

Spirits Ready-to-Drink (RTDs): It's Time to CAN Outdated Alcohol Laws



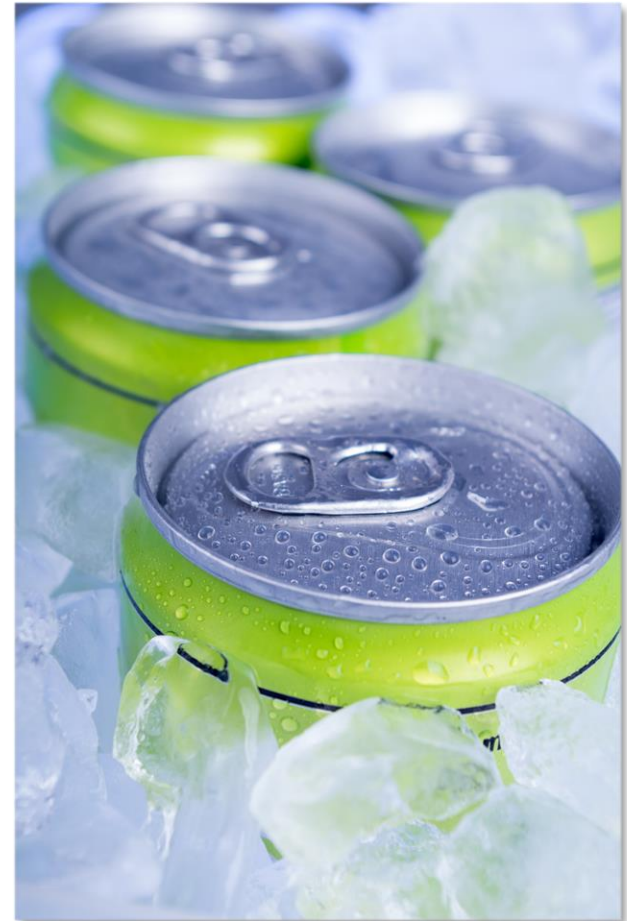
DISTILLED SPIRITS COUNCIL
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What is a Ready-to-Drink Product?

- **What they ARE:**
 - Low alcohol-by-volume (ABV)
– 14% or below
 - Typically, single serve in a can or bottle
 - Made with malt, wine, sugar or spirits
 - In tremendous demand by consumers
- **What they ARE NOT:**
 - Full-proof spirits bottles
 - Any different from beer



Alcohol is Alcohol.

According to the *Dietary Guidelines for Americans*, one standard drink or “drink equivalent” contains 0.6 ounces (14 grams) of pure alcohol.¹

Ethanol is the pure alcohol that is in ALL beverage alcohol. Each of these standard drinks has the same type and amount of alcohol:



12 oz regular beer
(5% ABV)



5 oz wine
(12% ABV)



1.5 oz 80-proof
distilled spirits
(40% ABV)

Alcohol is alcohol.

Whether it is in distilled spirits, wine, or beer, the effects of ethanol on the body are the same. According to the CDC, “it is the amount of alcohol consumed that affects a person most, not the type.”² Alcohol consumption is linked to some health risks and some potential benefits,* and studies show that these associations are attributable to ethanol.

Public policy regarding beverage alcohol should not differentiate between distilled spirits, wine, and beer.

It sends the dangerous message that some forms of beverage alcohol are ‘safer’ than others.

Alcohol is Alcohol.

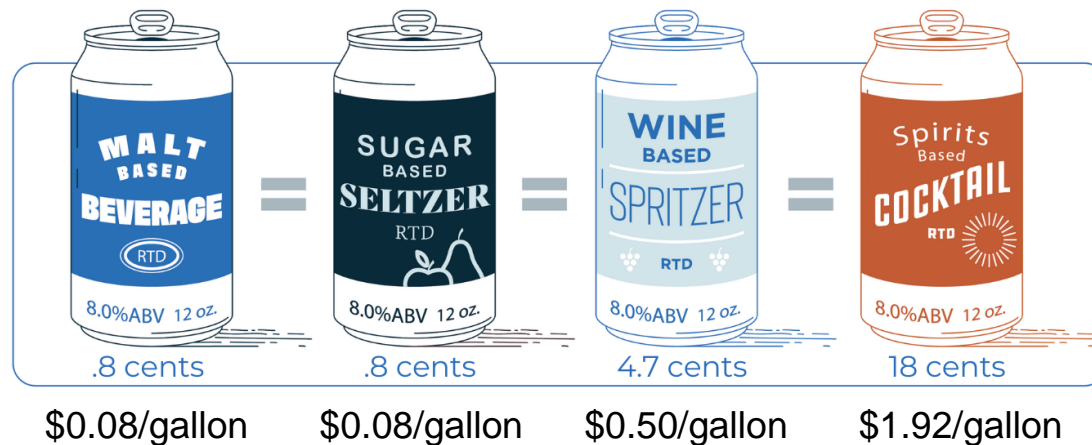


- Alcohol is alcohol.
- It makes no sense to restrict spirits RTDs from a store given a malt/beer RTD with 8% ABV, for example, has the exact same alcohol content as a spirits RTD with 8% ABV. There is no difference.
- Drinking responsibly and in moderation depends on how much you drink, not whether that drink is made of beer (malt), sugar, wine or spirits.

Kentucky Law Puts Distilleries & Consumers at a Disadvantage

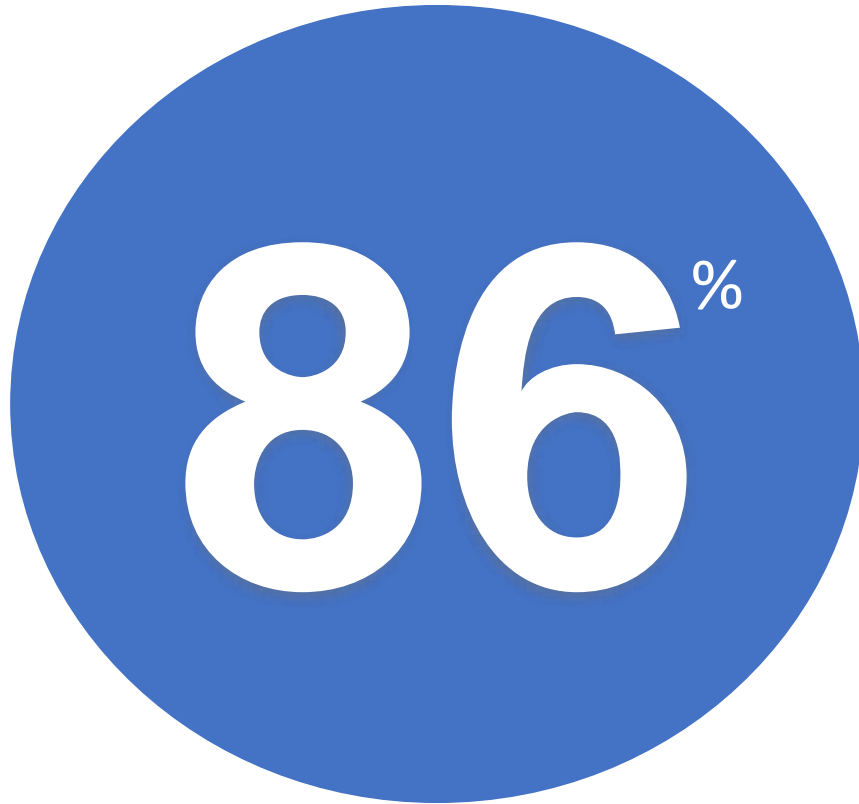
KY RTD TAX RATE

At 8% ABV, the Kentucky tax rate on spirits-based RTDs is more than **22 times** the malt- and sugar-based state tax rate.



- Kentucky has a tax rate for spirits RTDs that is **22 TIMES HIGHER** than beer seltzers with the same alcohol content.
- Kentucky **DOES NOT** allow spirits RTDs to be sold alongside beer seltzers with the same alcohol content.
- West Virginia, Ohio, Indiana, Illinois and Missouri all allow spirits RTDs in grocery stores.

Seeking Fairness on Spirits-Based Ready-to-Drink Products



of consumers agree spirits RTDs should be sold where beer/malt and sugar RTDs are sold

- Tremendous innovation and transformation in the RTD category accelerated by consumer demand
- Consumer demand for convenience and a growing market category also driving state legislators to consider bills related to retail access and taxation for RTDs
- 55% of respondents in a recent [survey](#) stated they favor spirits-based RTDs over other ready-to-drink choices

Thank you
We are happy to entertain your questions.



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