

connecticut

beer wholesalers association

The Connecticut Beer Wholesalers Association (CBWA) represents six family-owned businesses with a mission of responsibility.

Connecticut Beer wholesalers are responsible for the safe and efficient delivery of a controlled substance to authorized permittees, as well as providing a quality work environment for the men and women that live and work in Connecticut.

Our membership is united in opposing **House Bill 6361 An Act Concerning Fair Alcohol Pricing**. The proponent of the bill argues that eliminating the minimum bottle will allow Connecticut to compete with neighboring states on price. We disagree as eliminating the minimum bottle hurts Connecticut companies, jobs, and us like a domino effect – it will put Connecticut local package stores, restaurants, and small distributors at risk.

The administration believes “there continues to be unfair pricing disparity between Connecticut, and Connecticut consumers are needlessly paying more.” The Connecticut Package Stores Association, the Connecticut Restaurant Association, Connecticut Small Brands Council and the Connecticut Beer Wholesalers Association agree and are united in recognizing that there are factors that create an uncompetitive business climate. These factors are: Connecticut’s tax structure, the cost of the bottle bill, and the price manufacturers sell beer, wine and spirits to Connecticut wholesalers. Further, we believe that before changing the current system, the Legislature should review these factors:

Connecticut has significantly higher taxes than our neighbors: In 2011 the General Assembly increased from \$20 to \$24 cents the excise tax on alcohol, in addition to increasing the Sales tax from 6% to 6.35%, this action created an uncompetitive business climate in Connecticut compared to neighboring states.

Require manufacturers to disclose pricing: If we are really looking to lower costs for consumers, we need to understand how manufacturers price their products in this state. We know that manufacturers sell beer, wine and spirits to Connecticut wholesalers at prices that are higher than other states for the exact same products, based on Connecticut’s high median income. National manufacturers, large and small, should voluntarily disclose their F.O.B. pricing to Connecticut and in the neighboring states of New York, Rhode Island and Massachusetts and even outside of the immediate New England area where per capita income is lower. If they do not disclose, the General Assembly should be tasked with finding a way to require more disclosure on the manufacturers.

- **The bottle bill:** the bottle bill and the requirement on wholesalers to remit unclaimed refunds to the state increase costs to small businesses and consumer price.

CBWA respectfully requests the General Law Committee, oppose **House Bill 6361 AAC Fair Alcohol Prices** and ask that you examine the uncompetitive factors that the State of Connecticut has imposed on small business before any changes are made that would impact the jobs that this industry currently provides.

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Connecticut Increased Taxes in 2011:

- The General Assembly increased the alcohol excise tax and sales tax
- Excise tax increase from \$.20 to \$.24
- Sales tax increase from 6% to 6.35%

