on beer.[2]

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As an industry, we're proud to do our part in keeping America great. But the truth is, we're doing more than our fair share, shouldering a higher tax burden than just about every other consumer product.

1 Some studies suggest that this could be much higher. In fact, according to a study by Americans for Tax Reform, the tax rate on malt beverage products nationally may be as high as 56 percent. See *Tax Bites: How Much do Taxes Add to The Cost of Goods and Services?* Americans for Tax Reform, Washington, 2007.

2 Figures based on The Economic Impact of the Malt Beverage Industry: 2012, prepared for the Beer Institute by John Dunham and Associates, a New York City based economic consulting firm. Online at www.beerservesamerica.org.