



Steve J Gross  
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March 17, 2022

Representative Janet Ancel  
Chairman, House Committee Ways & Means

CC: House Committee Ways & Means

**RE: H.730 Opposition to RTD taxation and ABV**

We would like to provide comments on H.730. Wine Institute adopted a new national policy related to the reclassification of spirits based Ready to Drink (RTD) products. As a result, we oppose the RTD provisions related to the ABV and the taxation level.

Over the course of the last twelve months, the issue of RTD reclassification, which began in just a handful of states, has spread dramatically and is now being considered in more than a dozen states. There is no consistency to the proposals, with both the tax rates and Alcohol by Volume (ABV) rates varying wildly from one proposal to the next.

WI Position on legislation to reduce the tax on distilled spirits based RTDs:

- ABV must be 5% or under.
- New 5% or under ABV distilled spirits based RTD tax rate must be significantly higher than wine.
- Wine must get a tax reduction too.
- If done in accordance with these three principles, WI will not oppose efforts to expand the retail distribution options for distilled spirits based RTDs.

As neither the proposed ABV nor the tax rate in HB 730 for spirits based RTDs meet these requirements, Wine Institute is thus opposing the legislation.

I thank you for considering our opposition to HB. 730.

Respectfully,

A handwritten signature in black ink, appearing to read "Steve J Gross", with a long horizontal flourish extending to the right.

Steve J Gross  
Vice President, State Relations

Cc: Committee on House Ways & Means (via email)