

Debbie Longman

From: Rees, Jonathan <Jonathan.Rees@anheuser-busch.com>
Sent: Thursday, August 16, 2018 6:18 PM
To: CITReview
Cc: O'Connor, Victoria; Gerjoi, Isabela; Lopez, Naomi
Subject: Anheuser-Busch Comment Letter - FDOR Review of the Tax Cuts and Jobs Act of 2017
Attachments: AB Florida Comment Letter.pdf

Good afternoon,

Anheuser-Busch Companies respectfully submits the following comment letter urging the state to decouple from the new interest expense limitations under IRC §163(j), as amended under the Tax Cuts and Jobs Act (2017).

Thank you,



Jonathan Rees
Senior Manager, State Affairs

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Via Electronic mail and First Class Mail

Corporate Income tax Review
c/o Director of Legislative and Cabinet Services
Department of Revenue
P.O. Box 5906
Tallahassee, FL 32314-5906

August 16, 2018

Dear Director,

Anheuser-Busch Companies respectfully submits the following comment letter and urges the state to decouple from the new interest expense limitations under IRC §163(j), as amended under the Tax Cuts and Jobs Act (2017) (“TCJA”). Decoupling from this provision would reverse a corporate tax increase and ensure the state remains competitive without causing undue harm to the tax revenues of the State of Florida.

Anheuser-Busch is one of America’s most iconic companies and honored to be the leader of the U.S. beer industry. We are proud of our history and heritage and remain committed to brewing the great-tasting, high-quality beers that have satisfied beer drinkers for generations. We operate more than 100 facilities across 27 states and employ more than 18,000 colleagues nationwide. In the Southeast region, we employ more than 1,600 people at our two breweries in Cartersville, GA, and Jacksonville, FL. Our Jacksonville brewery produces more than a dozen Anheuser-Busch brands, including Budweiser and Bud Light—two of the world’s best-selling beers, and the brewery distributes primarily locally to the southeast. In Florida alone, Anheuser-Busch employs more than 980 people with a payroll of \$94 million.

We are confident in the future of American brewing and are committed to the communities where we live and work, which is why we have made \$1.2 billion in investments in Florida since 1969. In 2015, we announced a \$175 million investment to our local Metal Container Corporation (MCC) plant, which celebrated the new expansion in 2017 and includes the production of the popular aluminum bottle. The investment expanded our presence and created roughly 75 new jobs at the facility. Last year, we announced an \$11 million investment to our Jacksonville brewery to expand upon our aluminum bottle capabilities and improve energy efficiency.

As a strong supporter of Florida’s economy, Anheuser-Busch supports tax reform that will lead to increased investment, job growth, and keeping Florida competitive. However, on March 23, 2018, Florida House Bill 7093 was enacted, which conformed to the Federal law and included amended section 163(j) that imposes limitations on interest deductibility. Conforming to the TCJA will result in an increase in taxes, leading to a higher cost of capital for investments and an increase in administrative costs, reducing Florida’s competitive advantage. An EY study published by the Council on State taxation (COST) predicts that in conforming to the TCJA, states will, on average, see an increase of the corporate tax base of 12 percent, with Florida coming in with *an above-average increase* of 13 percent.

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Florida can remain competitive, keep tax rates low, and cover budget short falls without having to raise taxes due to the overall impact of the TCJA. By conforming and decoupling from IRC §163(j), Florida would reaffirm its widely-recognized reputation as a state that aligns its tax policies with international norms, keeping the state competitive for local growth and investment.

Thank you for your work to keep Florida friendly to taxpayers and open for business.

Sincerely,

Isabela Gerjoi B. de Souza
VP, Income Taxes