

105TH CONGRESS
1ST SESSION

S. 475

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

IN THE SENATE OF THE UNITED STATES

MARCH 19, 1997

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CLARIFICATION OF TAX TREATMENT OF**
4 **DRAFT CIDER.**

5 (a) DRAFT CIDER CONTAINING NOT MORE THAN 7
6 PERCENT ALCOHOL TAXED AS WINE.—Subsection (b) of
7 section 5041 of the Internal Revenue Code of 1986 (relat-
8 ing to imposition and rate of tax) is amended by adding
9 at the end the following new paragraph:

1 “(6) On draft cider derived primarily from ap-
 2 ples or apple concentrate and water, containing no
 3 other fruit product, and containing at least one-half
 4 of 1 percent and not more than 7 percent of alcohol
 5 by volume, 22.6 cents per wine gallon, except that
 6 in the case of person who produces not more than
 7 100,000 wine gallons of draft cider during the cal-
 8 endar year, the rate of tax that would have applied
 9 to each such gallon on the day before the date of the
 10 enactment of this paragraph.”

11 (b) EXCLUDED FROM SMALL PRODUCER CREDIT.—
 12 Paragraph (1) of section 5041(c) of the Internal Revenue
 13 Code of 1986 (relating to credit for small domestic produc-
 14 ers) is amended by striking “subsection (b)(4)” and in-
 15 serting “paragraphs (4) and (6) of subsection (b)”.

16 (c) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply on and after the date of the enact-
 18 ment of this Act.

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