



COUNCILMEMBER CHRIS CATE

SIXTH DISTRICT
CITY OF SAN DIEGO

September 14, 2020

Congressman Mike Levin (CA-49)
2204 El Camino Real, Suite 314
Oceanside, CA 92054

Congressman Scott Peters (CA-52)
4350 Executive Drive, Suite 105
San Diego, CA 92121

Congressman Juan Vargas (CA-51)
333 F Street, Suite A
Chula Vista, CA 91910

Congresswoman Susan Davis (CA-53)
2700 Adams Avenue, Suite 102
San Diego, CA 92116

Subject: Craft Beverage Modernization and Tax Reform Act (H.R. 1175/S. 362)

Dear Congressmembers,

For years, San Diego has ranked as the nation's top craft beer destination, known to many as the "sunny heaven for suds lovers." San Diego has branded the craft beer industry not only as a tourism contributor, but as a main economic driver. In 2018 alone, the craft beer industry contributed a total economic impact of \$1.2 billion to the San Diego economy, a 34 percent increase from 2016. A 2017 study found that the craft beer industry contributes approximately 6,275 jobs to the local economy, with \$171.3 million in combined labor. As of 2019, the County of San Diego is home to more than 150 independent breweries, with 93 located in the City of San Diego. One quarter of the city's breweries are in my council district, District 6.

Many small businesses would have closed had it not been for the initial relief provided by the CARES Act, and for the donations by San Diegans to support this industry. From small business relief funding to the Breweries Experiencing Economic Roadblocks (BEER) Fund, which we established in partnership with the San Diego Brewer's Guild, we are doing everything we can to support this vital industry.

I urge your support for craft distilleries, breweries, wineries, cideries, and their employees who contribute greatly to our nation's hospitality and tourism industries. Including the Craft Beverage Modernization and Tax Reform Act (H.R. 1175/S. 362) in the next appropriate legislative package is critical to providing businesses with much-needed certainty and relief. Please pass this legislation, which has bi-partisan support, to make permanent the current federal excise tax rates and prevent the increase of federal excise taxes on the craft beverage industry during this critical time.

Sincerely,

Chris Cate
Councilmember, District Six
City of San Diego

cc: San Diego Brewers Guild