



Low and No Alcohol Beers and Malt Beverages

SUSAN EVANS, DIRECTOR OFFICE OF INDUSTRY AND STATE OUTREACH
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This information is being presented to help the public to understand and comply with the laws and regulations that the Alcohol and Tobacco Tax and Trade Bureau (TTB) administers.

It is not intended to establish any new, or change any existing, definitions, interpretations, standards, or procedures regarding those laws and regulations.

In addition, this presentation may be made obsolete by changes in laws and regulations.

Please consult the applicable laws and regulations for the most current requirements.

Sample documents (such as records, returns, and labels) are for illustrative purposes only and contain fictitious data.

2021 TTB Bootcamp Schedule

Time	Subject	Speaker
8:00 – 8:45	Introduction to TTB Bootcamp: The Basics	Janelle Christian
8:45 – 9:30	Low and No Alcohol Beers and Malt Beverages	Susan Evans
9:30 – 10:00	Break #1	
10:00 – 10:45	Taxes, Returns, and Operational Reports	Missy Keller
10:45 – 11:30	Formulas	Stacey Cochiara
11:30 – 12:00	Break #2	
12:00 – 1:00	Labeling	Paula Landsberger



Agenda

In this session we'll cover:

- Some definitions
- The basics
- Formula and label requirements
- Specific labeling terms
- Certificates of Label Approval (COLAs) and Certificates of Exemption
- Advertising and Trade Practices



Definitions



Beer

Internal Revenue Code

- Beer, ale, porter, stout, and other similar **fermented beverages** (including saké and similar products)* of any name or description
 - containing **one-half of one percent or more of alcohol by volume**
 - brewed or **produced from malt**, wholly or in part, or from any **substitute for malt**
 - Substitutes for malt are rice, grain of any kind, bran, glucose, sugar, and molasses

*Not covered in this presentation

[27 CFR 25.11](#)



Cereal Beverage

Internal Revenue Code

- A beverage, **produced either wholly or in part from malt (or a substitute for malt)**, and
 - either **fermented or unfermented**,
 - **which contains, when ready for consumption, less than one-half of 1 percent (0.5%) of alcohol by volume**
- Substitutes for malt are rice, grain of any kind, bran, glucose, sugar, and molasses

[27 CFR 25.11](#)



Malt Beverage

Federal Alcohol Administration Act

- A beverage made by the **alcoholic fermentation**
 - of an infusion or decoction, or combination of both,
 - in potable brewing water,
 - of **malted barley with hops**, or their parts, or their products,
 - and with or without other malted cereals,
 - and with or without the addition of unmalted or prepared cereals, other carbohydrates or products prepared therefrom,
 - and with or without the addition of carbon dioxide, and
 - with or without other wholesome products suitable for human food consumption

[27 CFR 7.10](#)



Cereal Beverage

Federal Alcohol Administration Act

- **Cereal Beverage** is a labeling class designation that may be used on malt beverages containing less than one-half of 1 percent (.5%) of alcohol by volume
- Under the FAA Act, any product labeled as a cereal beverage must meet the definition of a malt beverage shown on the previous slide

[27 CFR 7.24\(d\)](#)



In Summary

Here are the pertinent differences between the IRC definitions and FAA Act definitions:

	Internal Revenue Code (Part 25)		FAA Act (Part 7)	
	Beer	Cereal Beverage	Malt Beverage	Cereal Beverage
Must be fermented	X		X	X
Must be made with both malted barley and hops			X	X
Must contain 0.5% ABV or more	X			
Must contain less than 0.5% ABV		X*		X
May contain no alcohol (0.0%)		X*	X	X

*when ready for consumption



We'll Cover These Two Categories of Low/No Alcohol Beers/Malt Beverages

1

Products that contain 0.0% alcohol by volume

2

Products that contain more than 0.0 but less than 0.5% alcohol by volume

The Basics





Must it be Made at a Brewery?

0.0% Alc/Vol	More than 0.0 and less than 0.5% Alc/Vol
Not required to, but may be 27 CFR 25.23, 25.241	Not required to, but may be 27 CFR 25.23, 25.241



From this Point on:

The remaining slides in this presentation will only address products that are made:

- at a domestic brewery
- by fermentation
- with both malted barley and hops



How is it Referred to in 27 CFR Part 25? The Internal Revenue Code

0.0% Alc/Vol	More than 0.0 and less than 0.5% Alc/Vol
Cereal Beverage 27 CFR 25.11	Cereal Beverage 27 CFR 25.11



How is it Referred to in 27 CFR Part 7?

Federal Alcohol Administration Act

0.0% Alc/Vol	More than 0.0 and less than 0.5% Alc/Vol
Malt beverage, cereal beverage, near beer 27 CFR 7.10, 7.24(d)	Malt beverage, cereal beverage, near beer 27 CFR 7.10, 7.24(d)

Part 7 only applies to fermented products that contain both malted barley and hops



Formula and Label Requirements



Is Formula Approval Required?

0.0% Alc/Vol	More than 0.0 and less than 0.5% Alc/Vol
<p data-bbox="387 601 1205 732">Yes with laboratory sample analysis</p> <p data-bbox="634 1068 958 1110">TTB G 2016-1A</p>	<p data-bbox="1289 522 2188 576">Yes, if any of the following are used:</p> <ul data-bbox="1289 605 2130 976" style="list-style-type: none">-non-traditional process-flavors or other nonbeverage products containing alcohol-coloring material-natural flavors or artificial flavors-food materials <p data-bbox="1602 1065 1882 1105">27 CFR 25.55</p>

When required, formula approval applies even if the product will be sold only at the brewer's brewpub or otherwise sold only within the state in which it is produced



Does TTB Ruling 2015-1 Apply?

0.0% Alc/Vol	More than 0.0 and less than 0.5% Alc/Vol
No	No

[TTB Ruling 2015-1](#) exempts from TTB formula requirements certain ingredients and processes used to make products with 0.5% or more ABV and made with both malted barley and hops



Must it be Labeled in Compliance with Part 25?

0.0% Alc/Vol	More than 0.0 and less than 0.5% Alc/Vol
<p data-bbox="749 651 843 708">Yes</p> <p data-bbox="379 772 1212 976">Including, must be labeled “Nontaxable under section 5051 I.R.C.”</p> <p data-bbox="614 1076 978 1129">27 CFR 25.242</p>	<p data-bbox="1691 651 1786 708">Yes</p> <p data-bbox="1327 772 2160 976">Including, must be labeled “Nontaxable under section 5051 I.R.C.”</p> <p data-bbox="1556 1076 1921 1129">27 CFR 25.242</p>



Must it be Labeled in Compliance with Part 7?

0.0% Alc/Vol		More than 0.0 and less than 0.5% Alc/Vol	
Sold Interstate	Intrastate Only	Sold Interstate	Intrastate Only
Yes	No	Yes	No
27 CFR 7.20(a)	27 CFR 7.20(a)	27 CFR 7.20(a)	27 CFR 7.20(a)

Part 7 labeling rules generally apply only to fermented products made with both malted barley and hops that are sold in interstate commerce and into a state where similar law exists



Must it be Labeled in Compliance with FDA Food Labeling?

0.0% Alc/Vol	More than 0.0 and less than 0.5% Alc/Vol
No	No
← Unless made without both malted barley and hops →	
27 CFR 7.6(b)	27 CFR 7.6(b)

See [TTB Ruling 2008-3](#) and [FDA Guidance for Industry](#)



Must the Government Health Warning Appear on the Label?

0.0% Alc/Vol		More than 0.0 and less than 0.5% Alc/Vol	
Sold Interstate	Intrastate Only	Sold Interstate	Intrastate Only
No	No	No	No

The Government Health Warning is required on all alcohol beverages with 0.5% or more ABV - 27 CFR 16.10



How Must it be Designated on the Label?

0.0% Alc/Vol		More than 0.0 and less than 0.5% Alc/Vol	
Sold Interstate	Intrastate Only	Sold Interstate	Intrastate Only
Malt beverage, cereal beverage, or near beer <i>May not be designated beer, lager beer, lager, ale, porter, or stout</i>	Malt beverage, cereal beverage, near beer, or other distinctive name	Malt beverage, cereal beverage, or near beer <i>May not be designated beer, lager beer, lager, ale, porter, or stout</i>	Malt beverage, cereal beverage, near beer, or other distinctive name
27 CFR 7.24(d)	27 CFR 25.242(a)	27 CFR 7.24(d)	27 CFR 25.242(a)



Is an Alcohol Content Statement Mandatory?

0.0% Alc/Vol		More than 0.0 and less than 0.5% Alc/Vol	
Sold Interstate	Intrastate Only	Sold Interstate	Intrastate Only
<p>Yes If labeled Alcohol Free, otherwise optional</p> <p>27 CFR 7.71(c)(3)</p>	<p>No May be required by state law, otherwise optional</p>	<p>Yes if made with flavors or other nonbeverage ingredients containing alcohol (other than hops extract), otherwise optional</p> <p>27 CFR 7.22(a)(5), 27 CFR 7.71</p>	<p>No May be required by state law, otherwise optional</p>

Specific Labeling Terms





May it be Labeled “Alcohol Free”?

0.0% Alc/Vol		More than 0.0 and less than 0.5% Alc/Vol	
Sold Interstate	Intrastate Only	Sold Interstate	Intrastate Only
<p>Mandatory if labeled 0.0% ABV, otherwise optional</p> <p>27 CFR 7.71(c)(3), 7.71(f)</p>	<p>TTB regs don't address this</p>	<p>No</p> <p>27 CFR 7.71(f)</p>	<p>TTB regs don't address this</p>

Pauling's Alcohol Free

NONTAXABLE
UNDER SECTION
5051 I.R.C.



An alcohol - free version of your
on - tap favorite!

0.0% alc./vol.

CRISP MALTY REFRESHING

12 fl. oz. | Brewed by Pauling Brewery Newark, NJ | Malt Beverage





May it be Labeled “Non-alcoholic”?

0.0% Alc/Vol		More than 0.0 and less than 0.5% Alc/Vol	
Sold Interstate	Intrastate Only	Sold Interstate	Intrastate Only
<p>Optional, but if used, Contains less than 0.5 percent (or .5%) alcohol by volume must appear with it</p> <p>27 CFR 7.71(e)</p>	<p>TTB regs don't address this</p>	<p>Optional, but if used, Contains less than 0.5 percent (or .5%) alcohol by volume must appear with it</p> <p>27 CFR 7.71(e)</p>	<p>TTB regs don't address this</p>

Non-Alcoholic | Example

This product is domestically bottled, so **Nontaxable under section 5051 I.R.C.** must appear on the label

Non-Alcoholic is an optional statement, but if used, the label must also state in direct conjunction **Contains less than 0.5% alcohol by volume**

Since you can't use **Beer** you may describe the product as a **Brew** instead, but it is not acceptable as the class



This product cannot be labeled as **beer**. It must be labeled with a class designation of **malt beverage, cereal beverage, or near beer**, under 27 CFR 7.24(d)





May it be Labeled “Low Alcohol” or “Reduced Alcohol”?

0.0% Alc/Vol		More than 0.0 and less than 0.5% Alc/Vol	
Sold Interstate	Intrastate Only	Sold Interstate	Intrastate Only
No 27 CFR 7.71(d)	TTB regs don't address this	Yes 27 CFR 7.71(d)	TTB regs don't address this



Certificates of Label Approval (COLA) and Certificates of Exemption



Is a Certificate of Label Approval (COLA) Required Under Part 7?

0.0% Alc/Vol		More than 0.0 and less than 0.5% Alc/Vol	
Sold Interstate	Intrastate Only	Sold Interstate	Intrastate Only
Yes	No	Yes	No
27 CFR 7.40, 7.41, TTB Ruling 2013-1	TTB Ruling 2013-1	27 CFR 7.40, 7.41, TTB Ruling 2013-1	TTB Ruling 2013-1

Part 7 COLA requirements generally apply only to products made with both malted barley and hops that are sold in interstate commerce and into a state where the laws about labeling are identical to Federal law



Is a Certificate of Exemption Required Under Part 7?

0.0% Alc/Vol		More than 0.0 and less than 0.5% Alc/Vol	
Sold Interstate	Intrastate Only	Sold Interstate	Intrastate Only
No	No	No	No
TTB Ruling 2013-1	TTB Ruling 2013-1	TTB Ruling 2013-1	TTB Ruling 2013-1

TTB regulations do not require a brewer to obtain either a COLA or a certificate of exemption for a domestically bottled malt beverage that will be sold exclusively in the state in which it was bottled

Advertising and Trade Practices





Do the Advertising Provisions of Part 7 Apply?

0.0% Alc/Vol		More than 0.0 and less than 0.5% Alc/Vol	
Sold Interstate	Intrastate Only	Sold Interstate	Intrastate Only
Yes 27 CFR 7.50	No	Yes 27 CFR 7.50	No

27 CFR part 7 advertising rules generally apply only to products made with both malted barley and hops that are sold in interstate commerce and into a state where similar law exists



Do TTB Trade Practice Rules Apply?

0.0% Alc/Vol	More than 0.0 and less than 0.5% Alc/Vol
Yes	Yes

27 CFR part 6, 8, 10, and 11 trade practice rules generally apply only to practices involving products made with both malted barley and hops