

115TH CONGRESS  
1ST SESSION

# S. 429

To exempt the aging process of distilled spirits from the production period for purposes of capitalization of interest costs.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 16, 2017

Mr. McCONNELL (for himself and Mr. PAUL) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To exempt the aging process of distilled spirits from the production period for purposes of capitalization of interest costs.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Advancing Growth in  
5 the Economy through Distilled Spirits Act” or the  
6 “AGED Spirits Act”.

7 **SEC. 2. PRODUCTION PERIOD OF DISTILLED SPIRITS.**

8 (a) IN GENERAL.—Section 263A(f) of the Internal  
9 Revenue Code of 1986 is amended—

1           (1) by redesignating paragraph (4) as para-  
2           graph (5), and

3           (2) by inserting after paragraph (3) the fol-  
4           lowing new paragraph:

5           “(4) EXEMPTION FOR AGING PROCESS OF DIS-  
6           TILLED SPIRITS.—For purposes of this subsection,  
7           the production period shall not include the aging pe-  
8           riod for distilled spirits (as described in section  
9           5002(a)(8)), except such spirits that are unfit for  
10          use for beverage purposes.”.

11          (b) CONFORMING AMENDMENT.—Paragraph  
12          (5)(B)(ii) of section 263A(f) of the Internal Revenue Code  
13          of 1986, as redesignated by this section, is amended by  
14          inserting “except as provided in paragraph (4),” before  
15          “ending on the date”.

16          (c) EFFECTIVE DATE.—The amendments made by  
17          this section shall apply to interest costs paid or incurred  
18          in taxable years ending on or after December 31, 2018.

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