

104TH CONGRESS
1ST SESSION

S. 401

To amend the Internal Revenue Code of 1986 to clarify the excise tax treatment of hard apple cider.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 14 (legislative day, JANUARY 30), 1995

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

A BILL

To amend the Internal Revenue Code of 1986 to clarify
the excise tax treatment of hard apple cider.

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. CLARIFICATION OF TAX TREATMENT OF HARD**

4 **APPLE CIDER.**

5 (a) HARD APPLE CIDER CONTAINING NOT MORE
6 THAN 7 PERCENT ALCOHOL TAXED AS BEER.—Sub-
7 section (a) of section 5052 of the Internal Revenue Code
8 of 1986 (relating to definitions) is amended to read as
9 follows:

1 “(a) BEER.—For purposes of this chapter (except
2 when used with reference to distilling or distilling mate-
3 rial)—

4 “(1) IN GENERAL.—The term ‘beer’ means
5 beer, ale, porter, stout, and other similar fermented
6 beverages (including saké or similar products) of any
7 name or description containing one-half of 1 percent
8 or more of alcohol by volume brewed or produced
9 from malt, wholly or in part, or from any substitute
10 therefor.

11 “(2) HARD APPLE CIDER.—The term ‘beer’ in-
12 cludes a beverage—

13 “(A) derived wholly (except for sugar,
14 water, or added alcohol) from apples containing
15 at least one-half of 1 percent and not more
16 than 7 percent of alcohol by volume, and

17 “(B) produced by a person who produces
18 more than 100,000 wine gallons of such bev-
19 erage during the calendar year.”.

20 (b) CONFORMING AMENDMENT.—Subsection (a) of
21 section 5041 of the Internal Revenue Code of 1986 (relat-
22 ing to imposition and rate of tax) is amended by striking
23 “wine)” and inserting “wine, but not including hard apple
24 cider described in section 5052(a)(2))”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply on and after the date of enactment
3 of this Act.

○