



TTB Workshop

CIDERCON 2020

JANUARY 29, 2020



Agenda

Time	Subject	Speaker
8 - 8:30 a.m.	Cider Overview	Susan Evans
8:30 - 8:45 a.m.	Permit Applications	Kim Briedis
8:45 - 9:30 a.m.	Recordkeeping	Mark Epps
9:30 - 10:20 a.m.	Operational Reports and Tax Returns	Ronda Merrell
10:20 - 11 p.m.	Formulas	Vonzella Johnson
11 - 12 p.m.	Labels	Alexis Jewell



TTB Disclaimer

Notice:

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 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 regulations for the most current regulatory requirements

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



Overview

SUSAN EVANS

DIRECTOR

OFFICE OF INDUSTRY AND STATE OUTREACH



What are Cider
and Perry?

Which Federal Laws and
Regulations Apply?

Which Federal Agencies
Regulate it?



What is Cider?

The term **cider** is often used in a general way to cover a variety of different products





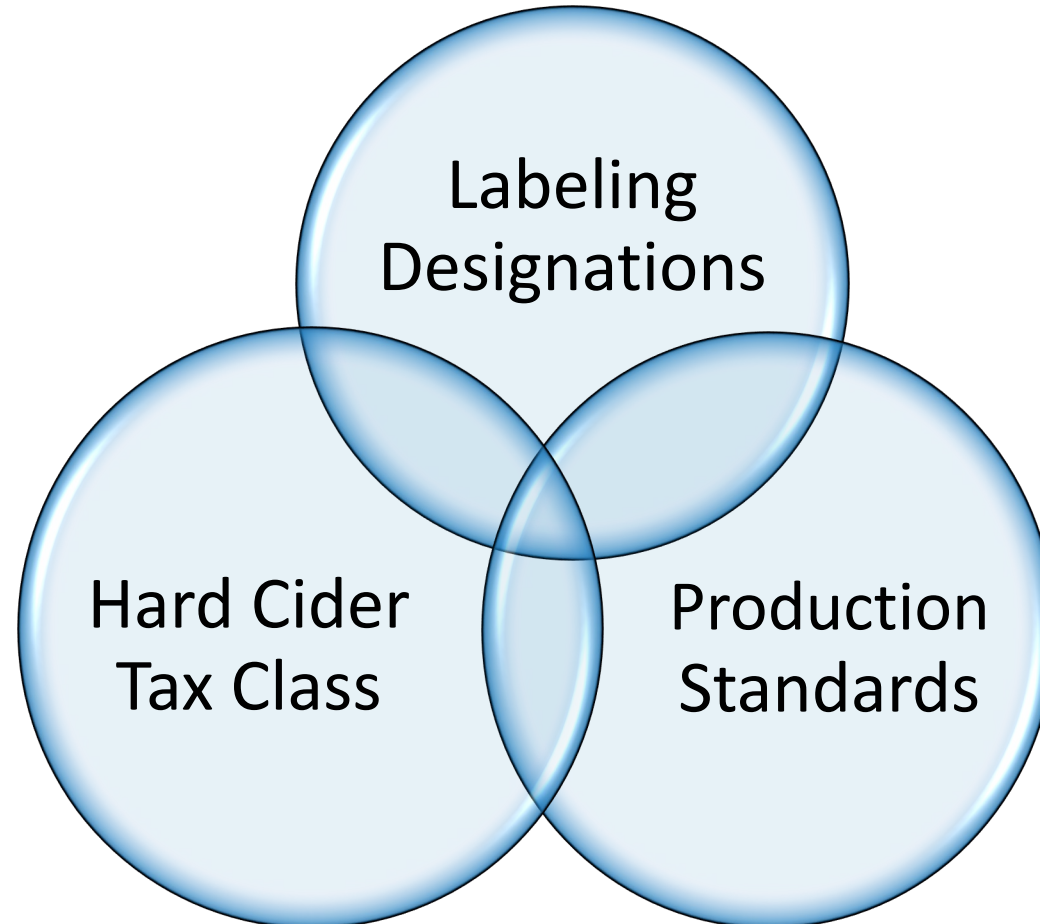
How Does TTB Define Cider and Perry?

When used in the TTB regulations the terms **cider**, **perry**, and **hard cider** have very specific meanings

Since these terms are defined in TTB regulations we'll use **cider and perry products** as umbrella terms

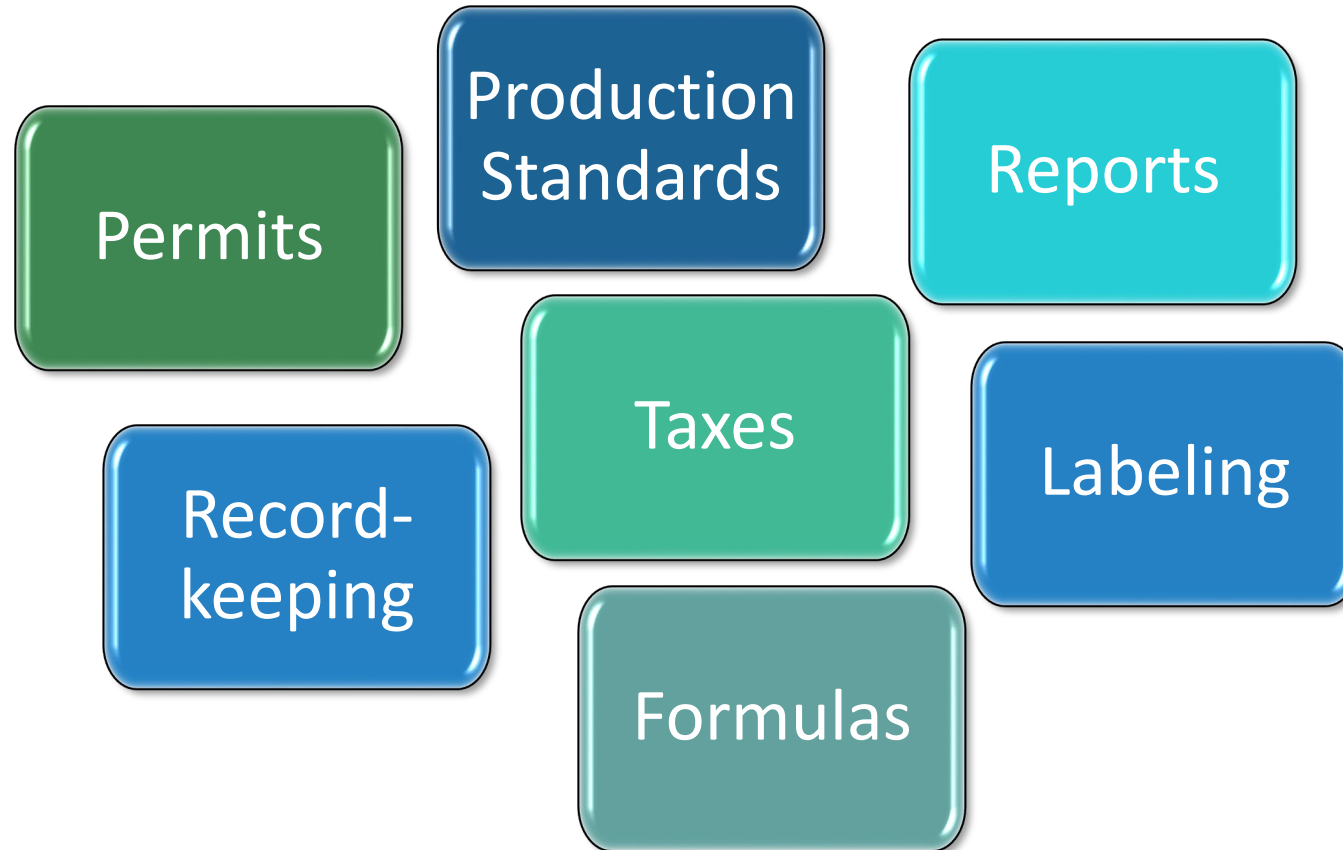


How Does TTB Define Cider and Perry Products?



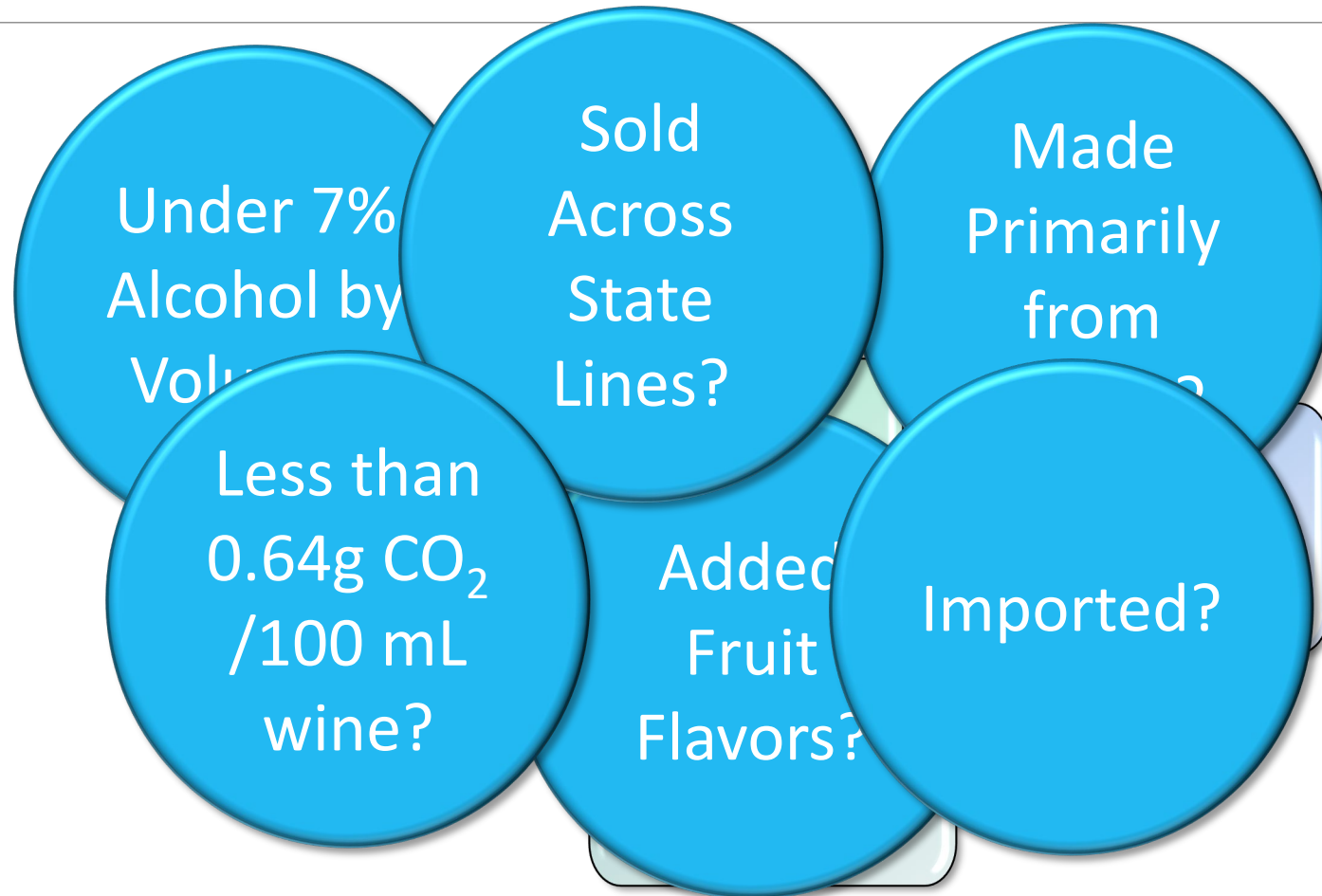


How Does TTB Regulate Cider and Perry Products?





How Does TTB Regulate Cider and Perry Products?





How Does TTB Regulate Cider and Perry Products?

To understand which TTB requirements you need to follow for your cider/perry products, you need to understand:

- How they fit into the federal legal framework, and
- How they are classified for production, tax, and labeling purposes



How Does TTB Regulate Cider and Perry Products?

There are 3 different statutes or laws under TTB jurisdiction that govern cider/perry products:

- Internal Revenue Code
- Federal Alcohol Administration Act
- Alcoholic Beverage Labeling Act

Under these laws, cider/perry products are categorized as alcohol beverages in general and wine specifically



IRC Requirements for Wine

The Internal Revenue Code (IRC) implementing regulations (CFR) cover issues such as:

- Qualification/registration of bonded wine premises
- Production requirements
- Formulas (for some)
- Recordkeeping/reports
- Taxes
- Basic labeling/marketing
- Other requirements

[27 CFR part 24](#) (domestic)

[27 CFR part 27](#) (imports)



Wine Classifications in Part 24 (IRC)

- For production purposes, part 24 subdivides wine into **Standard wine** and **Other than Standard wine**
- Cider/perry products may be either one, depending on how they are made
- Cider/perry products that are **Standard wine** may be either
 - **Natural wine**
 - **Special Natural wine**



Why Does it Matter?

The IRC classification of cider/perry as a **Natural wine**, a **Special Natural wine**, or an **Other than Standard wine** affects:

- How it can be made, and
- Whether a formula is required

It DOES NOT affect the tax rate



Tax Classes in Part 24 (IRC)

- For tax purposes, part 24 subdivides wine into 8 different tax classes
- Depending how cider or perry products are made, they may not be eligible for the Hard Cider tax rate
- In general, the tax classification of cider and perry products is determined by:
 - Alcohol content
 - Level and origin of carbon dioxide
 - Ingredients used



Tax on Wine Removed 2018 - 2020

Tax Class	Wines Gallons Per Calendar Year			
	First 30,000	Over 30,000 up to 130,000	Over 130,00 up to 750,000	Over 750,000
Still Wine				
16% and under alcohol by volume (0.392g CO ₂ /100mL or less)	\$0.07	\$0.17	\$0.535	\$1.07
Over 16 - 21% alcohol by volume (0.392g CO ₂ /100mL or less)	\$0.57	\$0.67	\$1.035	\$1.57
Over 21 - 24% alcohol by volume (0.392g CO ₂ /100mL or less)	\$2.15	\$2.25	\$2.615	\$3.15
Mead No more than 0.64g CO ₂ /100mL; derived solely from honey and water; containing no fruit product or fruit flavoring; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07
Low alcohol by volume wine No more than 0.64g CO ₂ /100mL; derived primarily from grapes or from grape juice concentrate and water; containing no fruit product or fruit flavoring other than grape; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07



Tax on Wine Removed 2018 - 2020

Tax Class	Wines Gallons Per Calendar Year			
	First 30,000	Over 30,000 up to 130,000	Over 130,00 up to 750,000	Over 750,000
Artificially Carbonated Wine				
Over 0.392g CO ₂ /100mL - injected or otherwise added	\$2.30	\$2.40	\$2.765	\$3.30
Sparkling Wine				
Over 0.392g CO ₂ /100mL - naturally occurring	\$2.40	\$2.50	\$2.865	\$3.40
Hard Cider				
No more than 0.64g CO ₂ /100mL; derived primarily from apples/pears or apple/pear juice concentrate and water; containing no other fruit product or fruit flavoring other than apple/pear; and containing at least 0.5% and less than (not equal to) 8.5% alcohol by volume	\$0.164	\$0.17	\$0.193	\$0.226



“Hard Cider” Tax Class

Although the definition of wine eligible for the Hard Cider tax class may look like a production or labeling standard, it is NOT

- Some cider/perry products paid at the Hard Cider tax rate cannot be labeled simply **Hard Cider**, **Perry**, or **Cider**



FAA Act Requirements for Wine

- Federal Alcohol Administration Act (FAA Act) defines wine as having 7-24% alcohol by volume
- As a result, not all cider/perry products are regulated under the FAA Act
- The implementing regulations (CFR) cover issues such as:
 - Labeling
 - Certificates of Label Approval (COLA)
 - Qualification (Basic Permit)
 - Advertising
 - Trade practices
 - Labeling proceedings

27 CFR parts [1](#), [4](#), [6](#), [8](#), [10](#), [11](#), and [13](#)



ABLA Requirements for Wine

The implementing regulations (CFR) for the Alcoholic Beverage Labeling Act (ABLA) require that a **Health Warning Statement** appear on all alcohol beverages (including cider and perry products) with 0.5% alcohol by volume or more

[27 CFR part 16](#)



Labeling of Cider/Perry Products

- Labeling requirements for cider/perry products appear in both the IRC (part 24) and the FAA Act (part 4)
- You may also need to meet FDA food labeling and CBP import labeling requirements

How do you know which rules apply to your product?



IRC Labeling of Cider/Perry Products

- There are IRC labeling and marking requirements found in part 24 that apply to all wine, including cider/perry products, removed from U.S. wine premises
- These are the primary TTB rules for labeling cider/perry products with less than 7% alcohol by volume*

*These rules also apply to wine covered by a Certificate of Exemption from Label Approval

[27 CFR 24.257](#)



FAA Act Labeling of Cider/Perry Products

- The Federal Alcohol Administration Act (FAA Act) defines wine as having 7-24% alcohol by volume
- So the labeling and COLA requirements found in part 4 DO NOT apply to cider and perry products that are under 7% alcohol by volume
- Instead, those wines must comply with applicable **FDA food labeling and packaging requirements**, including **ingredient, nutrition, and allergen labeling** requirements



Fruit-Based Wine Classifications in Part 4

- For labeling purposes, part 4 subdivides wine into 9 classes, including **Class 5: Fruit Wine**
- Wine that does not fit into any of the 9 classes is commonly called a **wine specialty product**
- Cider/perry products may be classified as either one under part 4, depending on how they are made



Fruit Wine

Part 4

Class 5 Fruit wine is produced by the normal alcoholic fermentation of the juice of sound, ripe fruit ...

- May be designated as **apple wine, cider, or hard cider** if derived wholly from apples
- May be designated as **pear wine or perry** if derived wholly from pears
- If multiple kinds of fruit are fermented together, it must be labeled with a truthful and adequate statement of composition, such as **apple-blueberry wine**

[27 CFR 4.21\(e\)\(5\)](#)



Wine Specialty Products

Part 4

Wine specialty products do not fit into any of the 9 part 4 wine classes and must be labeled with a truthful and adequate statement of composition

- When adding flavors, colors, or spices
- Blending apple/pear wine with another fruit wine

[27 CFR 4.34\(a\)](#)



Legal Recap

	Internal Revenue Code 27 CFR part 24 (domestic) 27 CFR part 27 (imports)	Alcoholic Beverage Labeling Act 27 CFR part 16 Government Health Warning	Federal Alcohol Administration Act 27 CFR parts 1 and 4 (and others)	FDA Labeling and Packaging Regulations	CBP Regulations (imports)
Alcohol content	TTB	TTB	TTB	FDA	CBP
0.5% - < 7%	X	X		X	X
7% - 24%	X	X	X		X



Cider/Perry Products Recap

Cider/Perry products with at least 0.5% alc/vol:

- Regulated as wine
- Must be made at qualified bonded wine premises
- May be eligible for the Hard Cider tax rate
- May require formula approval



Cider/Perry Products Recap

Cider/Perry products with at least 0.5% alc/vol:

- Must be labeled in compliance with:
 - 27 CFR part 16 – Government Health Warning Statement
 - 27 CFR part 24 – (domestic, including <7% alc/vol or covered by Cert. of Exemption)
 - 27 CFR part 27 – (imports eligible for the Hard Cider tax class)
 - 27 CFR part 4 – (7% or more alc/vol and covered by Cert. of Label Approval)
 - FDA labeling & packaging regulations (<7% alc/vol)
 - U.S. Customs regulations (imported)



Rulemaking Updates



Status of Regulations Related to the Hard Cider Tax Class

- In 2017, TTB published temporary regulations to implement the statutory changes to the definition of wine eligible for the Hard Cider tax class, and invited public comments
- The temporary regulations expired this month
- Eligibility criteria for the Hard Cider tax rate are found in the law itself, and thus are not impacted by the expiration of the temporary regs
- Certain regulatory requirements with regard to labeling products eligible for the Hard Cider tax rate have now expired

However . . .



Status of Regulations Related to the Hard Cider Tax Class

- Domestic products eligible for the Hard Cider tax rate
 - containing less than 7 percent alcohol by volume
 - Covered by a certificate of exemption from label approvalmust be labeled with enough information to identify the tax class when viewed with the alcohol content
- The statement “Tax class 5041(b)(6)” will continue to meet this requirement
- We are in the rulemaking process and will consider all comments received on labeling and other issues prior to issuing the final regulations



Rulemaking: Modernization of the Labeling and Advertising Regulations

Purpose: TTB is proposing to comprehensively amend its regulations governing the labeling and advertising of alcohol beverages in order to improve understanding of the regulatory requirements and to make compliance easier and less burdensome for industry members

Comment period closed: June 26, 2019

Comments received: 1,150

Status: We are actively reviewing the comments and determining the best path forward



Rulemaking: Elimination of Certain Standards of Fill for Wine

Purpose: In this proposed rule, TTB is proposing to eliminate all but a minimum "standard of fill" (container size) for wine containers

Comment period closed: October 30, 2019

Comments received: 644

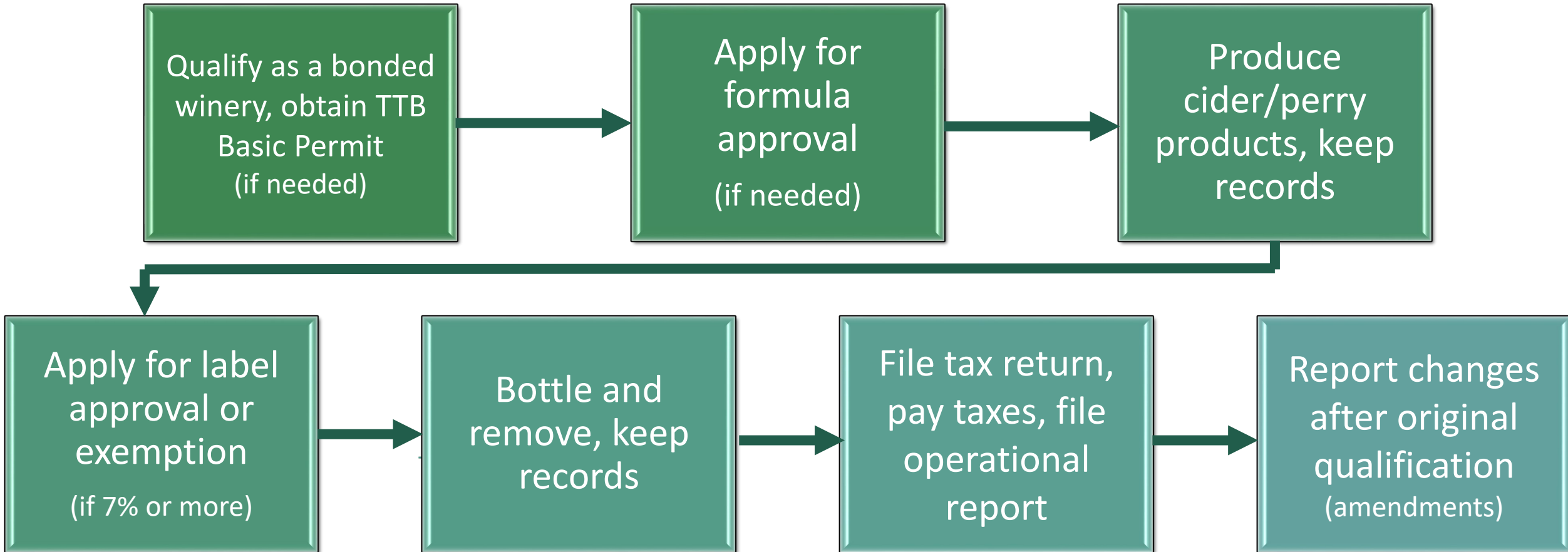
Status: We are actively reviewing the comments and determining the best path forward



What Do I Do
Next?



The TTB Process





Permit Applications

KIM BRIEDIS

PROGRAM ANALYST

PERMITS ONLINE TEAM



Before You Apply

- You must be able to produce in a reasonable amount of time
- You must have a securable building
- You may have a production area in your residence, with proper segregation
- If a bond is required and you are using a surety bond, obtain an executed bond



Apply Online



Permits Online is a web-based system that facilitates the online submission and internal processing of original and amended applications



Permits Online Offers

- Self registration
- An application wizard which creates an application package
 - Each package contains an application for your business entity and one or more commodity or operations applications
- Online document submission
- Ability to search applications and check application status online 24/7
- Email notifications of status changes
- Online access to your permit documents



Cider Application

Select Application(s)

APPLICATION TYPES

Based on what you've told us, here are the applications that best match your planned operations. Please select all that are appropriate for this premises location.

If you don't see an application that fits your operation, check our [list of application types that are not available via Permits Online](#) and follow the instructions for mailing in your application package instead.

Bonded Winery - Full Operations: *

Bonded Wine Cellar - Storage and Removal ONLY: *

Bonded Wine Cellar - Blender: *

Bonded Winery - Blending Wine: *

Tax Paid Wine Bottling House: *

Bonded Winery - Under 7% Alcohol: *

Select "Bonded Winery – Full Operations" if you plan to produce cider with an alcohol content of 7% or higher

Select "Bonded Winery – Under 7% Alcohol" if you only plan to produce cider with an alcohol content of less than 7%



Alternating Premises

ENTITY INFORMATION

Tell us about the business and the people that will be involved in this operation.

* Business structure:

Limited Liability Compan

State where incorporated or organized: *

OH

* Employer Identification Number (EIN):



32-6598741

* Do you currently have another approved or pending permit, registration, or notice with TTB under this EIN?:

Yes No

* Are you already operating another TTB-regulated business under the same EIN at this premises location?:

Yes No

* List the permit, registration, or notice number(s) of the other operation(s) at this premises:

BR-OH-20101

* Do you have an approved signing authority or power of attorney on file with TTB for this EIN?:

Yes No

* Do you need to remove owners/officers, update information about current owners/officers, add or remove power of attorney, add or remove signing authority, and/or change the name of the business?:

Yes No

* Do you need to add a new owner, officer, or other person associated with this business?:



Yes No

* Do you need to add or remove trade names (this does not include your operating / doing business as name)?:



Yes No

A Bonded Winery may alternate with a:

- Brewery
- Distilled Spirits Plant
- Taxpaid Wine Bottling House

Both applications are submitted in 1 package

Based on how you answer questions in the wizard, you will file 2 original applications, or an original with an amendment to an existing permit



Application Package

New Applications Wizard

1 Determine applications	2 Review	3 Application package	4 Pay cash bond if applicable	5 Submission confirmation
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Step 3: Application package

Based on the information you have provided, your application package consists of the application(s) shown below. Select "Start" to begin each application.

Once all applications are in "Ready to submit (edit)" status, you may select the "Submit application package" button. After submitting the application package, you will no longer be able to change any of the information.

Please complete the following applications:

Application for Brewery or Brewpub [Start](#)

Application for Original Entity [Start](#)

Application for Winery Operations [Start](#)

Personnel Questionnaire [Start](#)

Personnel Questionnaire [Start](#)

Submit Application Package »

Save and resume later



Entity Record



- All of your business information is found in your **Entity record**: business name, EIN, ownership information, officers, powers of attorney, signing authorities, and trade names
- Each permit you apply for under one EIN will be associated with this Entity record
- If you submit applications for more than one EIN, each EIN will have its own Entity record



Commodity Record

All information relating to each specific location (address) is found in the commodity record. You will be required to describe, as applicable:

- Your proposed operations
- The plat of land
- The building or buildings that make up the wine premises
- Security
- Taxpaid area(s)
- Alternating area(s)



Commodity Record - Bonds

WINERY INFORMATION

Describe your proposed operation and/or production process: *

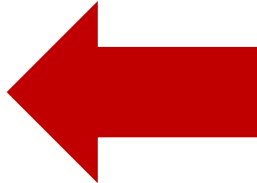
List the types of products you plan to produce/store, including alcohol content: *

Total number of gallons you anticipate producing/storing each year: *

I certify that I AM required to provide a bond: ?

I certify that I AM NOT required to provide a bond: ?

Describe the entire tract of land by using directions and distances in feet and inches: *



Mark the appropriate box regarding bond coverage

You will enter the information from the bond form in the Bond Table



Commodity Record

Based on information you supply in the application, you may be required to enter information in the following tables:

- Alternation of Proprietors
- Alternation of Premises
- Non-contiguous Location
- Wine Bond
- Consent of Surety
- Request for Variance



Required Documents

Step 4a

REQUIRED DOCUMENT CHECKLIST

Based on the information you have given us, the following documents need to accompany your application. Please edit the Method of Submission to tell us how you'll provide these documents:

- **Documents you plan to upload:** Mark as "Uploaded." [Learn more about the type of information that should be included in each document.](#)
- **Documents already on file with TTB:** Mark as "On File and Previously Approved by TTB."

Important: Please make any changes to the Method of Submission on your FINAL PASS through this application, since previous edits will be overwritten upon revisiting this page.

If no documents are listed in the table below, you are not required to upload any supporting documents and can continue your application.

Showing 1-2 of 2

<input type="checkbox"/>	Document Type	Comments	Method of Submission	Permit, registry, notice, or application tracking number	
<input type="checkbox"/>	Diagram		Uploaded		Actions ▼
<input type="checkbox"/>	Lease Agreement or Proof of Property Ownership		Uploaded		Actions ▼

[Edit Selected](#)

Step 4b: Attach Files

Upload attachments here. Be sure to save all uploads before leaving this page using the 'Save Attachments' button.

View, download, or print attachments by selecting the document name.

Attachment List

Files can be up to 16 MB in size. Larger documents should be separated and uploaded as multiple files if necessary. PDF file type is preferred.

Name	Document Type	Size	Date	Action
No records found.				

[Add](#)



Personnel Questionnaire(s)

Personnel Questionnaires must be completed for the following people:

- **Sole proprietorships:** the owner
- **Partnerships:** each partner
- **LLCs:** each member, manager and/or managing member; each interest-holder with 10% or more ownership; each trustee of a trust that holds ownership of the LLC
- **Corporations:** each officer; each director; each shareholder holding 10% or more of the shares; each trustee of a trust that holds ownership of the corporation



Submission of Application

Step 3: Application package

Based on the information you have provided, your application package consists of the application(s) shown below. Select "Start" to begin each application.

Once all applications are in "Ready to submit (edit)" status, you may select the "Submit application package" button. After submitting the application package, you will no longer be able to change any of the information.

Please complete the following applications:

Application for Brewery or Brewpub

Start

Application for Original Entity 99-9999999 / My Cidery

Resume

Application for Winery Operations 99-9999999 / My Cidery

Ready to submit (edit)

Personnel Questionnaire

Ready to submit (edit)

Personnel Questionnaire

Start

Submit Application Package »

Save and resume later

Once you have completed all of the applications in the package, select **Submit Application Package** to submit the entire package



Processing Times

Recent application processing times can be found on TTB.gov:

<https://www.ttb.gov/main-pages/processing-times>

Current processing time for Bonded Wineries is about **59 days**
(December 2019)




Checking the Status

- Sign into **Permits Online**
- Select **My Submissions** tab
- Select **Tracking Number**
- Select **Record Info** drop down
- Select **Processing History**
- Click ▼ next to **Specialist Review**
- Click **Review**

Record 2019-WINE-00050-O:
Application for Winery Operations
Current Status: Review in Process

Record Info ▼	Payments ▼	Custom Component
Record Details	Record. Additional details may be found by clicking the "Record" link. For notice documents will be available in "Supporting Documents".	
Processing History		
Related Records		
Supporting Documents and Attachments		

Processing History

 Specialist Review ▼
Assigned to TBD Marked as Pending on 10/24/2019
Assigned to <i>Brenda L Cummins</i> Marked as TBD on TBD
Field Review
Manager Disposition



Accessing Approval Documents

- Sign into **Permits Online**
- Select **My Submissions** tab
- Select **Tracking Number**
- Click **Record Info** drop down
- Select **Supporting Documents and Attachments**

Supporting Documents and Attachments

Upload attachments here. Be sure to save all uploads before leaving this page using the 'Save Attachments' button.

View, download, or print attachments by selecting the document name.

Attachment List

Files can be up to 16 MB in size. Larger documents should be separated and uploaded as multiple files if necessary. PDF file type is preferred.

Name	Record ID	Application Type	Attached to	Document Type	Size	Date
Manual-applicationssummary_20191025_000305.pdf	2019-WINE-00050-O	Application for Winery Operations	Record	Other - Describe	50.25 KB	10/25/2019

< >

Add



Permits Online Help Page

<https://www.ttb.gov/what-we-do/online-services/permits-online>

Permits Online Customer Page

Permits Online makes it easy for you to apply for and update the permit, registration, or notice you need to operate a TTB-regulated business. Once you have registered to use Permits Online, just follow the instructions and prompts for submitting your application package. **There is no fee to apply.**

[New to Permits Online?](#) | [Already Have an Account?](#) | [Popular Help Topics](#) | [Permits Online Help Center](#)

New to Permits Online?

[Permits Online Tutorial](#)

[Register for an Account](#)

Already Have an Account?

[Log into Permits Online](#)

[How to Change your Password](#)

Popular Help Topics

- [Permits Online Tutorial](#)
- [How to Check the Status of your Application](#)
- [Permit Application Processing Times](#)
- [Unlocking your Account](#)
- [Viewing your Approval Documents](#)
- [What to Gather Before you Apply](#)
- [How to Amend an Approved Permit, Registration, or Notice using Permits Online](#)
- [Applications that are Not Currently Accepted through Permits Online](#)

Related Information

[System Maintenance Schedule](#)

[Average Permit Processing Times](#)

[Permits Online Software Release Notices](#)

Tools & Guides

[Getting Started in TTB-Regulated Industry](#)

[Applying for a Permit](#)

[What to Gather Before You Apply](#)

[Permits Online Tutorial](#)

[Business Central](#)

[TTB Learning Center](#)

[Laws, Regulations, and Public Guidance](#)

Online Services





Recordkeeping

MARK EPPS

FIELD INVESTIGATOR

TRADE INVESTIGATIONS DIVISION



Recap - Two Federal Laws

Internal Revenue Code

- Qualification of cider/wine premises
- Payment of taxes

Federal Alcohol Administration Act

- Basic Permits for qualified applicants
- Labeling and advertising
- Fair trade practices



Internal Revenue Code (IRC)

Applies to all cider and perry products

- Revenue protection
- Premises
- Production

27 CFR part 24 (domestic wine premises) and part 27 (imports)



Federal Alcohol Administration Act (FAA Act)

Applies only to wine (including cider or perry products) with 7% or more alcohol by volume

- Basic Permits - 27 CFR part 1
- Labeling and Advertising - 27 CFR part 4



Alcoholic Beverage Labeling Act (ABLA)

Applies to any cider or perry products 0.5% alcohol by volume or more

- Health Warning Statement – 27 CFR part 16



Cider is WINE Under the IRC

Under the IRC, TTB regulates wines that contain 0.5% to 24% alcohol by volume

- Producers are assigned a REGISTRY number
- Alcohol beverage producers are exempt from BOND requirements if they:
 - reasonably expect to be liable for not more than \$50,000 in taxes imposed on distilled spirits, wine, and beer for the calendar year
 - were liable for not more than \$50,000 in such taxes in the preceding calendar year



Bonded Wine/Cidery Premises

Allowable Operations

- Receive, produce, blend, treat, store, and bottle untaxpaid wine/cider
- Use wine/cider spirits in wine production
- Receive, use, and remove materials for production and treatment of cider
- Prepare, store, and remove commercial fruit products and by-products



Basic Records - IRC

- Records must be generated for most every cidery operation
- Records support tax payment
- Records support label claims
- Records flow to the TTB report filed by every plant
- 27 CFR part 24 - Subpart O - Records and Reports
- Most pitfalls can be avoided with good records
- May be a compilation of source documents or a summary



Recordkeeping

Records document what it is, and what you did with it

- Materials received and used e.g., apples, pears, treatment materials
- Acid and chemical records
- Cider/perry produced
- Cider/perry received or transferred in bond
- Cider/perry bottled/kegged, or removed



Records - General

- Record operations as they occur
- Get and retain source documents
- Accurately identify alcohol content, quantities
- Keep the “pedigree” of the product clear
- Retain for 3 years from last required entry
- All records are subject to inspection by TTB



TTB's GOAL

By examining your records, TTB should be able to verify if:

- Cider or perry product is properly labeled
- All label claims are fully supported
- Only authorized materials were used
- Advertising, POS materials are appropriate
- Formula wines were made in compliance with an approved formula



Receipt of Materials

Materials Received and Used: 27 CFR 24.315

- **Acid record:** 27 CFR 24.318
- **Sugar record:** 27 CFR 24.317
- **Chemical record:** 27 CFR 24.320
- **Spirits record:** 27 CFR 24.316



Other Records May Be Necessary

- **Effervescent wine record: 27 CFR 24.302**
 - **Formula wine record: 27 CFR 24.303**
 - **Cider or perry products returned to bond: 27 CFR 24.312**
- ...and others – see 27 CFR 24.301-.323



Bulk Still Wine and Still Hard Cider Record

27 CFR 24.301

- Volume produced and method used
- Volume received and removed
- Volume used for tax class blends
- Keep these records by tax class



Bottled/Packed Record

27 CFR 24.308

- Volume and size of container filled or received
- Tax class (in sufficient detail to claim tax credit)
- Kind of wine
- Results of fill and alcohol tests



Fill and Alcohol Tests

27 CFR 24.255(d) and (e)

- Alcohol test taken before bottling
 - Should agree with alcohol content statement on label
- Fill samples taken at representative intervals
 - Should agree with the net contents statement on the label or bottle



Sample Batch Record

Black and Gold Perfection		Batch # 2015-12		
Date	Activity	Tank	Volume	Notes
9/11/2015	Pressed 1800# Kingston Black, juice to tank	12	Approx. 1000 gallons	Brix 23.5, TA .6, <u>ph 2.1</u>
9/12/2015	Pressed 1000 # Golden russet, juice to tank	13	Approx. 500 gallons	Brix 26.2, TA .6, <u>ph 2.1</u>
9/12/15	Rack off <u>tk 12</u> and 13 to <u>tnk 9</u> , inoculate	9	<u>Approx 1100</u> gallons	
9/30/2015	Add 8# bentonite	9	Approx. 1100 gallons	
10/2/2015	Rack & Filter, declare produced, add 20 ppm so2	15	982 gallons	5.02 <u>alc</u> , TA .45
10/10/15	Rack to <u>Tnk 21</u> , Add 20 gallons raspberry Concentrate, blend	21	1002 gallons	<u>Happyberry # 6</u> flavor, formula 15-6 5.6 <u>alc</u>
11/25/15	Bottle 419 12/750 cases, 996.1 gallons	21		3.9 gallon loss COLA 14-28, <u>Alc 5.1</u> Fill 750, 751, 749, 749



Sample Bottling Record

BOTTLING LOG 5/21/14

Product: Raspberry -Apple Ciderator

Packaging: 12/750 XX 24/375__

COLA: 13-6

Tank: BT 3

Start: 2990g End: 0g Used: 2990g

Cased Bottled: 1252, 6 bottles

Gallons: 2977.8

Bott Loss/Gain: Loss 23.2 g

Fill: 8 am 751

ALC: 6.8

11 am 749

1 pm 750



Removals from Bonded Premises

Untaxpaid removals (subject to regulations)

- Tasting on bonded premises
- Analytical testing/TTB samples
- Family use for some cidery proprietors (200 gallon limit)
- Destruction, breakage
- Export out of U.S.



Transfer in Bond Record

27 CFR 24.309

- Bulk or bottled
- Supporting documents must contain information bottler may want to use (to maintain records and support any label claims)
- Transfer of unlabeled bottled cider (“Shiners”) - See [FAQ #W8](#) on TTB.gov



Sample Transfer in Bond Record

SHIPPING MEMORANDUM

January 10, 2018

From: Martha Orchards

TO: Cold Kiss Storage

221 Main Street

1850 Pear Ave

Spar, Montana 97223

Pruner, MT 66552

BW-MT-12345

BWC-MT-88779

TRANSFER IN BOND

10 cases, 12/750 ml Magnificent Martha Hard Cider, 3 % alc. by vol.

5 cases, 12/750 ml, Sparkly Lemon Frost, sparkling apple cider

2 cases, 24/375 ml, Apple-Raspberry Cider, 8 % alc. by vol.

Total

Hard Cider 23.7753 gallons

Sparkling Cider 11.88765 gallons

16% and under 4.75505 gallons



Removals from the Bonded Premises

Taxable Removals

- All cider or perry products removed from the bonded premises for consumption or sale
- Includes tastings away from the bonded premises, whether on-site or in remote locations



Taxpaid Removals

27 CFR 24.310

- An INVOICE is an acceptable record
- Removals must be summarized daily, by tax class, to the nearest tenth of a gallon in order to be properly tax-determined
- Include name and address, volume, kind, alcohol content
- Taxes are paid annually, quarterly or twice-monthly



Sample Removal Record

Apple of My Eye Cider
 221 Red Delicious way
 Grace, ID 99771
 BWN-ID-34122

January 4, 2018

INVOICE # 1060

Rather B. Pressing
 8220 Orchard Ave
 Toppenish WA 77882

Item Description	Quantity	Price Per	Total
Yummy Apple Hard Cider, 7 % ABV	3 cases 12/750 ml	\$40	120
Amazing Apple Sparkling Apple Cider, 11% ABV	1 case 12/750 ml	\$ 50	50
Tasty Apple-Cinnamon Cider, 9% ABV	2 cases 12/750 ml	\$ 45	90
		TOTAL	\$ 360
Hard cider 7.13259 <u>wg</u>			
Sparkling 2.37753 <u>wg</u>			
Not over 16 % 4.75506 <u>wg</u>			



Label Information Record

27 CFR 24.314

- Must give sufficient information for verification by TTB audit
- Maintain records with the preservation of an audit trail in mind
 - Receipt records
 - Crush records
 - Fermentation records
 - Storage records



Inventory Record

27 CFR 24.313

- You must complete at least one physical inventory annually
- If other than the period ending June 30, you must notify the NRC
- Report results on TTB Form 5120.17 Temp only when a complete inventory is taken for the period reported
- Unexplained bottled shortages must be taxpaid



Inventory Record Details

27 CFR 24.313

This record must include:

- Description of cider/perry product
- Volume of bulk and bottled cider, totaled separately by tax class
- All pages of inventory record must be consecutively numbered
- Last page must be dated and signed by person with signature authority, under penalties of perjury



Recordkeeping Matters

27 CFR 24.300

- Keep by tax class
- Keep in liters or gallons
- Retain for 3 years from last entry
- Computerized Records are OK



Minimum Requirements for Computer Records

- The software application must capture and retain all required information
- If source records are maintained at the premises, other “computerized records” may be elsewhere (on servers, etc.)
- Any data stored on media or in the cloud must be retrievable within five (5) business days



Reports, Returns, and Taxes

RONDA MERRELL
TECHNICAL ADVISOR
NATIONAL REVENUE CENTER



Report of Wine Premises Operations

Use the temporary version of the form to report winery activity that occurs in calendar years 2018 – 2020 ([TTB F 5120.17sm Temp](#))

- Use your records to determine entries on the report
- Report in GALLONS only
- Filing may be monthly, quarterly, or annually
- Filing is in addition to any state or local reporting
- File electronically (preferable) or mail paper forms
- Monthly and quarterly filers - if you anticipate you will have no reportable operations in the upcoming reporting period(s), state that in the remarks section of the last report you file and then resume filing later



Annual and Quarterly Reports

In order to file ANNUALLY:

1. Must have no more than 20,000 gallons on hand in any one month,
AND
 2. Must be filing an annual tax return
- ✓ Note your intent in the “remarks” section of the report or via letter notice
 - ✓ Due the following January 15

In order to file QUARTERLY:

1. Must have no more than 60,000 gallons on hand in any one quarter,
AND
 2. Must be filing a quarterly tax return
- ✓ Note your intent in the “remarks” section of the report or via letter notice
 - ✓ Due 15 days after the end of the quarter

27 CFR 24.300(g)(2)



Monthly Report Filing

- Those not eligible to file the report annually or quarterly must file it monthly
- Due 15 days after the end of the month





Completion of the Report

DEPARTMENT OF THE TREASURY ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB) REPORT OF WINE PREMISES OPERATIONS		
PERIOD COVERED (Year Only, or Year & Month, or Year & Quarter) YEAR <input type="text" value="2020"/> MONTH <input type="text"/>		OPERATED BY (Name, Address, and Telephone) Our Business 123 Main Street Washington, DC 00000
QUARTERLY: <input checked="" type="checkbox"/> January to March <input type="checkbox"/> July to September <input type="checkbox"/> April to June <input type="checkbox"/> October to December		
VERSION (Select Original or Amended. Select Final if this is the last report for the business) <input checked="" type="checkbox"/> Original <input type="checkbox"/> Amended <input type="checkbox"/> Final Report		EIN 12-3456789
		REGISTRY NUMBER BW-DC-0000



Part IV – Materials Received and Used

Cider and perry product records both start here

PART IV - SUMMARY OF MATERIALS RECEIVED AND USED									
ITEM	GRAPE MATERIAL				KINDS OF MATERIALS OTHER THAN GRAPE* (Pounds or Gallons)			SUGAR	
	GRAPES		JUICE (Gallons) (c)	CONCENTRATE (Gallons) (d)	 (e)	 (f)	(g)	DRY (Pounds) (h)	LIQUID (Gallons) (i)
	UNCRUSHED (Pounds) (a)	FIELD CRUSHED (Gallons) (b)							
1. ON HAND BEGINNING OF PERIOD									
2. RECEIVED									
3. JUICE OR CONCENTRATE PRODUCED									
4. TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. USED IN WINE PRODUCTION									
6. USED IN JUICE OR CONCENTRATE PRODUCTION									
7. USED IN ALLIED PRODUCTS									
8. REMOVED									
9. ON HAND END OF PERIOD									
10. TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Record in pounds or gallons. Enter the amount of winemaking material still fermenting at the of the period in line 5 or the amount of wine “produced” (removed from FIRST fermenter or completion of first fermentation) in Part 1 Section A Line 2



Part I, Section A - Bulk Wine Additions

PART I - SUMMARY OF WINES IN BOND (GALLONS)

ITEM	ALCOHOL CONTENT BY VOLUME			ARTIFICIALLY CARBONATED WINE (d)	SPARKLING WINE (e)	HARD CIDER ¹¹ (f)
	NOT OVER 16 PERCENT (a)	OVER 16 TO 21 PERCENT (Inclusive) (b)	OVER 21 TO 24 PERCENT (Inclusive) (c)			
SECTION A - BULK WINES						
1. ON HAND BEGINNING OF PERIOD	Use "On Hand End of Period" from previous report					
2. PRODUCED BY FERMENTATION ²¹					BF BP	
3. PRODUCED BY SWEETENING						
4. PRODUCED BY ADDITION OF WINE SPIRITS						
5. PRODUCED BY BLENDING						
6. PRODUCED BY AMELIORATION						
7. RECEIVED IN BOND						
8. BOTTLED WINE DUMPED TO BULK						
9. INVENTORY GAINS						
10. <input type="text"/>						
11. <input type="text"/>						
12. TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

Use "On Hand End of Period" from previous report

Additions to the bulk inventory



Part I, Section A - Bulk Wine Removals

13. BOTTLED ^{3/}					BF	
14. REMOVED TAXPAID					BP	
15. TRANSFERS IN BOND						
16. REMOVED FOR DISTILLING MATERIAL						
17. REMOVED TO VINEGAR PLANT						
18. USED FOR SWEETENING						
19. USED FOR ADDITION OF WINE SPIRITS						
20. USED FOR BLENDING ^{5/}						
21. USED FOR AMELIORATION						
22. USED FOR EFFERVESCENT WINE						
23. USED FOR TESTING						
24. <input type="text"/>						
25. <input type="text"/>						
26. <input type="text"/>						
27. <input type="text"/>						
28. <input type="text"/>						
29. LOSSES (OTHER THAN INVENTORY)						
30. INVENTORY LOSSES						
31. ON HAND END OF PERIOD						
32. TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

Removals from the bulk inventory

This will be the "On Hand Beginning of Period" on the next report



Part I, Section B - Bottled Wine Additions and Removals

SECTION B - BOTTLED WINES							
1.	ON HAND BEGINNING OF PERIOD						
2.	BOTTLED ^{3/}					BF	
						BP	
3.	RECEIVED IN BOND						
4.	TAXPAID WINE RETURNED TO BOND						
5.							
6.							
7.	TOTAL	0.00	0.00	0.00	0.00	0.00	0.00
8.	REMOVED TAXPAID						
9.	TRANSFERRED IN BOND						
10.	DUMPED TO BULK						
11.	USED FOR TASTING						
12.	REMOVED FOR EXPORT						
13.	REMOVED FOR FAMILY USE						
14.	USED FOR TESTING						
15.							
16.							
17.							
18.	BREAKAGE						
19.	INVENTORY SHORTAGE ^{4/}						
20.	ON HAND END OF PERIOD						
21.	TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

Use "On Hand End of Period" from previous report

Additions to the bottled inventory

Removals from the bottled inventory

This will be the "On Hand Beginning of Period" on the next report



Part X – Remarks and Signature

PART X - REMARKS

Large empty light blue rectangular area for entering remarks.

Under penalties of perjury, I declare that I have examined this report, including the documents submitted in support thereof, and to the best of my knowledge and belief, it is true, correct, and complete.

PROPRIETOR	BY (<i>Signature and Title</i>)	DATE
Enter the name of your business as shown on your permit	Person must have signing authority/POA on file with TTB	



Taxes and Returns



Taxable Removals

- Federal tax **attaches** when cider is produced
- Tax is **determined** when cider is removed from bonded premises for consumption or sale
- Tax is **paid** at a later date (deferred)
- Tax **rate** is based on alcohol content, materials used, and/or production method



Excise Tax Return

File [TTB Form 5000.24sm](#) for federal excise taxes due on wine removed subject to tax – or better yet, use Pay.gov!

- Record dollars only
- Filing may be monthly, quarterly, or annually
- Filing is in addition to any state or local taxes due



Annual and Quarterly Tax Returns

You may file and pay ANNUALLY if:

1. You expect to owe not more than \$1,000 in the current year, AND
 2. Your taxes totaled not more than \$1,000 last year
- If you exceed the annual return limits, the following year you must pay taxes quarterly or semi-monthly

You may file and pay QUARTERLY if:

1. You expect to owe not more than \$50,000 in the current year, AND
 2. Your taxes totaled not more than \$50,000 last year
- If you exceed the quarterly return limits you must start paying taxes semi-monthly beginning the next month, and you are not eligible to file quarterly the next year

27 CFR 24.271



Semi-Monthly Tax Returns

Those not eligible to file quarterly or annually must file the return and pay taxes 2 times per month



Excise Tax Due Dates

Semi-monthly Return

- 14 days after close of tax period

You don't have to file a return if no taxes are due!

Quarterly Return

- 14 days after close of quarter

Annual Return

- 14 days after close of year

If the due date falls on a weekend or legal holiday, returns and payments are due the last business date **preceding** the weekend or holiday



Excise Tax Return Periods

Semi-monthly

- 1st to 15th of the month
- 16th to end of the month
- September has three tax periods

Quarterly

- Tax period = 3 calendar months

Annual

- Tax period = 1 calendar year

27 CFR 24.271



Automated Reminders for Filing Tax Returns and Reports

Stay current with due dates by subscribing to receive automated email reminders when it is time to file your tax returns and operational reports!

Visit <https://www.ttb.gov/news/automated-reminders-filing.shtml> to sign up for email reminders



Tax Rates in Effect 2018 - 2020

- Changes to the Internal Revenue Code in 2017 resulted in temporary tax rates for most wines
- As of now, these changes apply to wine/cider removed during calendar years 2018 - 2020
- In addition, the lowest still wine tax rate was expanded to cover still wine that contains “not more than 16% alcohol by volume” instead of “not more than 14%”



Tax Credits for 2018 - 2020

In addition to adjusted tax rates, there are also temporary tax credit provisions

- Tax credits have temporarily replaced the small domestic producer tax provisions for domestic wine/cider
- Credits are available for both domestic and imported wine/cider
- Credits apply to the first 750,000 gallons taxably removed each year, regardless of tax class
- Credit is up to \$1.00 per gallon on first 30,000 gallons of wine removed each year, except credit for wines taxed as Hard Cider is up to 6.2 cents per gallon the first 30,000 gallons



Transfer of Wine Tax Credits 2018 - 2020

The 2019 law that extended the changes to the tax classes and the tax credits through 2020 also added a new provision about transferring tax credits

- Applies the pre-CBMA small wine producer credit transfer provisions to the wine credits retroactively to January 2018
- We will be making significant updates to the applicable CBMA wine FAQs on TTB.gov, as well as publishing guidance for retroactively transferring wine tax credits for eligible 2018 and 2019 removals
- The alternate procedure authorized by Industry Circular 2018-1A is no longer in effect



Tax on Wine Removed 2018 - 2020

Tax Class	Wines Gallons Per Calendar Year			
	First 30,000	Over 30,000 up to 130,000	Over 130,00 up to 750,000	Over 750,000
Still Wine				
16% and under alcohol by volume (0.392g CO ₂ /100mL or less)	\$0.07	\$0.17	\$0.535	\$1.07
Over 16 - 21% alcohol by volume (0.392g CO ₂ /100mL or less)	\$0.57	\$0.67	\$1.035	\$1.57
Over 21 - 24% alcohol by volume (0.392g CO ₂ /100mL or less)	\$2.15	\$2.25	\$2.615	\$3.15
Mead No more than 0.64g CO ₂ /100mL; derived solely from honey and water; containing no fruit product or fruit flavoring; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07
Low alcohol by volume wine No more than 0.64g CO ₂ /100mL; derived primarily from grapes or from grape juice concentrate and water; containing no fruit product or fruit flavoring other than grape; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07



Tax on Wine Removed 2018 - 2020

Tax Class	Wines Gallons Per Calendar Year			
	First 30,000	Over 30,000 up to 130,000	Over 130,00 up to 750,000	Over 750,000
Artificially Carbonated Wine				
Over 0.392g CO ₂ /100mL - injected or otherwise added	\$2.30	\$2.40	\$2.765	\$3.30
Sparkling Wine				
Over 0.392g CO ₂ /100mL - naturally occurring	\$2.40	\$2.50	\$2.865	\$3.40
Hard Cider				
No more than 0.64g CO ₂ /100mL; derived primarily from apples/pears or apple/pear juice concentrate and water; containing no other fruit product or fruit flavoring other than apple/pear; and containing at least 0.5% and less than (not equal to) 8.5% alcohol by volume	\$0.164	\$0.17	\$0.193	\$0.226



How to Complete the Tax Return

TTB Form 5000.24



Completion of the Return

- Paper or electronic
- Serially numbered
- Filed semi-monthly, quarterly, annually
- Make sure the signer has signature authority or POA on file with TTB



TTB Smart Form: Excise Tax Return

DEPARTMENT OF THE TREASURY ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB) EXCISE TAX RETURN <i>(Prepare in duplicate – See instructions below)</i>		1. SERIAL NUMBER
2. FORM OF PAYMENT <input type="checkbox"/> CHECK <input type="checkbox"/> MONEY ORDER <input type="checkbox"/> EFT <input type="checkbox"/> OTHER (Specify) _____		3. AMOUNT OF PAYMENT \$ _____
4. RETURN COVERS (Check one) <input type="checkbox"/> PREPAYMENT <input type="checkbox"/> PERIOD		NOTE: PLEASE MAKE CHECKS OR MONEY ORDERS PAYABLE TO THE ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (SHOW EMPLOYER IDENTIFICATION NUMBER ON ALL CHECKS OR MONEY ORDERS). IF YOU SEND A CHECK, SEE PAPER CHECK CONVERSION NOTICE BELOW. FOR TTB USE ONLY
5. DATE PRODUCTS TO BE REMOVED (For Prepayment Returns Only) BEGINNING _____ ENDING _____		
6. EMPLOYER IDENTIFICATION NUMBER	7. PLANT, REGISTRY, OR PERMIT NUMBER	TAX \$
8. NAME AND ADDRESS OF TAXPAYER (Include ZIP Code)		PENALTY
		INTEREST
		TOTAL \$
		EXAMINED BY:
		DATE EXAMINED:

Serial Number

Employer ID Number (EIN)

Registry & Permit Numbers



TTB Smart Form: Excise Tax Return

CALCULATION OF TAX DUE <i>(Before making entries on lines 18 – 21, complete Schedules A and B)</i>	
PRODUCT (a)	AMOUNT OF TAX (b)
9. DISTILLED SPIRITS	\$
10. WINE	
11. BEER	
12. CIGARS	
13. CIGARETTES	
14. CIGARETTE PAPERS AND/OR CIGARETTE TUBES	
15. CHEWING TOBACCO AND/OR SNUFF	
16. PIPE TOBACCO AND/OR ROLL-YOUR-OWN TOBACCO	
17. TOTAL TAX LIABILITY <i>(Total of lines 9-16)</i>	\$ 0.00
18. ADJUSTMENTS INCREASING AMOUNT DUE <i>(From line 29)</i>	0.00
19. GROSS AMOUNT DUE <i>(Line 17 plus line 18)</i>	\$ 0.00
20. ADJUSTMENTS DECREASING AMOUNT DUE <i>(From line 34)</i>	0.00
21. AMOUNT TO BE PAID WITH THIS RETURN <i>(Line 19 minus line 20)</i>	\$ 0.00
Under penalties of perjury, I declare that I have examined this return <i>(including any accompanying explanations, statements, schedules, and forms)</i> and to the best of my knowledge and belief it is true, correct, and includes all transactions and tax liabilities required by law or regulations to be reported.	
22. DATE	23. SIGNATURE
	24. TITLE

Signature

Title



Increasing/Decreasing Adjustments and Taking the Temporary Tax Credits

SCHEDULE A – ADJUSTMENTS INCREASING AMOUNT DUE			
EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS		
	(b) TAX	(c) INTEREST	(d) PENALTY
25. Omitted 10 WG hard cider from Return 2019-2	\$ 1.64		\$
26.			
27.			
28. SUBTOTALS OF COLUMNS (b), (c), and (d)	\$ 1.64	\$ 0.00	\$ 0.00
29. TOTAL ADJUSTMENTS INCREASING AMOUNT DUE (Line 28, Col (b) + (c) + (d)) Enter here and on line 18.			\$ 1.64
SCHEDULE B – ADJUSTMENTS DECREASING AMOUNT DUE			
EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS		
	(b) TAX	(c) INTEREST	
30. Approved claim #1234, 50 WG hard cider @ \$0.164	\$ 8.20	\$	
31. 100 WG hard cider tax credit @ 6.2 cents/WG	6.20		
32.			
33. SUBTOTALS OF COLUMNS (b) and (c)	\$ 14.40	\$ 0.00	
34. TOTAL ADJUSTMENTS DECREASING AMOUNT DUE (Line 33, Col (b) + (c)) Enter here and on line 20.			\$ 14.40



Electronic Filing

Pay.gov is a federal government portal for electronic filing of:

- Federal Excise Tax Return, TTB F 5000.24
- Report of Wine Premises Operations, TTB F 5120.17 Temp

You must register in advance on TTB.gov!





Pay.gov

Why Use It?

- Free and fast submission of tax returns, tax payments and operations reports
- Quickly confirms receipt
- Automatically totals and checks data entries to promote accuracy; provides feedback on any errors
- Allows you to amend reports by copying and modifying the previously submitted report



Which Tax Rates to Use for Cider/Perry Products



Not all Cider/Perry Products are Eligible for the Hard Cider Tax Rate

There are two categories of products labeled as Cider/Perry:

1. Those eligible for the Hard Cider tax rate
2. Those that are taxed at another wine tax rate



Tax on Cider

26 U.S.C. 5041 (b)

Cider/perry products may fall within any one of these six tax classes:

Hard Cider Tax Class	Per wine gallon*
<ul style="list-style-type: none"> No more than 0.64g CO₂/100mL; derived primarily from apples/pears or apple/pear juice concentrate and water; containing no other fruit product or fruit flavoring other than apple/pear, and containing at least 0.5% and less than (not equal to) 8.5% alcohol by volume 	22.6¢
Still Wine Tax Classes (0.392g CO₂/100mL or less)	
<ul style="list-style-type: none"> 16% alcohol by volume and under 	\$1.07
<ul style="list-style-type: none"> Over 16 - 21% alcohol by volume 	\$1.57
<ul style="list-style-type: none"> Over 21 - 24% alcohol by volume 	\$3.15
Artificially Carbonated Wine Tax Class	\$3.30
Sparkling Wine Tax Class	\$3.40

**This is before any available tax credit*



Hard Cider is the Name of a Tax Class (26 U.S.C. 5041(g))

Only Products that meet the following definition are eligible for the Hard Cider tax rate:

- Contains not more than .64 gram of CO₂ per 100 mL
- Derived primarily from apples/pears or apple/pear concentrate and water
- Contains no fruit product or fruit flavoring other than apple or pear
- Contains at least 0.5% and less than 8.5% alcohol by volume

Other wines labeled as cider or perry that do not fit the definition above are taxed at one of the other wine tax rates



These Products Fall within the Hard Cider Tax Class

- **Still hard cider** - CO₂ level of not more than .392 g/100 mL
- **Artificially carbonated hard cider** - CO₂ level of more than .392 and not more than .64 gram of CO₂ per 100 ml - artificially injected
- **Sparkling hard cider** - CO₂ level of more than .392 and not more than .64 gram of CO₂ per 100 mL-result of secondary fermentation in a closed container

26 U.S.C. 5041(b)(6)



Cider/Perry Products Eligible for the Hard Cider Tax Rate

These are examples of cider/perry products that *are* eligible for the Hard Cider tax rate:

Wine:	Tax Rate*	Tax Class
8.4% ABV Apple Cider	22.6 cents	Hard Cider
8.4% ABV Pear Perry	22.6 cents	Hard Cider
6% ABV Apple-Cinnamon Cider	22.6 cents	Hard Cider
8% ABV Carbonated Apple-Pear Wine/CO ₂ level of .62g/100 mL	22.6 cents	Hard Cider
8% ABV Sparkling Pearly Pear/CO ₂ level of .62g/100 mL	22.6 cents	Hard Cider

**This is before any available tax credit*



Cider/Perry Products Not Eligible for the Hard Cider Tax Rate

These are examples of cider/perry products are taxed as still wines or as effervescent wines:

Product:	Tax Rate*	Tax Class
15% ABV Apple Cider	\$1.07	Still wine not over 16%
9% ABV Pear Perry	\$1.07	Still wine not over 16%
6% ABV Apple-Raspberry Cider	\$1.07	Still wine not over 16%
6% ABV Carbonated Apple-Pear Wine CO ₂ level of .70g/100 mL	\$3.30	Artificially carbonated wine
6% ABV Sparkling Pearly Pear CO ₂ level of .70g/100 mL	\$3.40	Sparkling wine

**This is before any available tax credit*



Section A – Report Headings are the Tax Classes

Be sure to report cider/perry products under the correct tax class on you operational reports

PART I - SUMMARY OF WINES IN BOND (GALLONS)					
ALCOHOL CONTENT BY VOLUME			ARTIFICIALLY CARBONATED WINE (d)	SPARKLING WINE (e)	HARD CIDER ^{1/} (f)
NOT OVER 16 PERCENT (a)	OVER 16 TO 21 PERCENT (Inclusive) (b)	OVER 21 TO 24 PERCENT (Inclusive) (c)			
↑	↑	↑	↑	↑	↑
\$ 1.07	\$ 1.57	\$ 3.15	\$ 3.30	\$ 3.40	22.6 cents

This is before any available tax credit



Summary - Reports of Wine Premises Operations

- Cider producers are required to report activities that take place on the bonded premises
- This includes reporting the materials brought onto the wine premises, and reporting what happens from there regarding the quantity produced, transferred in bond, bottled, and removed



Summary - Excise Taxes and Returns

- Pay attention to tax rates and filing requirements
- Not all cider/perry products are eligible for the Hard Cider Tax rate/credits
- Keep records for all taxpaid and untaxpaid removals



Formulas

VONZELLA C. JOHNSON
FORMULATION SPECIALIST
ALCOHOL LABELING AND FORMULATION DIVISION



Formula Basics

Not all cider/perry products require formula approval

Whether or not you need formula approval is based on:

- Ingredients
- Manufacturing methods

Formula requirements are **NOT** connected to:

- Alcohol content
- Eligibility for Hard Cider tax rate
- Whether or not the product will require TTB label approval



Formula Basics

What is a formula?

- A complete, quantitative list of all ingredients used to make the product
- A step-by-step description of how it's made (AKA: method of manufacture)



Formula Basics

Formulas, when required, must be obtained:

- **Domestic:** before product is produced and before applying for label approval (if needed)
- **Imported*:** before applying for label approval and before product is removed from customs custody

Formulas are submitted by:

- **Domestic:** the producer (BW proprietor)
- **Imported*:** U.S. importer (holder of an Importer's Basic Permit)

*Only imported cider/perry products with 7% or more alc. by vol. are subject to formula requirements



When is Formula
Approval
Required?



When is a Formula Required?

Imported Cider/Perry Products

- Formulas may be required for imported cider/perry product as part of the COLA approval process
- Only imported cider/perry products with 7% or more alc. by vol. are subject to formula requirements
- Types of imported cider/perry products that require formula approval mirror those for domestic cider/perry products, for example:
 - Added flavors
 - Blending two kinds of wine
 - Extra sugar or water



When is a Formula Required? Domestic Cider/Perry Product

Formula approval is NOT required if you are producing:

- Natural apple or pear wine (cider/perry), or
- Any other “natural” fruit wine, even if the wine is fermented from the juice of different fruits, such as fermenting apple juice and blueberry juice together

TTB regulations DO require formulas for:

- Special Natural wine
- Other than Standard wine

[27 CFR 24.80 – 24.82](#)



Fruit-Based Wine Classifications in Part 24

- For production purposes, part 24 subdivides wine into **Standard wine** and **Other than Standard wine**
- Cider/perry products may be either, depending on how they are made
- Cider/perry products that are **Standard wine** may be either
 - **Natural wine**
 - **Special Natural wine**



Is My Cider/Perry Product a Natural Fruit Wine?

“Natural” wine is:

- The product of the juice or must of sound, ripe fruit; and
- Made with any cellar treatment authorized by subparts F and L of part 24, and containing not more than 21% by weight of total solids

Natural fruit wine DOES NOT require formula approval

[27 CFR 24.10](#)



Is My Cider/Perry Product a Natural Fruit Wine?

Production of **natural** cider (apple wine) or perry (pear wine):

- Only malic acid may be added to cider to correct natural acid deficiencies. Only malic acid or citric acid may be added to perry to correct natural acid deficiencies. See 27 CFR 24.182 for further restrictions
- See 27 CFR part 24, subpart F for the conditions and limitations under which fruit juice concentrate may be used in juice or wine made from the same kind of fruit (i.e., apple juice for cider and pear juice for perry) for the purposes of chaptalizing or sweetening
- Sugar (which means only pure dry sugar, liquid pure sugar, or invert sugar syrup) may be added to chaptalize or sweeten a fruit wine, within the limits set out in 27 CFR part 24, subpart F
- See 27 CFR 24.178 for rules about the amelioration of natural fruit wines

[27 CFR 24.10](#)



Is My Cider/Perry Product a Natural Fruit Wine?

Examples of cider/perry products that are **Natural Fruit wine**:

- Made only from apple/pear concentrate, or apple/pear juice, with or without added CO₂
- Made by fermenting apple juice and raspberry juice together

[27 CFR 24.10](#)



Is My Cider/Perry Product Special Natural Wine?

Special Natural wine is:

- A flavored wine made from a base of natural wine
- The flavoring may be natural herbs, spices, fruit juices, natural aromatics, natural essences, or other natural flavorings, subject to conditions outlined in 27 CFR part 24 subpart H

Special Natural wine requires formula approval

[27 CFR 24.10](#)

[27 CFR 24.80](#)



Is My Cider/Perry Product Special Natural Wine?

Examples cider/perry products that are Special Natural wine:

- Made from apple juice and flavored with hops
- Made from apple concentrate and flavored with citrus peel
- Made from pear juice and flavored with honey

Special Natural wine requires formula approval

[27 CFR 24.10](#)

[27 CFR 24.80](#)



Is My Cider/Perry Product Other Than Standard Wine?

Other than Standard wine is:

- Made with sugar and/or water beyond the limitations for standard wine
- Made by blending wines produced from different kinds of fruit
- Made with sugar other than pure dry sugar, liquid pure sugar, and invert sugar syrup
- Made with materials not authorized for use in standard wine, e.g., spirits derived from fruit other than primary winemaking material, coloring material and artificial flavors

Other than standard wine requires formula approval

[27 CFR 24.218](#)



Is My Cider/Perry Product Other Than Standard Wine?

Examples of cider/perry products that are **Other than Standard Wine** include wine made by:

- Blending apple wine with rhubarb wine
- Coloring with grape skin extract
- Sweetening with raw sugar
- Flavoring with raspberry spirits

Other than standard wine requires formula approval

[27 CFR 24.218](#)



Wine Formula Tool

<https://www.ttb.gov/formulation/which-alcohol-beverages-require-formula-approval>

You may also use our **Wine Formula Tool** on **TTB.gov**

Which Alcohol Beverages Require Formula Approval?

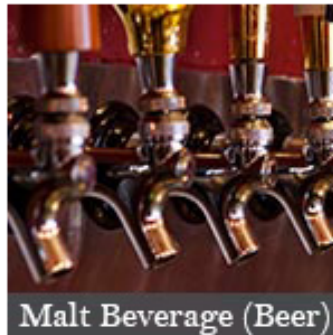
For certain distilled spirits, beers/malt beverages, and wines, TTB must evaluate the ingredients and production process before the product can be made or imported, and before you can submit your labels to TTB (if required). In some cases we also analyze a sample of the product in our laboratory while reviewing the formula.

Select your commodity, then answer a few questions about your product and we'll tell you whether it needs formula approval:



Distilled Spirits

Start



Malt Beverage (Beer)

Start



Wine/Cider

Start



How to Apply for Formula Approval



Formulas Online

TTB's efficient and secure method for drafting, submitting, and tracking your formula applications electronically

Benefits:

- Includes step-by-step guidance
- Results in a more accurate application, thanks to data validation checks along the way
- You'll receive application status updates via email
- Facilitates record keeping
 - Approved formulas are stored online
 - Copies of approved formulas can be printed if needed



Register to Use Formulas Online

Go to

<https://www.ttbonline.gov/>

File Edit View Favorites Tools Help

TTBONLINE.GOV
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
U.S. DEPARTMENT OF THE TREASURY

REGISTER HOW TO REGISTER PUBLIC COLA REGISTRY

Already registered? Log in:

User Name: [Expired password?](#)

Password: [New or forgotten password?](#)

Logon to:

Select "Register"



Formulas Online Submitter Tips

Before submitting a formula you should:


- Ensure that formula approval is required for your cider/perry product
- Determine if your cider/perry product is a **Special Natural wine** or **Other than Standard wine**
 - If **Other than Standard wine**, determine the applicable subcategory, such as **Wine Specialty**
- Gather all pertinent information and documents about each ingredient used and your method of manufacture



Submitting a Formula Main Tab

Main | Formula | Samples | Company | Comments | Docs/Links

| [Comment](#) | [Upload](#)

* **Create New Formula** **Supersede Existing Formula** 


[Does my product require formula approval?](#)

TTB Formula ID:
Company ID: DC - W - 1234
Company Name: MIA CIDER COMPANY

* **Commodity:** Wine ▾
Product Name: Blueberry Apple Delight

* **Company Formula #:** DC - W - 1234 - 20

* **Product Source:** Domestic ▾

* **Class/Type:**  OTHER THAN STANDARD WINE/WINE SPECIALTY ▾

▶ **Definition**

Product Description: Apple cider flavored with natural blueberry flavor



Main Tab - Which Class/Type Should I Choose?

You won't find **Cider** or **Perry** on the class/type dropdown

- You must choose
 - **Special Natural wine**
 - **Other than Standard wine** and the appropriate subcategory, such as **Wine Specialty**, depending on how you are making your cider/perry product




Formula Tab - Ingredients

3 Ingredients List

List ALL ingredients to be used in formulating a batch of the product. Please enter the ingredients in production order.

[Ingredient List Examples](#)

▶ Apple juice	50.0 - 100.0 gal.	Fermentable Ingredient	
▶ Natural Blueberry flavor #9	15.0 - 25.0 gal. TTB Company Code: 35-115 TTB Drawback #: 3456	Flavor (Compounded)	

[+Add Ingredient...](#)

[Which category should I choose?](#)



Ingredients - Which Category Should I Chose?

When choosing a category, consider the predominant reason for using the ingredient, and let that guide your category choice:

- **Fermentable:** Any material that will be fermented in order to produce alcohol for the beverage (e.g., apples, pear concentrate)
- **Finished Alcohol:** Beverage alcohol products that have already been produced, which you plan to use as ingredients in your recipe (e.g., rhubarb wine)



Ingredients - Which Category Should I Chose?

- **Flavor:** Additives that give a particular taste, mouth feel, and/or smell. Can be derived from natural ingredients or created artificially (e.g., hops, honey, botanicals, extracts, TTB approved flavors)
- **Color:** Any dye, pigment, or other substance used primarily to impart color to your product (e.g., grape skin extract)
- **Other:** Sweeteners, preservatives, and other ancillary ingredients that do not fit into the other categories



Formula Tab - Method of Manufacture

4 Method of Manufacture

Describe in sequence each step used to produce this product.

This can be done in a format similar to a recipe, for instance providing the sequence of steps in either a list or paragraph format to describe how your product is made.

See [Method of Manufacture Examples](#) for some indications of the level of detail that TTB looks for when evaluating formula submissions.

Description:

1. Ferment apple juice to produce apple wine/cider
2. Filter wine
3. Add blueberry flavor
4. Bottle



Method of Manufacture

- Think of a formula as a recipe
- The method of manufacture is where you tell us the steps you take to produce your product
- Be sure to cover each ingredient you mention in the ingredient tab
- Be sure to provide enough detail so we can confirm if you're within the regulatory standards for **Special Natural wine**, **Other than Standard wine**, as well as the appropriate subcategory, such as **Wine Specialty**



Formulas Online

Docs/Links Tab

Main | **Formula** | **Samples** | **Company** | **Comments** | **Docs/Links ***

[Copy as New](#) | [Print](#) | [Comment](#) | [Upload](#)

Submission ID: 1336961 **Date Submitted:**
Status: Draft

Submission Documents ?

<input type="checkbox"/>	TYPE	DESCRIPTION	INVALIDATED	FILE	SIZE	DATE	
<input type="checkbox"/>	FID Sheet	FID Sheet for compounded flavor	<input type="checkbox"/>	FIDS - Nat. Blueberry Flavor.pdf	286 Kb	01/17/2020	edit

Upload **Delete**

Submission Links ?

SUBMISSION ID	DESCRIPTION
---------------	-------------

Add **Delete**



Supporting Documentation: Spec Sheets

- An **ingredient specification sheet** (also called a **spec sheet** or technical data sheet) is a document (or copy of a product label) that lists or describes the contents of an ingredient used to make your alcohol beverage product
- Include a **spec sheet** for each ingredient that is made from more than one component (excluding compounded flavors)

See [TTB G 2017-3](#) for additional information on **spec sheets**, including examples



Supporting Documentation: Flavor Ingredient Data Sheets

- A **Flavor Ingredient Data Sheet** (also called **FID sheet** or **FIDS**) is a spreadsheet that includes information about certain ingredients
- Include a **FID sheet** if you're using a compounded flavor
 - A compounded flavor includes any flavor, cloudifier, or blender that consists of multiple ingredients that are combined to produce a particular taste characteristic

See [TTB G 2017- 4](#) for additional information on **FID sheets**, including examples



Supporting Documentation: Limited Ingredient Calculation Worksheets

- A **Limited Ingredient Calculation Worksheet** is used to calculate the total amounts of ingredients that have limits on their use per TTB and FDA requirements
- Submit the worksheet for products containing one or more compounded flavors

See [TTB G 2017- 6](#) for additional information on **Limited Ingredient Calculation Worksheets**, including examples



Formulas Online

Results Tab

Main	Formula	Samples	Results	Company	Comments	Docs/Links *	Unauthorized Users
Copy as New Print Comment Notify							Surrender
Submission ID:	1336961	TTB Formula ID:	1270806	Date Submitted:	01-17-2020 11:42 AM		
Status:	Closed	Disposition:	Approved				
Determination							
Disposition:	Approved						
Approved Class/Type:	OTHER THAN STANDARD WINE/WINE SPECIALTY						
Product Description:	Apple wine with natural flavor						
▶ Definition							
Approval Date:	01/17/2020	TTB Specialist:	Crisp				



Formulas Online

Results Tab

Approval Provisions

Product has been approved subject to the following provisions:

General:

FDA Food and Color Additives - This approval is granted under 27 CFR and does not in any way provide exemption from or waiver of the provisions of the Food and Drug Administration regulations relating to the use of food and color additives in food products.

Wine:

27 CFR 24.218 Other than standard wine

Labeling Instructions

- The designation of the product must include a truthful and adequate statement of composition, such as:**
Apple wine with natural flavor



Top 5 Reasons Wine Formulas are Returned for Correction

- Ingredient Spec Sheet is missing
- FID Sheet is missing
- Clarification needed on a specific ingredient
- Ingredient quantity information is missing
- Limited Ingredient Calculation worksheet is missing



Labeling

ALEXIS JEWELL

SENIOR WINE LABELING SPECIALIST

ALCOHOL LABELING AND FORMULATION DIVISION



Which Labeling Requirements Apply?

Labeling requirements for cider and perry products are determined first by:

- Alcohol content
- If it will be introduced in interstate commerce

And secondarily by such things as:

- Origin and level of effervescence
- Fruits used
- Addition of flavors, spices, colors, etc.
- Domestic or imported



Why is Alcohol Content a Factor?

- Recall that the Federal Alcohol Administration Act only applies to wine that contains **7% or more** alc. by vol.
- Therefore, FAA Act rules (including COLAs, labeling, standards of fill, prohibited practices, etc.) in [27 CFR part 4](#) do not apply to cider/perry products with **under 7%** alc. by vol.



Why is Alcohol Content a Factor?

The labeling of cider/perry products with **under 7%** alc. by vol. is regulated by TTB under the Internal Revenue Code*

[27 CFR part 24](#) (domestic)

[27 CFR part 27](#) (imports)

*IRC wine labeling provisions apply to all wine with 0.5-24% alc. by vol.



Why is Alcohol Content a Factor?

Cider/perry products with **under 7% alc. by vol. are** also subject to FDA food labeling regulations under the Federal Food, Drug, and Cosmetic Act

[21 CFR part 101](#)



Why is Alcohol Content a Factor?

The labeling of cider/perry products with **at least 0.5% alc. by vol.** is also regulated by TTB under the Alcoholic Beverage Labeling Act (Government Health Warning Statement)

[27 CFR part 16](#)



Why Does Interstate Commerce Matter?

The labeling rules (mandatory information, COLAs, and prohibited practices) under the FAA Act ([27 CFR part 4](#)) apply to cider/perry products (**7% or more** alc. by vol.) that:

- are sold or otherwise introduced into interstate/foreign commerce (for example, sold across state lines or imported from another country)



Why Does Interstate Commerce Matter?

- Cider/perry products with **7% or more** alc. by vol. that **are** sold in interstate commerce must be covered by a Certificate of Label Approval (COLA)
- Cider/perry products with **7% or more** alc. by vol. that **are not** sold in interstate commerce are covered by a Certificate of Exemption from Label Approval



2017 Changes to the Hard Cider Tax Class

Note:

Changes made in 2017 to the definition of wine eligible for the Hard Cider tax rate mean that industry members who produce cider/perry products with **7% to under 8.5%** alc. by vol. taxed at the Hard Cider rate need to be aware of the FAA Act regulations in 27 CFR part 4



Which Labeling Laws and Regulations Apply?

		1		
		If the alcohol content by volume is:		2
		0.5 to < 7%	7 to 24%	
		Interstate commerce?		
		Yes	No	
3 Then the following wine labeling laws and regulations apply:				
Law	Regulations			
Alcoholic Beverage Labeling Act of 1988 (ABLA)	27 CFR part 16 - Alcoholic Beverage Health Warning Statement	X	X	X
Internal Revenue Code (IRC)	27 CFR part 24 - Wine 27 CFR part 27 - Importation of Distilled Spirits, Wines, and Beer	X	X	X
Federal Alcohol Administration (FAA) Act	27 CFR part 4 - Labeling and Advertising of Wine		X	
Federal Food, Drug, and Cosmetic Act (FD&C Act)	21 CFR part 101 – Food Labeling	X		



Mandatory Label Information



Type Size Requirements

Applies to all mandatory label information

(except alcohol content and government health warning statement)

If the container size is:	Then the MINIMUM type size is:
187 milliliters or less	1 millimeter
More than 187 milliliters	2 millimeters

[27 CFR 4.38\(b\)](#) and [27 CFR 24.257\(a\)](#)



Type Size Requirements Alcohol Content

If the container size is:	Then the MINIMUM type size is:
5 liters or less	1 millimeter
More than 5 liters	N/A

If the container size is:	Then the MAXIMUM type size is:
5 liters or less	3 millimeters
More than 5 liters	N/A



Mandatory Label Information: Under 7%

These requirements apply to all
cider/perry products that are
under 7% ABV

AND

to cider/perry products that are
7% ABV or more that are not sold
interstate

(i.e., Covered by Certificate of Exemption)



Mandatory Label Information Under 7%

The following statements must appear:

- Name and address of the bottler
- Brand name
- Alcohol content
- Net contents
- Kind of wine
- Health Warning Statement

[27 CFR 24.257](#)

[27 CFR part 16](#)



Mandatory Label Information Under 7%

Name and Address of the Bottler

- May appear on any label
- Must be the name and address of the wine premises where bottled or packed

[27 CFR 24.257\(a\)\(1\)](#)



Mandatory Label Information

Under 7%

Brand Name

- The name under which the product is sold; usually the most prominent piece of information on the label
- May appear on any label
- If there is no brand name the name of the bottler is considered the brand name

[27 CFR 24.257\(a\)\(2\)](#)



Mandatory Label Information

Under 7%

Alcohol Content

- May appear on any label
- Must be stated as percent by volume or in accordance with 27 CFR part 4

[27 CFR 24.257\(a\)\(3\)](#)



Mandatory Label Information

Under 7%

Alcohol Content – Labeling Tolerances

- Actual alcohol content may be +/- 0.75% (by volume) from the alcohol content statement on the label

[27 CFR 24.257\(a\)\(3\)](#)



Mandatory Label Information

Under 7%

Net Contents

- May appear on any label; or
- May be etched/blown into the container

[27 CFR 24.257\(a\)\(5\)](#)

There are no restrictions on container sizes for under 7% wines or those covered by a Certificate of Exemption; they also don't have to be in metric size containers



Mandatory Label Information Under 7%

Kind of Wine

- May appear on any label
- Must identify product as wine by using the term, “wine,” or a word that signifies the type of wine, such as “cider” or “perry”
- If eligible for the Hard Cider tax rate, the kind should not be inconsistent with the Hard Cider tax class:
 - “hard cider,” “apple wine,” “pear wine,” “apple cider,” “apple perry,” “apple pear wine,” “cider” and “perry”
 - Not: “blueberry cider”

[27 CFR 24.257\(a\)\(4\)](#)



Mandatory Label Information

Under 7%

Kind of wine - Effervescent Wine

- Cider/Perry products that contain more than 0.392 gram per 100mL carbon dioxide must be labeled accordingly:
 - **Sparkling Wine:** CO₂ results solely from secondary fermentation within a closed container, tank, or bottle
 - **Carbonated Wine:** Obtains its effervescence through the artificial injection of CO₂

[27 CFR 24.257\(a\)\(4\)](#)



Effervescent Designations

- The 2017 changes to the definition of wine eligible for the Hard Cider tax rate increased the maximum allowable CO₂ level to 0.64 g/100mL of wine
- The CO₂ level requiring an effervescent designation did not change (remains >0.392)
- Applicable effervescent designations must be used on cider/perry products with CO₂ level of over 0.392 g/100mL



Mandatory Label Information

Under 7%

Kind of wine – Indication of Tax Class

- Must include enough information to identify the tax class when viewed with the alcohol content
- You can meet this requirement for wines eligible for the Hard Cider tax rate by using “Tax Class 5041(b)(6)”



Government Health Warning Statement

All domestic and imported cider and perry products with 0.5% alcohol by volume or more must bear the government health warning statement

- May appear on any label (front, back, neck, etc.)
- Must be separate and apart from all other information
- See [27 CFR part 16](#) for complete rules (type size, etc.)

GOVERNMENT WARNING: (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.



FDA Labeling Requirements

Under 7%

The labels of cider/perry products with under 7% alc. by vol. must comply with applicable [FDA food labeling requirements](#), including ingredient labeling, nutrition labeling*, and allergen labeling requirements

*Certain small businesses can be exempt from FDA Nutrition Facts Labeling (See [Small Business Nutrition Labeling Exemption](#))



Customs Labeling Requirements

Containers of all imported cider and perry products are required to be marked, branded and labeled (for example a Country of Origin statement) in accordance with CBP regulations

[19 CFR part 11](#), [part 12](#) and [part 134](#)



Mandatory Label Information: 7% or more

The following slides cover the labeling requirements for cider/perry products that are **7% or more** alc. by vol. and sold in interstate commerce (i.e., covered by a COLA)



Mandatory Label Information

7% or More

The labeling rules for cider/perry products that are 7% or more alc. by vol. and sold interstate (covered by a COLA) are more robust:

- more direction about how and where mandatory info must appear
- standards of identity, i.e., labeling designations
- parameters for using many optional labeling claims, e.g., appellations of origin
- prohibited labeling practices intended to prevent consumer deception

[27 CFR part 4](#)



Mandatory Label Information

7% or More

The following statements must appear:

- Brand name
- Class, type or other designation
- Name and address of the bottler
- Net contents
- Alcohol content
- Government Health Warning

[27 CFR 4.32](#)
[27 CFR part 16](#)



Mandatory Label Information

7% or More

Brand Name

- The name under which the product is sold; usually the most prominent piece of information on the label
- Must appear on the brand label*
- If there is no brand name, the name of the bottler/importer as shown on the brand label is considered the brand name
- May not create a misleading impression

[27 CFR 4.32\(a\)\(1\)](#), [27 CFR 4.33](#)

*Brand label = label on which brand name and class/type appears



Mandatory Label Information

7% or More

Name and Address of the Bottler

- May appear on any label
- Name or trade name of the bottler/importer as listed on the TTB permit
- Address (city and state) of the bottler/importer as listed on the permit
- Must be preceded by the words “Bottled/Packed by” or “Imported by”
- May optionally add “Produced” or “Made”, “Blended”, etc. to statement (see part 4 for rules)

[27 CFR 4.32\(b\)\(1\)](#) and [27 CFR 4.35](#)



Mandatory Label Information

7% or More

Net Contents

- May appear on any label; or
- May be etched/blown into the container
- Must use the authorized metric standards of fill ([27 CFR 4.72](#))
- May use the following abbreviations:
 - milliliters – ml, ML, mL
 - Liters - L

[27 CFR 4.32\(b\)\(2\)](#), [27 CFR 4.37](#)



Mandatory Label Information

7% or More

Authorized Standards of Fill [27 CFR 4.72](#)

- Must use these container sizes – including kegs
- Between 3 and 18 liters - must be even liters (4 liters, 12 liters, etc.)
- No size restrictions over 18 liters

3 liters	375 milliliters
1.5 liters	187 milliliters
1 liter	100 milliliters
750 milliliters	50 milliliters
500 milliliters	

12oz. bottle is not authorized



Mandatory Label Information

7% or More

Alcohol Content

- May appear on any label
- “Fruit [apple] [pear] Table Wine” may be used ; or
- Specific statements:
 - Alcohol __% by volume
 - Alcohol __% to __% by volume (see part 4 for rules)
 - May use “Alc.” and “Vol.” or “Alc” and “Vol”
 - May replace “by” with “/”
 - May NOT use “ABV”

[27 CFR 4.32\(b\)\(3\)](#), [27 CFR 4.36](#)



Mandatory Label Information

7% or More

Alcohol Content – Labeling Tolerances*

- **7- 14%**
 - Actual alcohol content may be +/- 1.5% (by volume) from the alcohol content statement on the label
[27 CFR 4.36\(b\)\(2\)](#)
- **Above 14%**
 - Actual alcohol content may be +/- 1% (by volume) from the alcohol content statement on the label
[27 CFR 4.36\(b\)\(2\)](#)

*Regardless of tolerances, alcohol content statements must accurately reflect class/type and tax class



Government Health Warning Statement

All domestic and imported cider and perry products with 0.5% alcohol by volume or more must bear the government health warning statement

- May appear on any label (front, back, neck, etc.)
- Must be separate and apart from all other information
- See [27 CFR part 16](#) for complete rules (type size, etc.)

GOVERNMENT WARNING: (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.



Mandatory Label Information

7% or More

Class and Type

- Must appear on brand label*
- Must use the class, type or other designations found in the standards of identity (SOI) [27 CFR part 4 Subpart H](#)
- If no SOI applies, must use a truthful and adequate statement of composition (wine specialty products)

[27 CFR 4.32\(a\)\(2\)](#), [27 CFR 4.34\(a\)](#)



Class and Type

7% or More

Class

- In the standards of identity, the broad category “wine” is divided into 9 classes, including “Class 5: Fruit Wine” [27 CFR 4.21\(e\)](#)

Type

- Most of the classes include specifically defined types of wine
- “Cider,” “Perry,” and “Carbonated cider” are examples of specific types defined under “Class 5: Fruit Wine”



To be Labeled “Cider” “Hard Cider” “Apple Cider” 7% or More

The product must be:

- Produced by the normal alcoholic fermentation of the juice of sound, ripe apples, and
- Derived wholly (except sugar, water, or added alcohol) from apples

May also be labeled “apple wine”

[27 CFR 4.21\(e\)\(5\)](#)



To be Labeled “Perry” 7% or More

The product must be:

- Produced by the normal alcoholic fermentation of the juice of sound, ripe pears, and
- Derived wholly (except sugar, water, or added alcohol) from pears

May also be labeled “*pear wine*” but **MAY NOT** be labeled “*pear cider*”

[27 CFR 4.21\(e\)\(5\)](#)



Effervescent Designations

Cider or Perry that is made effervescent by carbon dioxide at a level of over 0.392 gram per 100mL must be labeled as “sparkling” or “carbonated,” depending on the method used to produce effervescence

- **Sparkling** cider/perry: CO₂ results solely from secondary fermentation within a closed container, tank, or bottle
- **Carbonated** cider/perry: Obtains its effervescence through the artificial injection of CO₂

[27 CFR 4.21\(e\)\(5\)](#) or [4.34\(a\)](#)



Effervescent Designations

- The 2017 changes to the definition of wine eligible for the Hard Cider Tax rate increased the maximum allowable CO₂ level to 0.64 g/100mL of wine
- The CO₂ level requiring an effervescent designation did not change (remains >0.392)
- Applicable effervescent designations must be used on cider/perry products with CO₂ level of over 0.392 g/100mL



What Can't be Designated Simply “Cider” or “Perry”? 7% or More

Any wine that does not meet those standards of identity, including:

- Any cider or perry product to which excess sugar or water have been added
- Any wine made with fruits other than 100% apples or pears, respectively
- Any cider or perry product to which spices, flavoring or coloring materials have been added

[27 CFR 4.21\(e\)\(5\)](#) or [4.34\(a\)](#)



What Can't be Designated Simply “Cider” or “Perry”? 7% or More

The following wines, which are eligible for the Hard Cider tax rate, may not be labeled simply “Cider,” “Hard Cider” or “Perry”

- Made from a blend of apples and pears
- Made with coloring, spices, or other eligible flavoring materials
- Contains 0.392 g/ 100mL or more of CO₂

[27 CFR 4.21\(e\)\(5\)](#) or [4.34\(a\)](#)



Fermenting Two Kinds of Fruit Juice 7% or More

- Must be designated with a truthful and adequate statement of composition such as "*apple-blueberry wine*" or "*blueberry cider*"
- The designation "*fruit wine*" may appear in direct conjunction with the statement of composition

Does not require formula approval [27 CFR 4.21\(e\)\(5\)](#)





Blending Two Kinds of Fruit Wine

7% or More

- Must be designated with a statement of composition, such as "*apple wine - blueberry wine*" or "*cider – blueberry wine*"
- "*Fruit wine*" may appear in direct conjunction with the statement of composition
- May also be labeled with a fanciful name such as "*Blueberry Apple Delight*"

Requires formula approval [27 CFR 4.34\(a\)](#)

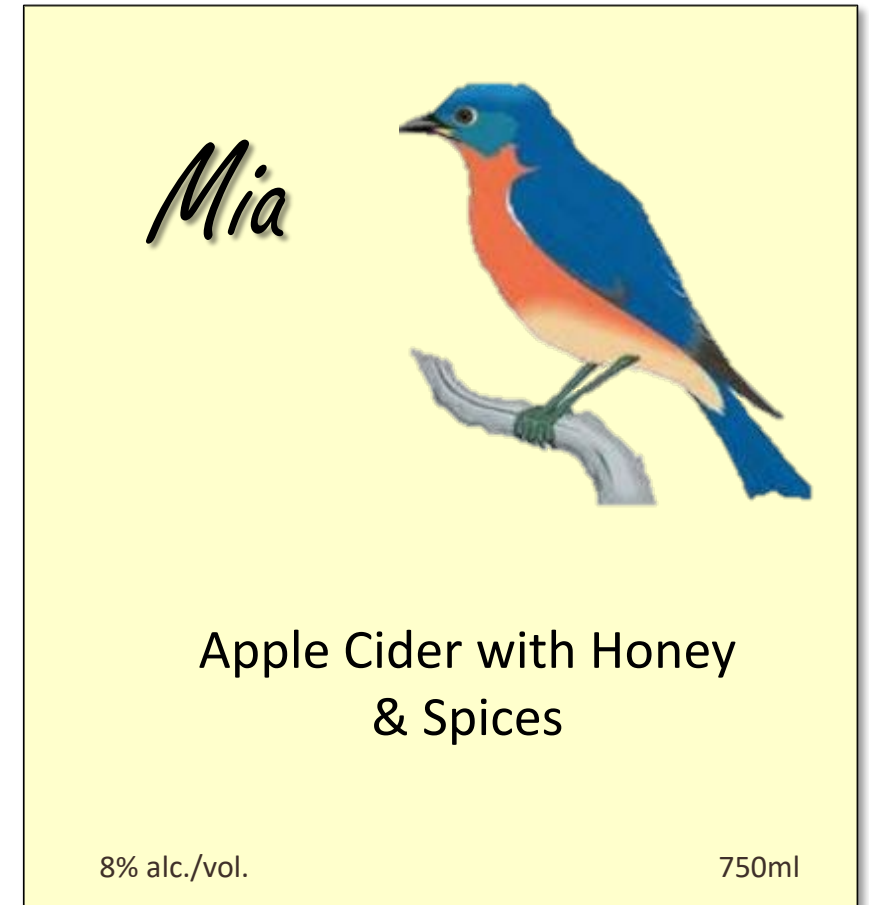




Added Honey, Spices, Natural or Artificial Flavors

7% or More

- Must be designated with a statement of composition, such as "*cider with artificial and natural blueberry flavors*" or "*apple cider with honey and spices*"
- May also use a fanciful name but it must not be misleading as to the identity of the product
 - The fanciful name and statement of composition must be the same size and font and must appear together on the Brand Label



Requires formula approval [27 CFR 4.34\(a\)](#)



Any Other Mandatory Information? 7% or More

If applicable the following information must appear:

- On blends consisting of American and foreign wines, if any reference is made to the presence of foreign wine, the exact percentage by volume
- Declarations of the presence of:
 - FD&C Yellow No. 5
 - Cochineal extract or carmine
 - Sulfites

[27 CFR 4.32](#)



Sulfite Declaration

7% or More

- Label must contain a sulfite declaration if the cider/perry product contains 10 ppm or more sulfur dioxide
 - “Contains Sulfites” or “Contains Sulphites”
- No statement is required if cider/perry product contains less than 10 ppm
 - Obtain Lab Analysis
 - Submit analysis with COLA

[27 CFR 4.32\(e\)](#)



Customs Labeling Requirements

Containers of all imported cider and perry products are required to be marked, branded and labeled (for example a Country of Origin statement) in accordance with CBP regulations

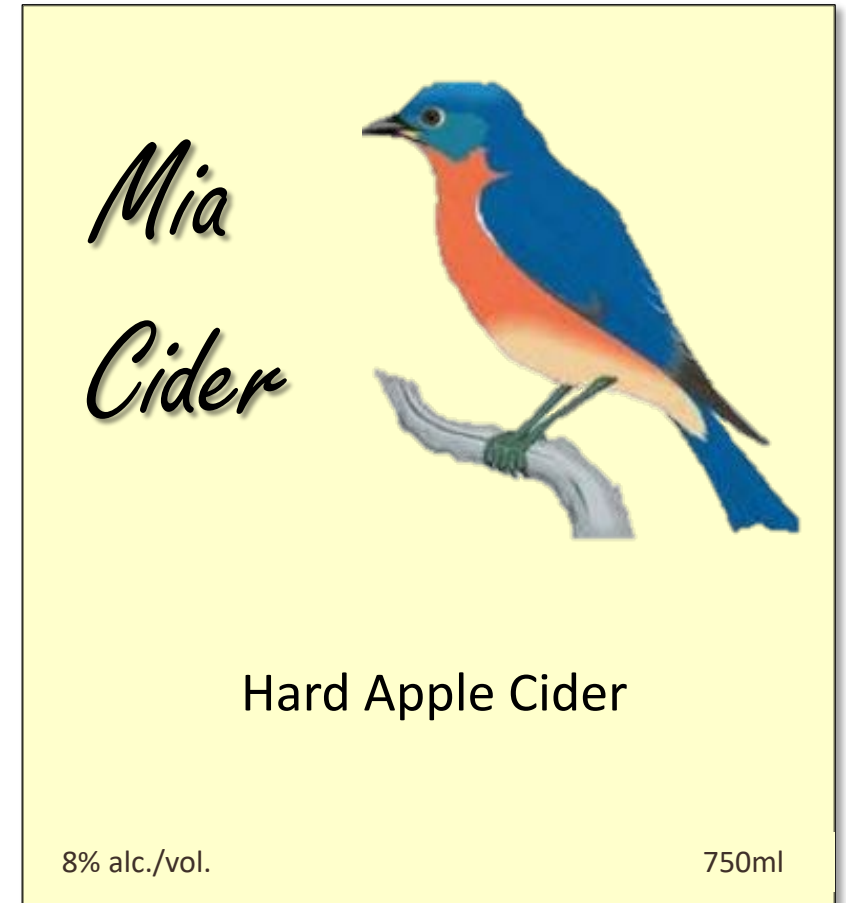
[19 CFR part 11](#), [part 12](#) and [part 134](#)



“Cider” in the Brand Name

7% or More

- “Cider” may be used in a brand name on wines that meet the standard of identity for cider





“Cider” in the Brand Name 7% or More

- “Cider” must be modified to be used in the brand name of wines that do not meet the standard of identity for cider
- Examples: Cider Company (Co.), Ciderworks, Cidery





“Cider” in a Fanciful Name 7% or More

- “Cider” may be used in a fanciful name in conjunction with the word “flavored” when flavors are added to apple wine
- The fanciful name "apple perry" or "pear cider" would not be approved because it is misleading as to the identity of the product

Mia

Pear Flavored Cider

Cider with Natural Flavors

9% alc./vol. 750ml

Fanciful name



Optional Label Claims



Appellation Of Origin

7% or More

“Cider” and “Perry” labels may bear an **appellation of origin** (for example, a country, state or county) if:

- At least 75% of the cider/perry is derived from fruit grown in the named appellation
- The wine has been fully finished:
 - if labeled with a State appellation, within the labeled State or an adjacent State
 - If labeled with a county appellation, within the State in which the labeled county is located (“County” or “Parish” must accompany the name(s))

[27 CFR 4.25](#)



Appellation Of Origin 7% or More

American Viticultural Areas, which are defined as grape growing regions, may NOT be used on cider and perry products

[27 CFR 4.25](#)



Orchard/Farm/Ranch Name

7% or More

95% of the cider/perry product in the container must have been produced from apples/pears grown on the named **orchard, farm or ranch**

[27 CFR 4.39\(m\)](#)



Gluten Free

Alcohol beverages that are made from ingredients that do not contain gluten (such as cider fermented from apples) may make "**gluten-free**" claims in compliance with FDA regulations for inherently gluten-free products

[TTB Ruling 2014-2 - Revised Interim Policy on Gluten Content Statements](#)

[Gluten-Free Labeling of Foods on www.FDA.gov](http://www.FDA.gov)



Organic



Any use of the term “**organic**” on any cider/perry product label must comply with the United States Department of Agriculture's (USDA) National Organic Program rules ([7 CFR part 205](#)) as interpreted by the USDA



What Cannot
Appear on the
Label?



Vintage Dates

7% or More

- **Vintage dates** (year of harvest) may only be used on wines made from grapes

[27 CFR 4.27](#)

- Bottling dates are allowed
 - “Bottled in ___” (insert the year in which bottled)

[27 CFR 4.39\(c\)](#)



Misleading Impressions

7% or More

Labels may not contain statements/images/etc. that TTB finds are **likely to mislead the consumer**



Prohibited Practices

7% or More

See [27 CFR 4.39](#) for the full list of prohibited labeling practices



COLA Requirements



When is a COLA Required?

7% or More

- Applies only to cider/perry products that contain 7% or more alcohol by volume
- Only required if the cider/perry product will be shipped in or otherwise introduced into interstate or foreign commerce [27 CFR 4.50\(a\)](#)
- The bottler/packer must get a COLA before bottling/packing the product



Certificate of Exemption

7% or More

- A certificate of exemption is also issued on [TTB Form 5100.31](#)
- Applies only to cider/perry products that contain 7% or more alcohol by volume
- Signifies that the associated product is exempt from the FAA Act labeling rules in part 4
- Issued under the condition that the product will under no circumstances be introduced into interstate or foreign commerce
[27 CFR 4.50\(b\)](#)
 - The label must bear the statement, “For sale in (name of state where bottled) only”



Cider Resources



TTB Cider Contacts

National Revenue Center (NRC) – Permits, Taxes, Reports	
Telephone	Toll-free at 877-TTB-FAQS (877-882-3277)
Address	National Revenue Center 550 Main Street, Suite 8002 Cincinnati, Ohio 45202
Email	National Revenue Center Contact Form



TTB Cider Contacts

Alcohol Labeling and Formulation Division	
Telephone	(202) 453-2250 or Toll-Free at (866) 927-ALFD (2533)
Email	Alcohol Labeling and Formulation Division (ALFD) Contact Form
Regulations and Rulings Division	
Telephone	(202) 453-2265
Email	Regulations and Rulings Contact Form
Address	1310 G Street NW Box 12 Washington, DC 20005



Resources on TTB.gov

Cider Resources Page

<https://www.ttb.gov/cider/cider-resources>

Subscribe to automatically receive the weekly TTB Newsletter
(via email)

<https://service.govdelivery.com/accounts/USTTB/subscriber/new>

Secure Email Communication with TTB

<https://www.ttb.gov/about-ttb/email-security>



Resources on TTB.gov

2020 Schedule of Semi-Monthly Tax Due Dates

<https://www.ttb.gov/tax-audit/2020-semi-monthly-due-dates-for-revenue-producing-plants>

2020 Schedule of Quarterly Tax Due Dates

<https://www.ttb.gov/tax-audit/2020-quarterly-revenue-producing-plants-due-dates>

2020 Due date for Annual Tax Return Filers

<https://www.ttb.gov/tax-audit/2020-annual-filers-due-date>



Resources on TTB.gov

Due Dates for Operational Reports

<https://www.ttb.gov/tax-audit/due-dates-for-operational-reports>

Automated Reminders for Filing Tax Returns and Operational Reports

<https://www.ttb.gov/news/automated-reminders-for-filing>



Resources on TTB.gov

Labeling (7% and more alcohol by volume)

- Gluten Content Statements
 - <https://www.ttb.gov/images/pdfs/rulings/2014-2.pdf>
- Allowable Revisions to previously approved labels
 - <https://www.ttb.gov/labeling/allowable-revisions>
- Alcohol Beverages Labeled with Organic Claims
 - <https://www.ttb.gov/afd/alcohol-beverages-labeled-with-organic-claims>
- Current Processing Times for Label Applications
 - <https://www.ttb.gov/labeling/processing-times>



Resources on TTB.gov

Smart Forms and Forms Tutorials

- [TTB F 5120.17sm Temp - Report of Wine Premises Operations Smart Form](#)
- [TTB F 5000.24, Excise Tax Return](#)
- [Helpful Hints in Preparing Form 5000.24, Excise Tax Return](#)



Resources

Permits Online

- Permits Online Customer Homepage <https://www.ttb.gov/ponl/customer-support>
- Logon page <https://www.ttbonline.gov/permitsonline/Default.aspx>
- Current permit processing times <https://www.ttb.gov/nrc/statistics-original-applications-to-operate>





Resources

Formulas

- Alcohol Beverage Formula Approval home page
 - <https://www.ttb.gov/formulation>
- Formulas Online Customer Homepage
 - <https://www.ttb.gov/formulation/customer-support>
- Current Formula Processing Times
 - <https://www.ttb.gov/formulation/fonl-processing-times>





Resources

COLAs Online Customer Homepage

<https://www.ttb.gov/labeling/colas>

COLAs Online login page

<https://www.ttbonline.gov/ttbonline/>





Resources

FDA Labeling

- Under FDA's laws and regulations, FDA does not pre-approve labels for food products

FDA Food Labeling Guide

<https://www.fda.gov/regulatory-information/search-fda-guidance-documents/guidance-industry-food-labeling-guide>