



**TTB** Alcohol and Tobacco  
Tax and Trade Bureau  
U.S. Department of the Treasury

## Beer Resources

### Beer Formulas

Some fermented brewery products require formula approval, depending on their ingredients (flavors, colors, artificial sweeteners, etc.) and how they are made. [TTB Ruling 2015-1](#) exempts some ingredients and processes from formula approval.

**Do I need a  
formula?**



**Formula  
guidance**

### Beer Labeling

In general, TTB labeling requirements apply to malt beverages, while FDA labeling requirements apply to beers that are not malt beverages. A health warning statement must appear on all labels of alcohol beverages containing at least 0.5% alcohol by volume.

**Beer labeling  
guidance**



### Getting Started as a Brewery

It's essential to understand the requirements and responsibilities associated with submitting a TTB Brewer's Notice and maintaining compliant operations under 27 CFR part 25.

### What Laws and Regulations Apply?

The laws and regulations that apply to your brewery product depends on whether it is classified as a beer under the Internal Revenue Code (IRC) and as a malt beverage under the Federal Alcohol Administration Act (FAA Act).

In general, all breweries producing beers containing at least 0.5% alcohol by volume are subject to certain IRC requirements, including brewery qualification, record-keeping and reporting, tax payment, formula submission (for some brewery products), and minimum label requirements under TTB regulations at 27 CFR part 25. Non-alcoholic beers (i.e., those below 0.5% alcohol by volume) are subject to some, but not all, of these requirements.

Brewery products that fall within the definition of "malt beverage" under the FAA Act are, in most cases, also subject to TTB's labeling, advertising, and trade practice regulations. For a brewery product to fall within the definition of a "malt beverage" under the FAA Act, it must be a fermented beverage made from both malted barley and hops, or their parts, or their products. A fermented beverage that qualifies as a "beer" under the IRC but that is made without both malted barley and hops is not a malt beverage under the FAA Act.

To learn the basics of TTB's requirements related to brewing beer, view our *Boot Camp for Brewers* videos!



**Boot Camp  
for Brewers**

Check out our *Frequently Asked Questions* for more information!



**Beer FAQs**

### What is Contract Brewing?

A business relationship in which one person, such as a wholesale or retail dealer or a brewer, pays a brewing company, the "contract brewer," to produce beer for them. TTB considers contract brewing arrangements to be ordinary commercial arrangements. Contract brewing is distinct from alternating proprietorships.

See *TTB Industry Circular 2005-2, Alternating Proprietors at Brewery Premises*, for further information on the federal permitting tax, and reporting requirements of both types of arrangements.



**Industry  
Circular  
2005-2**



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## CBMA Tax Credit Qualifications



**Tax reform**

- Domestic beer producers may be entitled to certain reduced rates of tax on beer they produce and remove per calendar year. To take a reduced rate of tax, the brewer must have produced and removed the beer from their brewery. For purposes of taking the Craft Beverage Modernization Act (CBMA) reduced rate of tax, beer is considered to have been “produced” if it is lawfully brewed or produced at a qualified brewery premises, including beer brewed by fermentation or produced by the addition of water or other liquids during any stage of production. See [TTB Procedure 2023-1](#), Transfer of Beer Between Breweries Not of the Same Ownership.

- Electing U.S. importers may take advantage of tax credits appropriately assigned to them by a foreign brewery

**Tax benefits  
for imports**



## Beer Tax Rates (2018 to Present)

| Reduced Tax Rates on Domestic Removals or Imports                                                                                                                                                                                                                                                                                                                    |                                 |                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------------|
| Barrels per Calendar Year                                                                                                                                                                                                                                                                                                                                            |                                 |                                                |
| Beer produced and removed by a domestic brewer who produces 2,000,000 barrels or less per calendar year                                                                                                                                                                                                                                                              | First 60,000<br>Rate per Barrel | Over 60,000 up to 2,000,000<br>Rate per Barrel |
|                                                                                                                                                                                                                                                                                                                                                                      | \$3.50                          | \$16.00                                        |
| Beer removed by: <ul style="list-style-type: none"><li>• A domestic brewer who produces over 2,000,000 barrels per calendar year and who produced the beer</li><li>• An electing U.S. importer with a reduced rate appropriately assigned to them by a foreign brewer</li></ul>                                                                                      | First 60,000<br>Rate per Barrel |                                                |
|                                                                                                                                                                                                                                                                                                                                                                      | \$16.00                         |                                                |
| General Tax Rates on Domestic Removals or Imports                                                                                                                                                                                                                                                                                                                    |                                 |                                                |
| Beer removed by: <ul style="list-style-type: none"><li>• A domestic brewer who did not produce the beer</li><li>• An U.S. importer who is not assigned a reduced rate by a foreign brewer</li><li>• A brewer who exhasuted its own reduced rate entitlement for the calendar year or an importer who has already taken advantage of assigned reduced rates</li></ul> | All Barrels<br>Rate per Barrel  |                                                |
|                                                                                                                                                                                                                                                                                                                                                                      | \$18.00                         |                                                |

Still have questions? Contact Us!  
[www.ttb.gov/](http://www.ttb.gov/)

