



**DISTILLED SPIRITS COUNCIL**  
OF THE UNITED STATES

May 29, 2025

The Honorable Jerry Cirino  
Chair, Senate Finance Committee  
Senate Building, First Floor N., Rm. 127  
1 Capitol Square  
Columbus, OH 43215

Dear Chair Cirino:

On behalf of the Distilled Spirits Council of the United States (DISCUS), the national trade association representing the leading producers and marketers of distilled spirits sold in the United States, I am pleased to offer our support to the Senate Finance Committee for language included in HB 96 that provides fairer tax treatment for spirits-based ready-to-drink (RTD) cocktails. The bill was previously heard by the Senate Government Oversight and Reform Committee and we offered support in that committee on May 14.

Spirits-based RTD cocktails are booming, but in Ohio, they are taxed at a rate six times higher than malt- (beer)-based RTDs, even though many spirits-based RTDs contain the same – or even lower – amounts of alcohol. This state-level tax disparity is on top of a federal tax disparity, where spirits RTDs are taxed at more than twice the rate of beer- and wine-based RTDs.

All of this excessive tax burden falls squarely on local producers and consumers. Despite growing demand for spirits-based RTDs, a recent DISCUS survey found that 62 percent of craft distillers say they are not producing spirits RTDs due to higher tax rates, which create a barrier to entry in the market. Small producers – facing that obstacle to doing business and creating spirits-based RTD products for their customers in Ohio – will benefit from the House-passed language.

We support the House-passed language because it would set a more equitable tax rate of \$0.35 cents per gallon for spirits-based RTDs up to 10 percent alcohol by volume (ABV). Reducing the state excise tax on these spirits-based RTDs from \$1.20 to \$0.35 will not eliminate the tax discrepancy compared to beer or malt-based RTDs – beer and malt-based products would still enjoy the advantage of being taxed by half of this proposed rate for spirits-based RTDs – but it will reduce the discrepancy from nearly seven times higher to simply twice the state excise tax rate for beer and malt-based products.

Thank you for your consideration in providing fair tax treatment that will benefit Ohio consumers and boost small businesses.

Sincerely,

Andy Deloney  
Senior Vice President and Head of State Public Policy

cc: Members of the Senate Finance Committee