



Introduction to TTB's Legal Framework for Cider

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TTB Disclaimer

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



You'll learn which TTB laws & regulations cover cider, and why it's important to know

1 Brief intro to TTB

2 How TTB defines "cider"

3 The main TTB laws & regulations covering cider

4 How to determine which requirements to follow



TTB Overview

- We are a bureau within the Department of the Treasury
- We currently have about 480 employees
- Our headquarters are in Washington, DC
- The National Revenue Center is in Cincinnati, Ohio
- We have field offices located across the country
- We have 4 laboratories, located in Maryland and California

What are Cider and Perry?

Which Federal Laws and Regulations Apply?

Which Federal Agencies Regulate Them?





What is Cider?

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





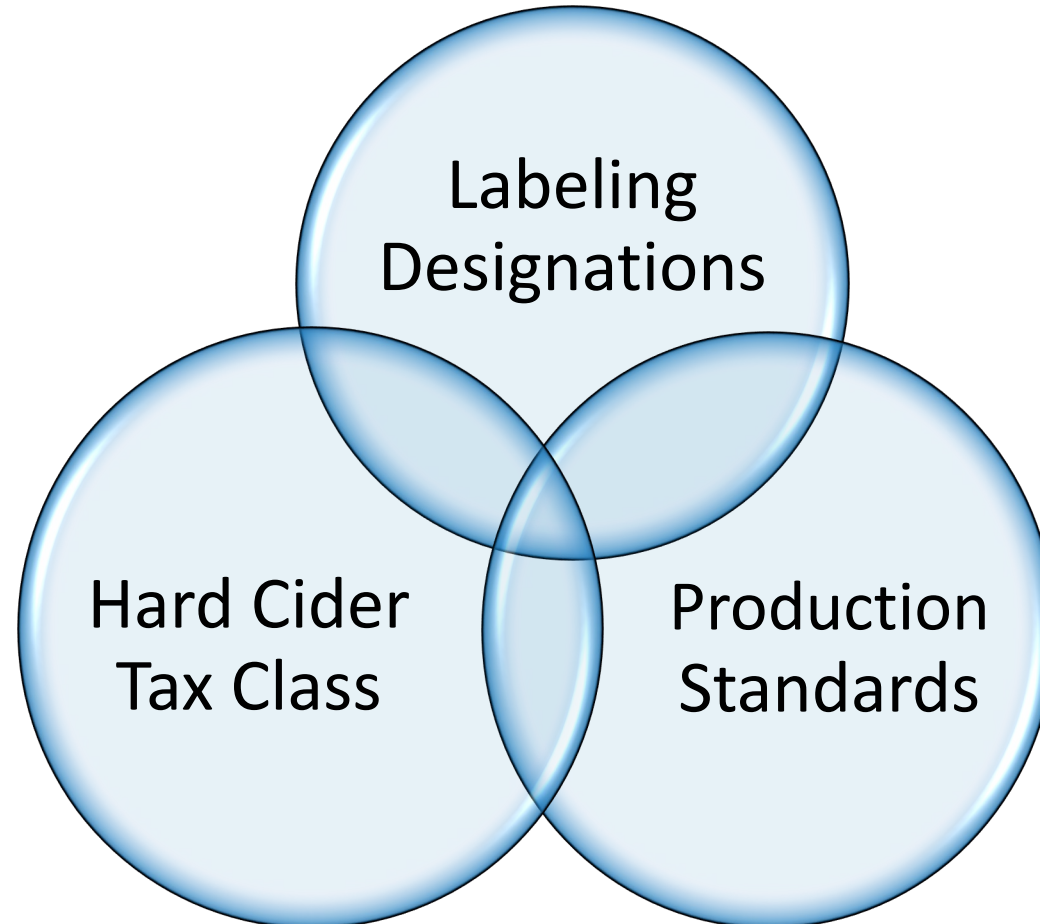
How Does TTB Define Cider and Perry?

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?



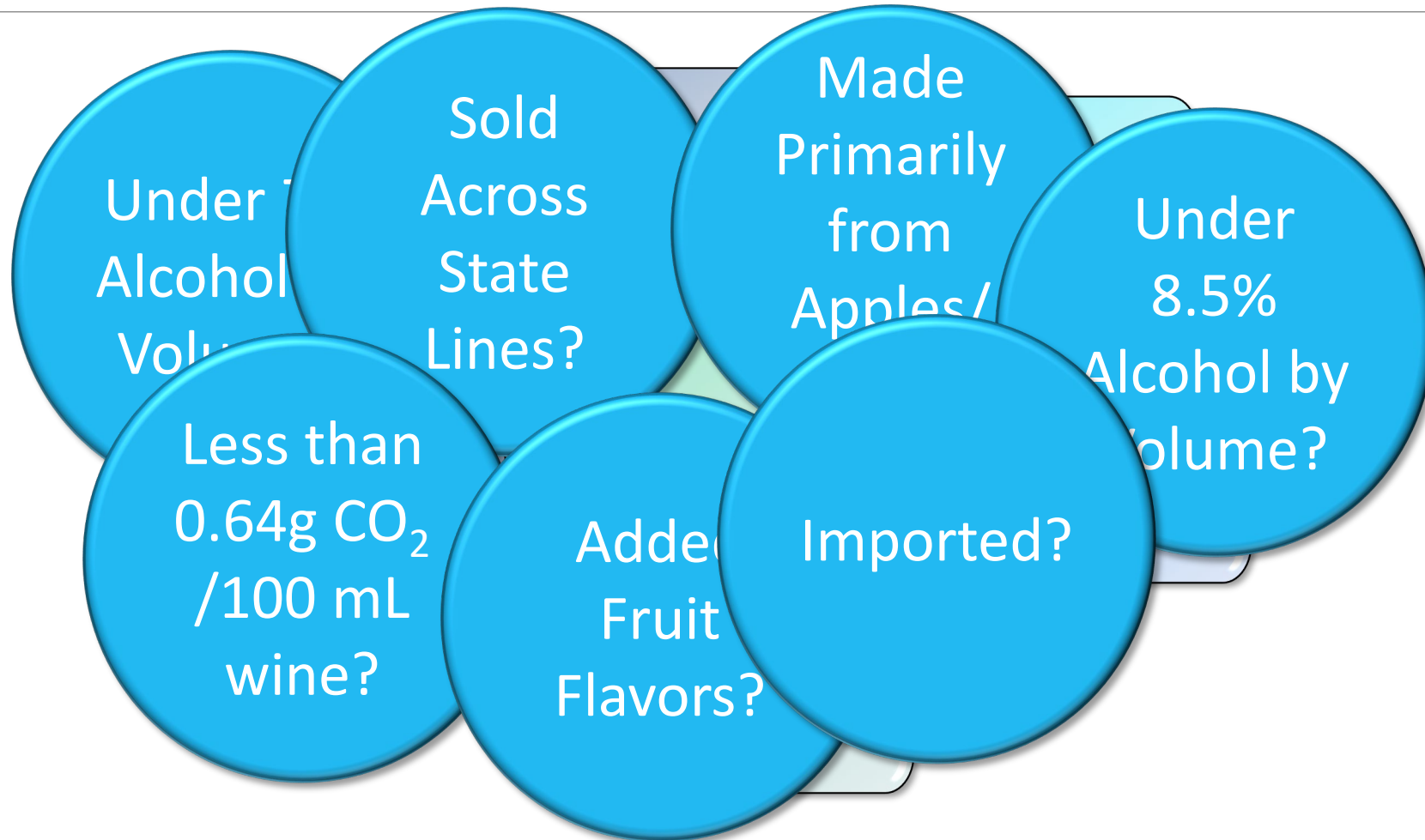


How Does TTB Regulate Cider and Perry Products?





How do you Know Which Requirements Apply?





How do you Know Which Requirements Apply?

To understand which TTB requirements apply to 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



Let's Start with Federal Laws

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

- Internal Revenue Code (IRC)
- Federal Alcohol Administration Act (FAA Act)
- Alcoholic Beverage Labeling Act (ABLA)

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 (27 CFR part 24) cover issues such as:

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

The part 24 regulations apply to all domestic commercial cideries making product with 0.5% ALC. BY VOL. or more

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

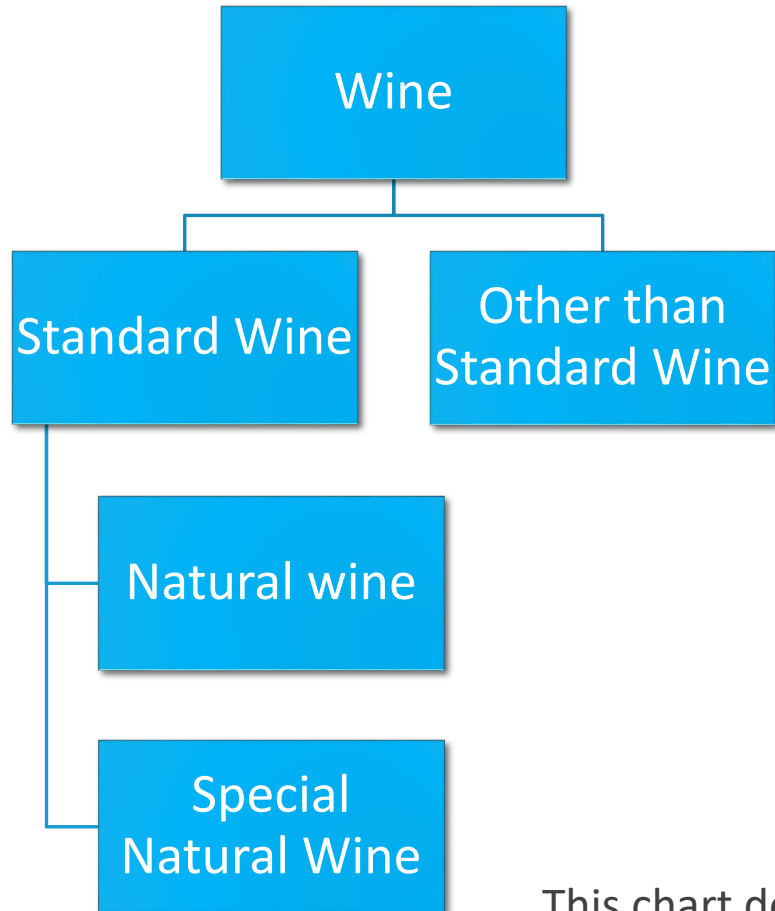


Wine Classifications in Part 24 (IRC)

- 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**



Wine Classifications in Part 24 (IRC)



- All cider/perry products are wine
- Some are Standard Wine, some are Other than Standard
- Of those that are Standard, some are Natural wine, some are Special Natural wine

This chart does not depict all wine classifications in part 24



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 Under the IRC

- For tax purposes, the IRC subdivides wine into several 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 Rates that May Apply to Cider Products

Tax Classes	Wines Gallons Per Calendar Year				
	Tax Rate per Wine Gallon	First 30,000 (\$1 credit)	Over 30,000 up to 130,000 (\$0.90 credit)	Over 130,000 up to 750,000 (\$0.535 credit)	Over 750,000
Still Wines					
16% and under alcohol by volume (0.392g CO ₂ /100mL or less)	\$1.07	\$0.07	\$0.17	\$0.535	\$1.07
Over 16 - 21% alcohol by volume (0.392g CO ₂ /100mL or less)	\$1.57	\$0.57	\$0.67	\$1.035	\$1.57
Over 21 - 24% alcohol by volume (0.392g CO ₂ /100mL or less)	\$3.15	\$2.15	\$2.25	\$2.615	\$3.15



Tax Rates that May Apply to Cider Products

Tax Classes	Wines Gallons Per Calendar Year				
	Tax Rate per Wine Gallon	First 30,000 (\$1 credit)	Over 30,000 up to 130,000 (\$0.90 credit)	Over 130,000 up to 750,000 (\$0.535 credit)	Over 750,000
Artificially Carbonated Wine					
Over 0.392g CO ₂ /100mL - injected or otherwise added	\$3.30	\$2.30	\$2.40	\$2.765	\$3.30
Sparkling Wine					
Over 0.392g CO ₂ /100mL - naturally occurring	\$3.40	\$2.40	\$2.50	\$2.865	\$3.40



Tax Rates that May Apply to Cider Products

Tax Classes	Wines Gallons Per Calendar Year				
	Tax Rate per Wine Gallon	First 30,000 (6.2¢ credit)	Over 30,000 up to 130,000 (5.6¢ credit)	Over 130,000 up to 750,000 (3.3¢ credit)	Over 750,000
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	\$0.226	\$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 from 7% to 24% alcohol by volume
- As a result, not all cider/perry products are regulated under the FAA Act
- The implementing regulations (27 CFR) cover issues such as:
 - Labeling
 - Certificates of Label Approval (COLA)
 - Qualification (Basic Permit)
 - Advertising
 - Trade practices
 - Labeling proceedings

The FAA regulations only apply if ALC. BY VOL. is 7% or more, and product is sold interstate

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



Alcoholic Beverage Labeling Act

The Alcoholic Beverage Labeling Act and TTB regulations in 27 CFR part 16 require that a **Health Warning Statement** appear on all alcohol beverages with 0.5% alcohol by volume or more

Applies to all commercial cider/perry products if ALC. BY VOL. is 0.5% 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 containing at least 7% to 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 [other than grapes]...

- 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)
	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:

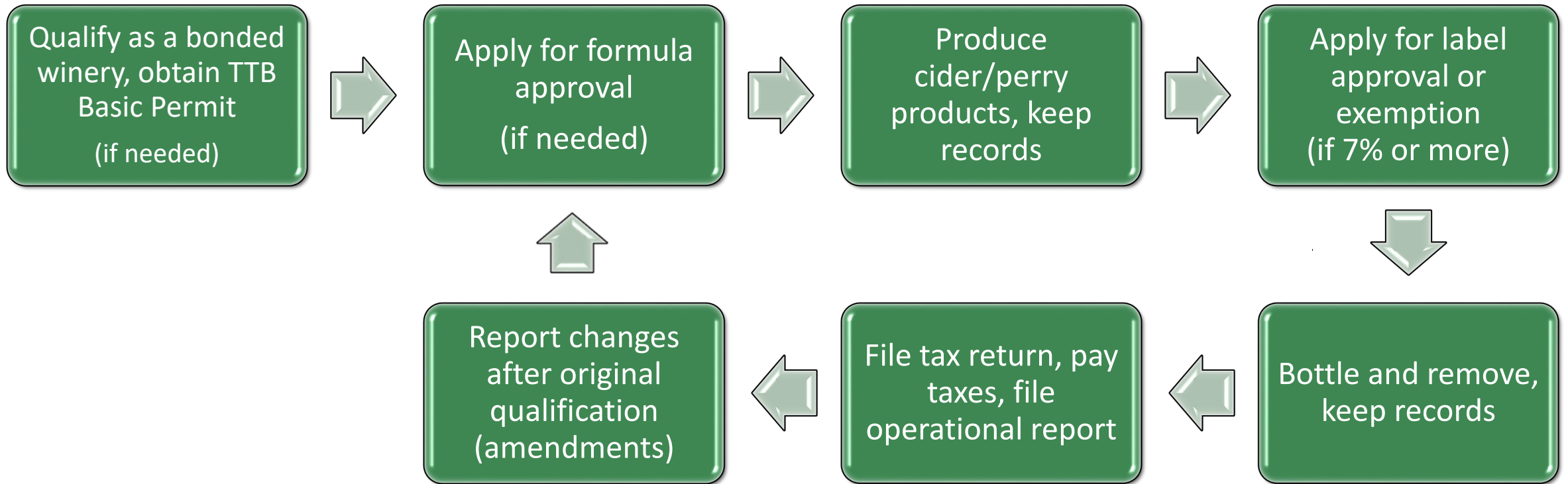
- Must be labeled in compliance with:
 - 27 CFR part 16 – Government Health Warning Statement
 - 27 CFR part 24 – (domestic, including <7% alc/vol or covered by Cert. of Exemption)
 - 27 CFR part 4 – (7% or more alc/vol and covered by Cert. of Label Approval)
 - FDA labeling & packaging regulations (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

What Do I Do Next?





Typical TTB Touchpoints for Cider Industry Members





TTB Cider Resources

Cider Resources

Apply for a Permit: Qualifying with TTB

<https://www.ttb.gov/business-tools/qualify-with-ttb>

Permits Online Customer Page

<https://www.ttb.gov/ponl/customer-support>

Permits Online Tutorial

<https://www.ttb.gov/ponl/ponl-launch>

State Alcohol Beverage Authorities

<https://www.ttb.gov/wine/alcohol-beverage-control-boards>

Cider FAQs

<https://www.ttb.gov/faqs/alcohol#Cider>

Maintaining Compliance in a TTB-Regulated Industry

<https://www.ttb.gov/business-central/industry-members-responsibilities>

Overview of the Application Process

<https://www.ttb.gov/ponl-help/permits-online-overview-of-the-application-process>

Wine Laws, Regulations, and Public Guidance

<https://www.ttb.gov/wine/laws-regulations-and-public-guidance>



Contact Us

Questions?

Contact the National Revenue Center at:

- Toll-Free: 877-882-3277 / 877-TTB-FAQS
- Use our [National Revenue Center Contact Form](#)

Representatives are Available:

8 a.m. to 4:30 p.m. ET Monday - Friday (except on federal holidays)