

**AMENDMENT**

OFFERED IN THE HOUSE  
TO: CSSB 164(L&C)

BY REPRESENTATIVE FIELDS

1 Page 1, line 2, following "fees;":

2 Insert "**relating to the tax rate on certain beer and cider;**"

3

4 Page 3, following line 9:

5 Insert a new bill section to read:

6 "**Sec. 5.** AS 43.60.010(c) is amended to read:

7 (c) A brewer shall pay a tax at the rate of 35 cents a gallon on sales of the first  
8 60,000 barrels of beer **and cider** sold in the state each fiscal year [BEGINNING  
9 JULY 1, 2001,] for beer **and cider** produced in the United States if the producing  
10 brewery **produced not more than 2,000,000 barrels of beer and cider in the**  
11 **previous fiscal year and was not a member of a controlled group that together**  
12 **produced more than 2,000,000 barrels of beer and cider in the previous fiscal**  
13 **year** [MEETS THE QUALIFICATIONS OF 26 U.S.C. 5051(a)(2). TO QUALIFY  
14 FOR THE TAX RATE UNDER THIS SUBSECTION, THE BREWER MUST FILE  
15 WITH THE DEPARTMENT A COPY OF AN ALCOHOL AND TOBACCO TAX  
16 AND TRADE BUREAU ACKNOWLEDGED COPY OF THE BREWER'S NOTICE  
17 OF INTENT TO PAY REDUCED RATE OF TAX REQUIRED UNDER 27 C.F.R.  
18 25.167 FOR THE CALENDAR YEAR IN WHICH THE FISCAL YEAR BEGINS  
19 FOR WHICH THE PARTIAL EXEMPTION IS SOUGHT. IF PROOF OF  
20 ELIGIBILITY IS NOT RECEIVED BY THE DEPARTMENT BEFORE JUNE 1,  
21 THE TAX RATE UNDER THIS SUBSECTION DOES NOT APPLY UNTIL THE  
22 FIRST DAY OF THE SECOND MONTH AFTER THE MONTH THE NOTICE IS  
23 RECEIVED BY THE DEPARTMENT]. For purposes of applying this subsection,

1                   **(1)** a barrel of beer **or cider** may contain not more than 31 gallons;

2                   **and**

3                   **(2) the department shall determine whether a brewer is a member**  
4                   **of a controlled group under the general rule set out in 26 U.S.C. 1563, as**  
5                   **amended by 26 U.S.C. 5051(a)(5), as those sections read on January 1, 2026,**  
6                   **except that the volumes in barrels described in 26 U.S.C. 5051(a)(5) include**  
7                   **cider.**"

8

9    Renumber the following bill sections accordingly.