



# Announcement

**December 30, 2016**

## **Statutory Changes to Criteria for "Hard Cider" Tax Rate Become Effective; TTB Regulations and Guidance To Be Published Soon**

Changes to the Internal Revenue Code criteria for the "hard cider" tax rate made by the Protecting Americans from Tax Hikes Act of 2015 (PATH Act) will become effective for wines removed from wine premises or customs custody on or after January 1, 2017. The hard cider tax rate is lower than the tax rate for other wines. The modified criteria broaden the range of wines eligible for the hard cider tax rate as follows:

- The allowable alcohol content increases from less than 7 percent to less than (not equal to) 8.5 percent alcohol by volume;
- The allowable carbonation level increases from 0.392 to 0.64 gram of carbon dioxide per hundred milliliters of wine; and
- The use of pears and pear juice concentrate is authorized in wine eligible for the hard cider tax rate.

Wine eligible for the hard cider tax rate cannot contain fruit products or fruit flavors other than apple and pear.

We have developed regulations to implement these statutory changes, as well as guidance to assist industry members with compliance. Both will be published soon. When the regulations and guidance are available, we will issue separate announcements.

If you have any questions regarding these statutory changes, please contact TTB's Regulations and Rulings Division by email, at [winereqs@ttb.gov](mailto:winereqs@ttb.gov), or by telephone, at 202-453-2265.