

Ohio HB 64, State Budget
Impact on MillerCoors

MillerCoors operates a large manufacturing facility in Trenton, Ohio (Butler County), brewing and packaging beer for consumers across the State and the region. Employing almost 600 Ohioans, the brewery utilizes state-of-the-art technology that helps keep the company's product competitive in a very challenging, dynamic marketplace.

MillerCoors is concerned that as proposed, HB 64 will make the Trenton brewery less competitive. Our preliminary analysis shows the following negative impacts:

1. Alcohol Beverage Tax: By eliminating the 3% incentive for brewers to pre-pay excise tax obligations, the company would pay an additional \$350,000 in annual state taxation.
2. CAT Increase: By increasing the CAT rate on the company's products, the bill increases the company's CAT obligation by \$170,000 annually.
3. Taxing Services: The Trenton brewery utilizes significant management consulting services. By expanding the sales tax to also include these services, the company would face an additional \$170,000 in state tax liability.

<u>Summary:</u>	Additional Alcohol Beverage Tax	\$350,000
	Additional CAT Tax	\$170,000
	Additional Sales Tax	<u>\$170,000</u>
	Total Additional Tax	\$690,000

Thus, we believe HB 64 would increase MillerCoors annual tax liability by \$690,000. This would make the brewery less competitive relative to many of our competitors and within the MillerCoors family of breweries across the country.

We urge the legislature to take these impacts into consideration as it considers the package.

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