



One Commerce Plaza,  
Suite 402  
Albany, NY 12210  
Phone: 518-465-7330  
Fax: 518-465-0273

## **Defeated Tax on Flavored Malt Beverages**

The firm's lobbying efforts helped Diageo-Guinness, the world's leading premium drinks business, successfully defeat a proposal in the 2008-09 budget that would have re-categorized flavored malt beverages as "liquor" and resulted in a 2300% tax increase from \$.11/gallon to \$2.53/gallon.

The new budget proposal sought to re-categorize flavored malt beverages as "malt liquor" despite the fact that FMBs generally contain the same or less alcoholic content than traditional beer. FMBs are not liquor. They are essentially flavored beer and serve as an alternative to traditional beer; an alternative that women predominately take advantage of. Furthermore, the implementation of the increased excise tax on flavored malt beverages would have meant an end to the flavored malt beverage market and jeopardized manufacturers of the product across New York State. The defeat of this tax proposal was a win for businesses, distributors, manufactures and most importantly consumers of the product.