



TaxNewsFlash

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TTB guidance: Industry circular on calculating tax rates for distilled spirits

The U.S. Treasury Department's Alcohol and Tobacco Tax and Trade Bureau (TTB) published on December 29, 2022, [Industry Circular 2022-3](#) on calculating tax rates for distilled spirits eligible for both Craft Beverage Modernization Act (CBMA) reduced tax rates and tax credits for wine and flavors content.

The industry circular generally restates the procedures provided by Industry Circular 2018-4 for distilled spirits plants on how to calculate effective tax rates for distilled spirits products that are subject to CBMA reduced tax rates. The circular also provides updated guidance for importers on how to calculate and use effective tax rates or standard effective tax rates for imported distilled spirits products that are eligible for CBMA tax benefits in light of statutory changes affecting import procedures.

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