



# TTB Boot Camp for Cideries

---



# Agenda

---

Time	Subject	Speaker(s)
8:30 – 9:30	TTB Basics, Legal Overview, and Permits	Janelle Christian Jennifer Hill
9:30 – 9:45	<b>Break</b>	
9:45 – 10:45	Records, Operational Reports & Tax Returns	Ronda Merrell
10:45 – 11:15	Formula Approvals	Goodloe Harman
11:15 – 11:30	<b>Break</b>	
11:30 – 12:30	Labeling of Ciders	Alexis Jewell



# 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.



# TTB Basics

---

JANELLE CHRISTIAN/JENNIFER HILL

OFFICE OF INDUSTRY AND STATE OUTREACH



# Agenda: You'll become familiar with TTB and who to interact with

---

1

Typical touchpoints with TTB

2

Office organization and functions

3

Contacts and Resources



# TTB Mission

---

**COLLECT** the taxes on alcohol, tobacco, firearms, and ammunition

**PROTECT** the consumer by ensuring the integrity of alcohol products

**ENSURE** only qualified businesses enter the alcohol and tobacco industries

**PREVENT** unfair and unlawful market activity for alcohol and tobacco products



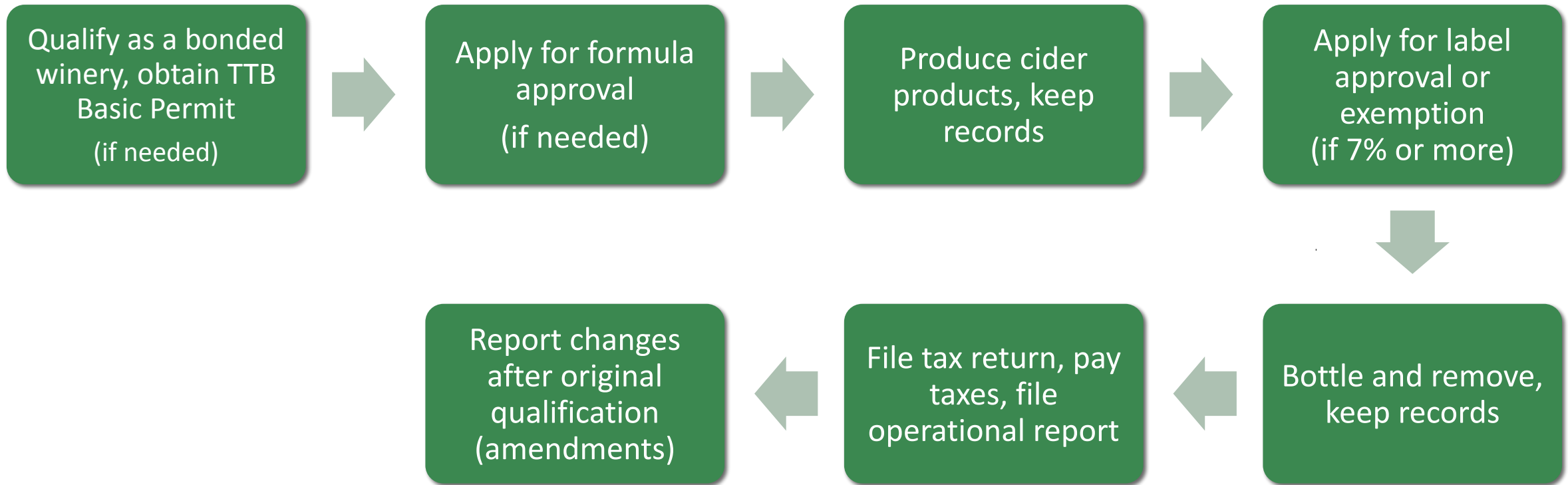
# TTB Overview

---

- We are a bureau within the Department of the Treasury
- We currently have about 500 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 3 laboratories located in Maryland



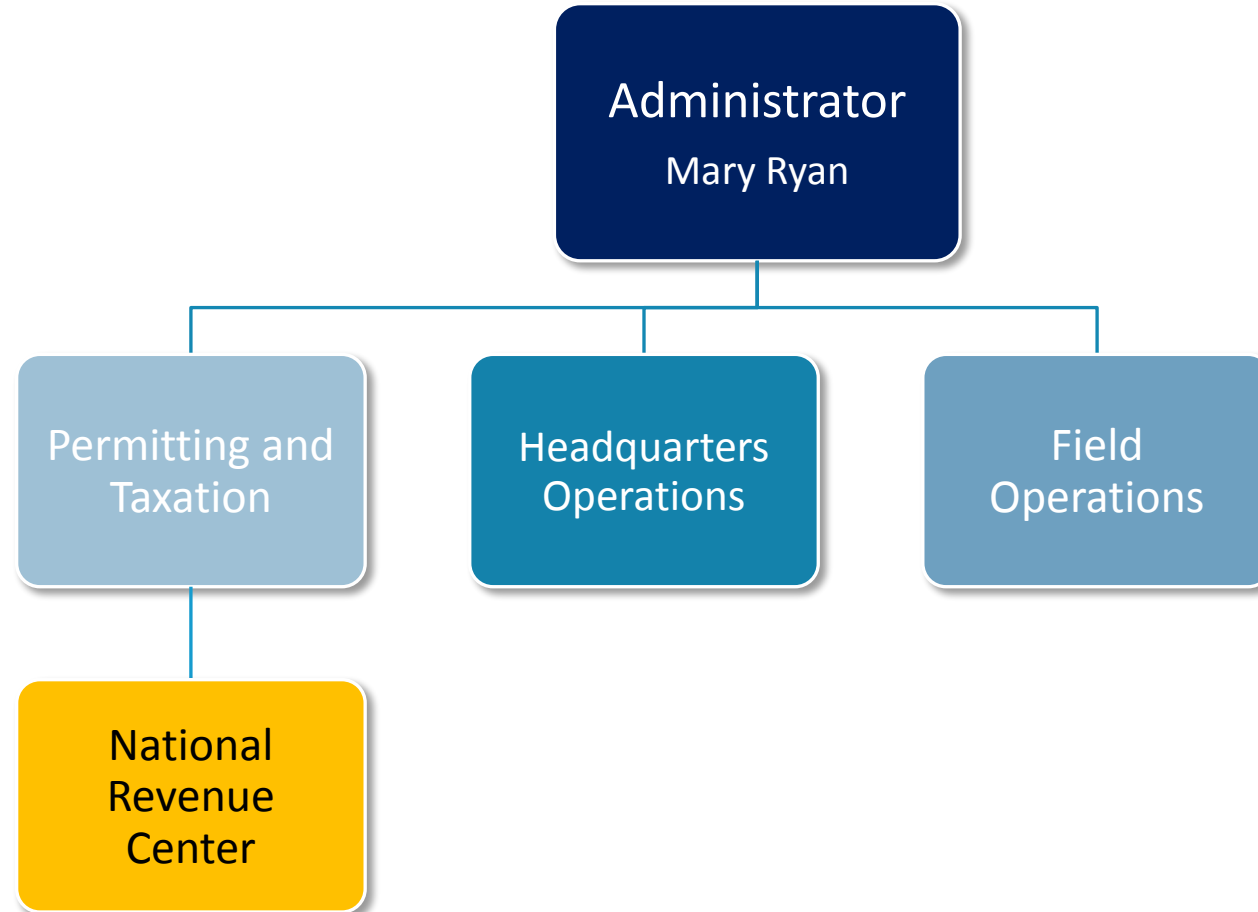
# Typical TTB Touchpoints for Cider Industry Members





# TTB Overview

---





# National Revenue Center

---

Issues **permits/notices/registrations**

Processes **tax returns, operational reports, and claims**

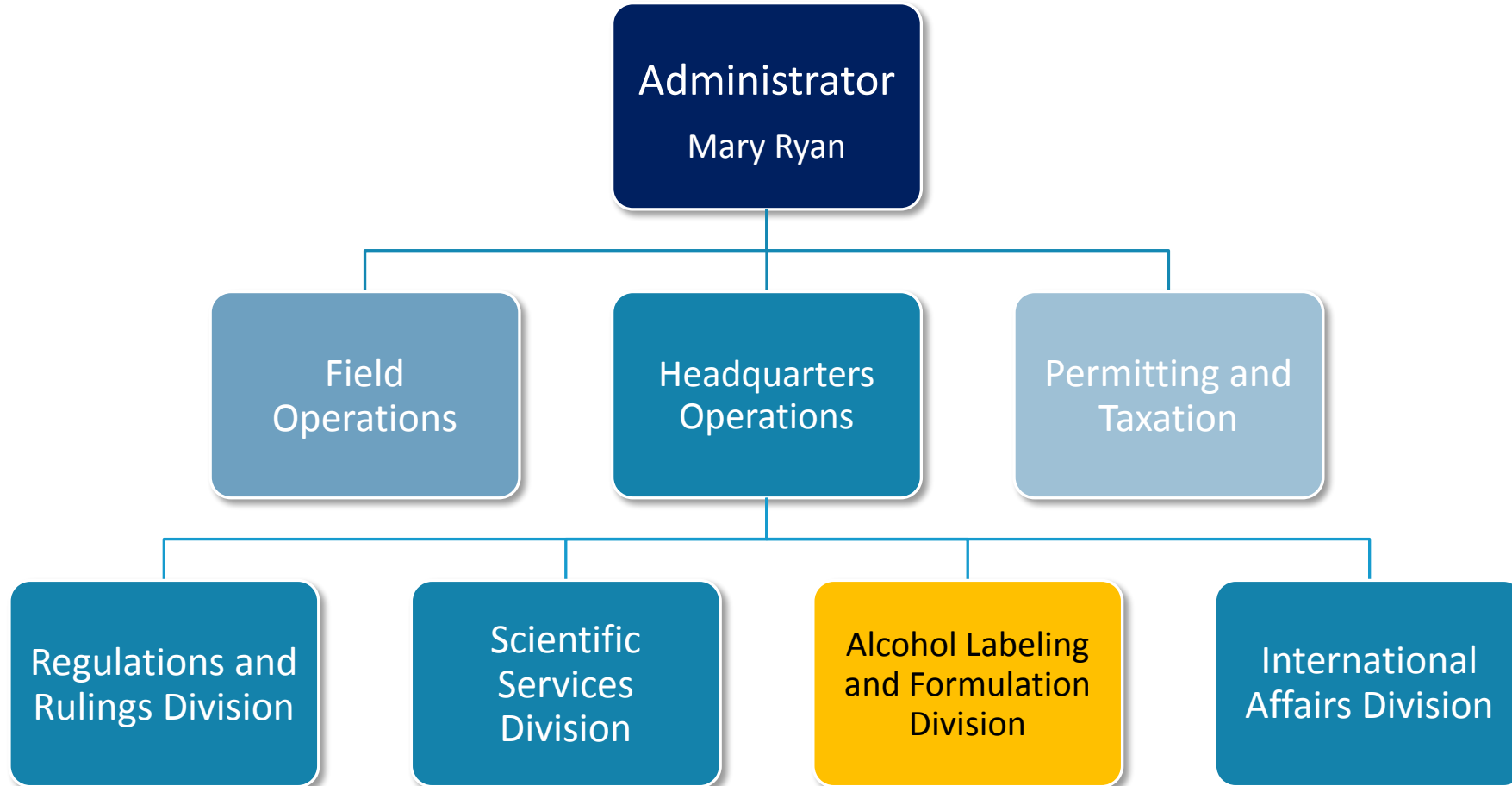
Located in Cincinnati, Ohio

Toll-Free: 877-882-3277

Web Form: [Submit Online Inquiry](#)



# TTB Overview





# Alcohol Labeling & Formulation Division

---

Processes applications for **formula** approval

Processes applications for **label** approval

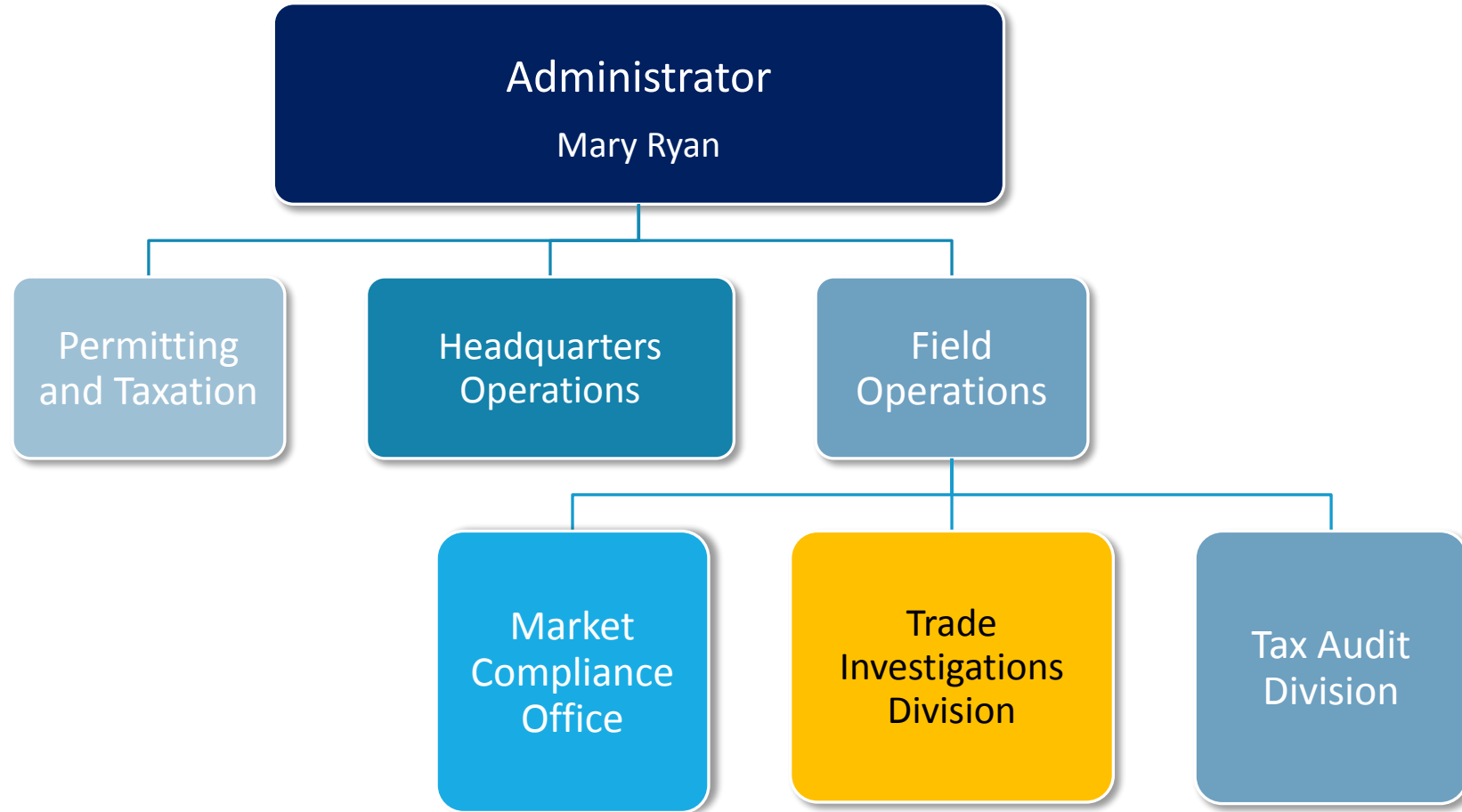
Located in Washington, DC

Toll-Free: 866-927-2533

Web Form: [Submit Online Inquiry](#)



# TTB Overview





# Field Operations: MCO

---

**Market Compliance Office (MCO):** Ensures industry compliance in the marketplace through programs addressing consumer complaints, trade practices, product recalls, and advertising reviews.

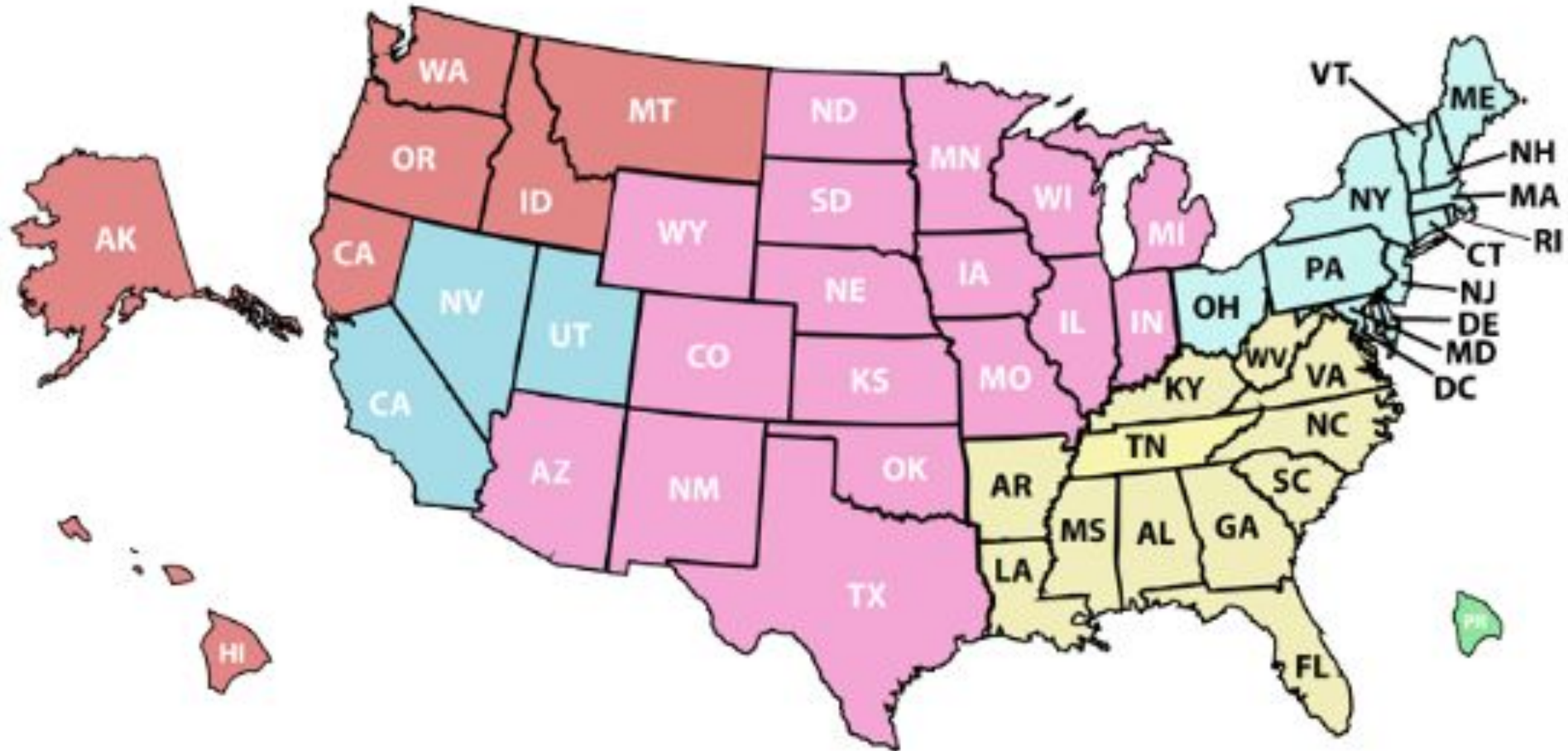
MCO Customer Service Line: 202-453-2251

Email:

- [Market.Compliance@ttb.gov](mailto:Market.Compliance@ttb.gov)
- [TradePractices@ttb.gov](mailto:TradePractices@ttb.gov)



# Trade Investigations Division Map





# Trade Investigation Division Contacts

## Western I District Field Office

21143 Hawthorne Blvd #461  
Torrance, CA 90503-4615  
513-684-2481

**NOTE:** This is a mailing address **ONLY**. This is not a physical address.  
Please direct all inquiries to: 513-684-2481

## Western II District Field Office

5050 NE State Hwy 303 #103, PMB #206  
Bremerton, WA 98311  
513-684-2491

**NOTE:** This is a mailing address **ONLY**. This is not a physical address.  
Please direct all inquiries to: 513-684-2491

## Mountain District Field Office

100 East Main St. #41  
Honey Grove, TX 75446  
513-684-2730

**NOTE:** This is a mailing address **ONLY**. This is not a physical address.  
Please direct all inquiries to: 513-684-2730

## Northeast District Field Office

1282 Smallwood Drive W. #307  
Waldorf, MD 20603  
202-453-2267

**NOTE:** This is a mailing address **ONLY**. This is not a physical address.  
Please direct all inquiries to: 202-453-2267

## Southeast District Field Office

4300 West Cypress Street, Suite 340  
Tampa, FL 33607  
202-453-3117

## Puerto Rico District Field Office

Torre Chardon  
350 Ave Carlos Chardon, Suite 310  
San Juan, PR 00918  
202-453-3164



# Contact Us and Stay Updated!

## Stay in Touch

- [Contact the Office of Outreach](#)
- [View Upcoming Outreach Events](#)
- [Subscribe to the TTB Newsletter!](#)

## More Information

- [About TTB](#)
- [TTB Boot Camp Series](#)
- [TTB Presentations](#)
- [Cider Fact Sheet](#)
- [Contacting TTB](#)



# Federal Legal Overview

---



# Agenda: You'll learn which TTB laws & regulations cover cider and why it's important

---

1 How TTB defines "cider"

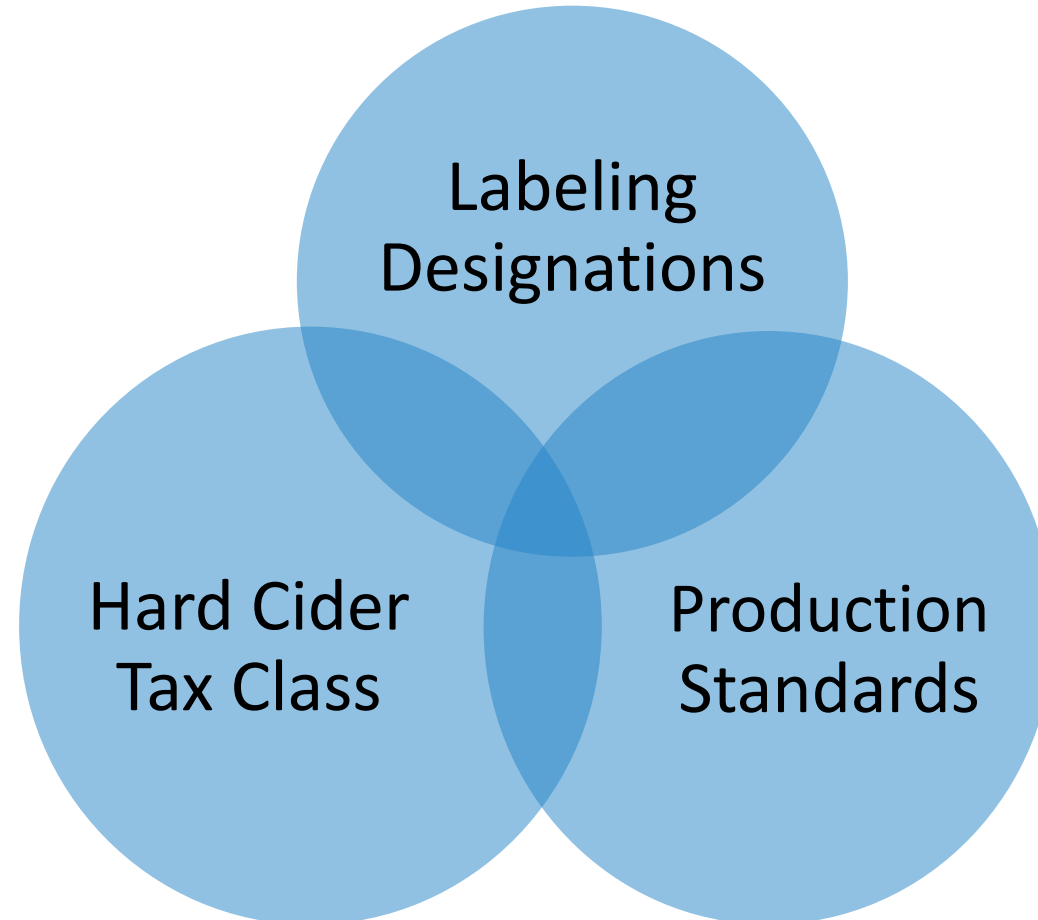
2 The main TTB laws & regulations covering cider

3 How to determine which requirements to follow



# How Does TTB Define Cider Products?

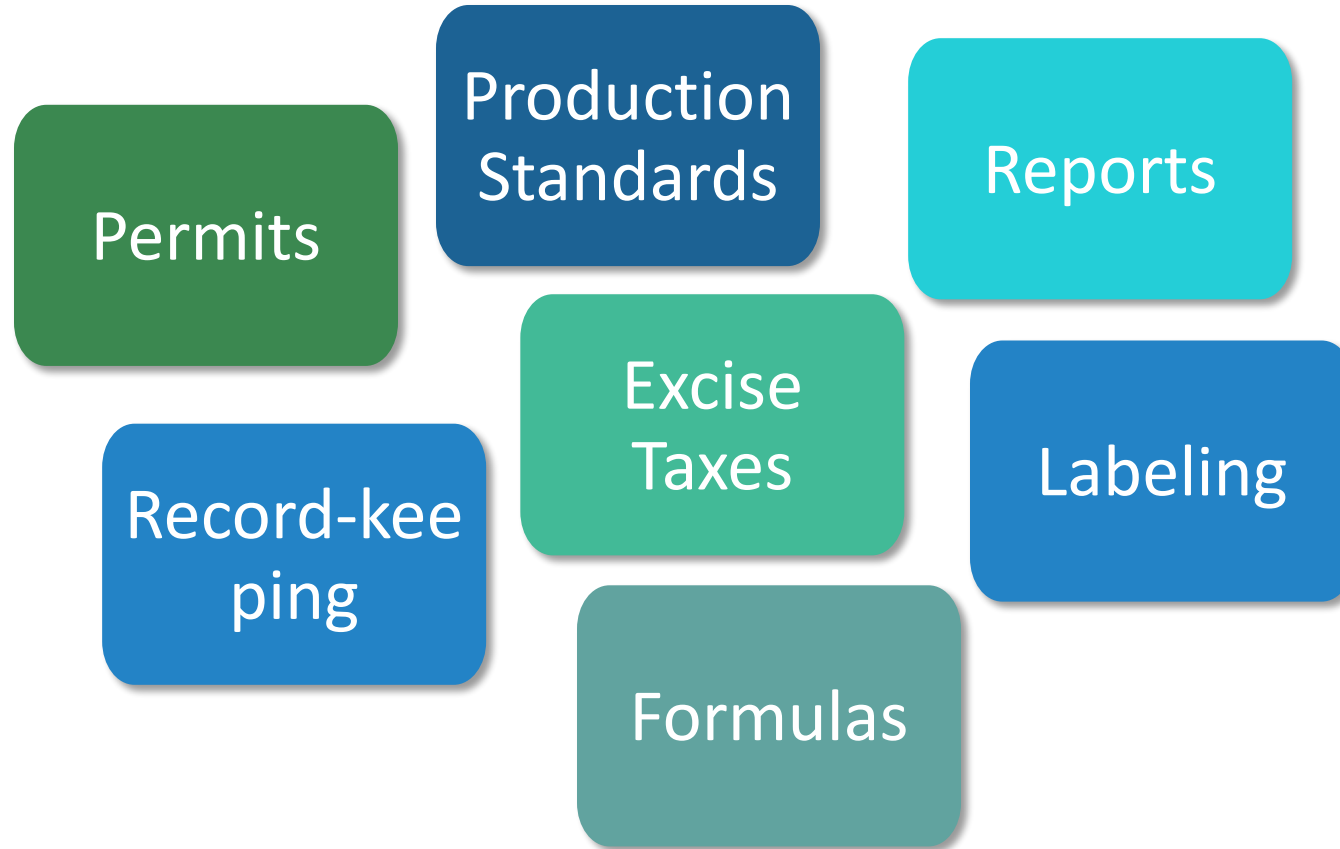
---





# How Does TTB Regulate Cider Products?

---





# How do you Know Which Requirements Apply?

---

Under 7%  
Alcohol by  
Volume?

Sold  
Across  
State  
Lines?

Made  
Primarily  
from  
Apples/  
Pears?

Under  
8.5%  
Alcohol by  
Volume?

Less than  
0.64g CO<sub>2</sub>  
/100 mL  
wine?

Added  
Fruit  
Flavors?

Imported?



# Federal Laws to Know\*

There are 2 primary statutes administered by TTB that govern alcohol beverage products:

- **Internal Revenue Code (IRC)**
- **Federal Alcohol Administration Act (FAA Act)**

Also:

- **Alcoholic Beverage Labeling Act (ABLA)**

Another statute NOT administered by TTB that may apply:

- **Federal Food, Drug, and Cosmetic Act (FD&C Act)**

\* Not a complete list

# Internal Revenue Code (IRC)





# IRC Definitions: Cider and Hard Cider

---

**Cider:** See definitions for hard cider and tax exempt cider. For the labeling of wine that may be designated as “cider” under the Federal Alcohol Administration Act, see § 4.21(e)(5) of this chapter.

**Hard cider:** A wine that meets the eligibility requirements set forth in § 24.331 for the hard cider tax rate set forth in § 24.270. See the definitions for artificially carbonated hard cider, sparkling hard cider, and still hard cider.

27 CFR 24.10



# IRC Definition: Wine

---

**Wine:** Products produced on bonded wine premises from grapes, **other fruit**, or other suitable agricultural products containing **not more than 24%** alc by vol (27 CFR 24.10).

A wine product containing less than 0.5% alc by vol is not taxable as wine when removed from bonded wine premises.

27 CFR 24.10



# IRC Requirements for Wine

---

The Internal Revenue Code (IRC) implementing regulations (27 CFR part 24) cover issues such as:

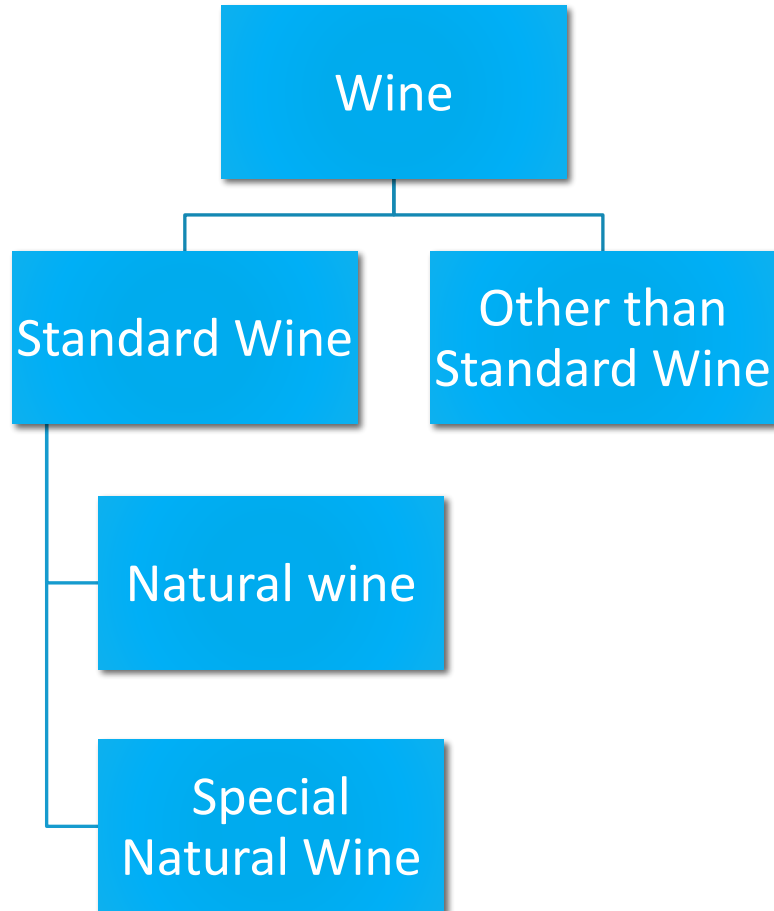
- Qualification/registration of bonded wine premises
- Production requirements
- Formulas (for some)
- Recordkeeping/reports
- Taxes
- Basic labeling/marketing

**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)\*



- All cider products are wine
- For production purposes, part 24 subdivides wine into **standard** wine and **other than standard** wine
- Cider products may be either one, depending on how they are made
- 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 as a **natural wine**, a **special natural wine**, or an **other than standard wine** affects:

- Production requirements
- Whether a formula is required
- How it can be labeled

**It DOES NOT affect the tax rate**



# Wine Tax Classes

---

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



# 'Hard Cider' Tax Class

---

To be eligible for the hard cider tax class, the wine must:

- Contain no more than **0.64g CO<sub>2</sub>/100mL**;
- Be derived primarily from apples/pears or apple/pear juice concentrate and water;
- Contain **no other fruit product or fruit flavoring** other than apple/pear; and
- Contain at least 0.5% and less than (not equal to) **8.5% alcohol by volume**



# Wine Tax Classes

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

Hard Cider Tax Class	Per wine gallon*
<ul style="list-style-type: none"> <li>No more than 0.64g CO<sub>2</sub>/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</li> </ul>	<b>22.6¢</b>
Still Wine Tax Classes (0.392g CO <sub>2</sub> /100mL or less)	
<ul style="list-style-type: none"> <li>16% alcohol by volume and under</li> </ul>	<b>\$1.07</b>
<ul style="list-style-type: none"> <li>Over 16 - 21% alcohol by volume</li> </ul>	<b>\$1.57</b>
<ul style="list-style-type: none"> <li>Over 21 - 24% alcohol by volume</li> </ul>	<b>\$3.15</b>
Artificially Carbonated Wine Tax Class	<b>\$3.30</b>
Sparkling Wine Tax Class	<b>\$3.40</b>

*\*This is before any available tax credit*



# IRC Labeling of Cider Products

---

- There are IRC labeling and marking requirements found in part 24 that apply to all wine, including cider products, removed from U.S. wine premises
- These are the primary TTB rules for labeling cider 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

# Federal Alcohol Administration Act (FAA Act)





# FAA Act Definition of Wine

Wine as defined in 26 U.S.C. 5381-5392, and other alcoholic beverages not so defined but made in the manner of wine:

- only if for non-industrial use
- and containing **not less than 7% alc. by vol** and not more than 24% alc. by vol (27 USC 211(a)(6))

Definition of wine includes:

- sparkling and carbonated wine
- wine made from condensed grape must
- wine made from other agricultural products
- imitation wine
- compounds sold as wine
- vermouth
- cider
- perry
- sake



27 CFR 4.10



# FAA Act Requirements for Wine

---

- FAA Act defines wine as having from 7% to 24% alcohol by volume
- As a result, not all cider 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**

**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



# What if the FAA Act Doesn't Apply?

The FAA Act rules **ONLY** apply to wine products that:

- Are **7% to 24%** alc. by vol.; and
- Are sold or otherwise introduced into **interstate** commerce

Wines that do not fall under FAA Act jurisdiction must comply with applicable **Federal Food, Drug, and Cosmetic Act** food labeling and packaging requirements, including ingredient, nutrition, and allergen labeling requirements!



# FAA Act Labeling Rules

---

FAA Act labeling rules for cider products (7% or more alc. by vol. and sold interstate) are more robust:

- More mandatory elements on label
- Requirements for how and where mandatory info must appear
- Standards of identity (i.e., class/type of wine)
- Parameters for using optional labeling claims, e.g., appellations of origin
- Prohibited labeling practices intended to prevent consumer deception

27 CFR part 4



# FAA Act Classes and Types of Wine

<b>Class</b>	<b>Type (example(s))</b>
<b>1. Grape</b>	<b>Red Wine, Table Wine</b>
<b>2. Sparkling Grape</b>	<b>Champagne, Crackling Wine, Cremant</b>
<b>3. Carbonated Grape Wine</b>	
<b>5. Fruit</b>	<b>Cider, Perry, Peach Wine</b>
<b>6. Other Agricultural Products</b>	<b>Mead, Raisin, Sake</b>
<b>7. Aperitif</b>	<b>Vermouth</b>
<b>8. Imitation, Substandard or Other than Standard</b>	<b>Other Than Standard Orange Wine</b>
<b>9. Retsina</b>	

27 CFR 4.21



# FAA Act Classes and Types of Wine

---

- 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 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**



# 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 (requires formula approval!).

For example:

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

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



# Advertising

Advertising: Any written or verbal statement, illustration, or depiction which is in, or calculated to induce sales in, interstate or foreign commerce, or is disseminated by mail. . .



See 27 CFR 4.61



# Advertising Mandatory Information

---

## Wine

- Responsible advertiser (name and city/state, or name and contact information such as a telephone number, website, or email address)
- Class and type designation or distinctive designation (same as it appears on label). For example:
  - Cider, perry
  - Blueberry cider
  - Apple wine with natural and artificial flavors

See 27 CFR 4.62



# Advertising Prohibited Practices

---

As with labeling, several ‘prohibited practices’ including:

- False or untrue statements
- Misleading statements, irrespective of falsity, that create a misleading impression
- Statements suggesting a wine product contains distilled spirits or is a distilled spirit
- Statements inconsistent with labeling
  - Label depicted on an advertisement must be a reproduction of an approved label
- Untrue or misleading health-related statements

See 27 CFR 4.64



# Advertising Resources

---

Pre-Market Review of advertising materials: email images/files and corresponding COLA number to [Market.Compliance@ttb.gov](mailto:Market.Compliance@ttb.gov)

Alcohol Beverage Advertising: What Every Industry Member Should Know

[□ Video](#)

[□ Slide deck](#)

[Alcohol Beverage Advertising Fact Sheet](#)

[Alcohol Beverage Advertising FAQs](#)

[Industry Circular 2024-1: Use of Social Media in the Advertising of Alcohol Beverages](#)



# Trade Practices

---

There are four trade practices that are prohibited for producers, wholesalers, and importers:






1. Exclusive Outlet
2. Tied House
3. Commercial Bribery
4. Consignment Sales

27 U.S.C. 205 (a-d)



# Trade Practices Resources

- [www.ttb.gov/trade-practices](http://www.ttb.gov/trade-practices)
- Videos explain the history of the FAA Act and each trade practice offense:

<p>FAA Act History &amp; Background (16:19)</p>  <p>In this video we introduce the trade practice rules and the history leading up to the rules. We also discuss various terms every industry member should know.</p> <p><a href="#">Watch video</a></p>	<p>Tied House (14:28)</p>  <p>In this video we discuss Tied House practices and the rules and regulations associated with them.</p> <p><a href="#">Watch video</a></p>	<p>Consignment Sales (12:07)</p>  <p>We explain prohibited arrangements under the Consignment Sales rules and regulations.</p> <ul style="list-style-type: none"><li>○ On Consignment</li><li>○ Under Conditional Sale</li><li>○ With Return Privilege</li><li>○ Non-Bona Fide Sale</li><li>○ Conditioned on Acquiring Other Products</li></ul> <p><a href="#">Watch video</a></p>
<p>Exclusive Outlet (11:30)</p>  <p>In this video we discuss arrangements which are considered Exclusive Outlets and the rules and regulations that cover these activities.</p> <p><a href="#">Watch video</a></p>	<p>Commercial Bribery (9:52)</p>  <p>In this video we explain activities considered Commercial Bribery and the rules and regulations that cover these activities.</p> <p><a href="#">Watch video</a></p>	

- Additional questions can be submitted in writing to [TradePractices@ttb.gov](mailto:TradePractices@ttb.gov)

# Alcoholic Beverage Labeling Act (ABLA)





# 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

**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.

**Applies to all commercial cider products if ALC. BY VOL. is 0.5% or more**

27 CFR part 16

# Legal Overview Recap





# Which Labeling Laws and Regulations Apply?

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



# Cider 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 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)



# Permit Basics

---



# Agenda: You'll learn the basics of permit requirements and amendments

---

1 Business Entity and Changes to Report

2 Commodity Operations and Changes to Report

3 Alternations and Contract Production



# Federal Approval Requirement

---

All companies must file an application with TTB and receive permission before starting any of the following operations:

- Producing wine for commercial purposes\* (not for personal or family use),
- Storing, blending, or bottling untaxpaid wine, *or*
- Wholesaling or importing wine products.

\* For wine production of less than 7% alcohol by volume applicants must still apply but will only receive a registration and not an FAA Act Basic Permit.



# Business Entity and Commodity Operations

---

Your information in Permits Online is organized in two different kinds of records

- The **entity record** equates to a single company or business entity, represented by a unique Employer Identification Number (EIN)
- A **commodity operations record** is created for each TTB-regulated operation or permit, registration, or notice the entity is approved for

A typical entity record will have at least one, but may have multiple commodity operations records



# Business Entity and Commodity Operations

---

Entity Record  
**Our Business, Inc.**  
(EIN XX-XXXXXXXX)

Commodity Operations Record  
**Brewery**

Commodity Operations Record  
**Winery**

Commodity Operations Record  
**Distilled Spirits Plant**



# Business Entity and Commodity Operations

---

When applying to start a new TTB-regulated business, you'll complete **both a new entity application and a new commodity operations application** for each permit, registration, or notice you need

If you need to file an amendment related to the business entity, you will file one application and the changes are associated with each TTB permit, registration, or notice held by that company



# Changes to Your **Entity** that You Must Report to TTB

---

## **Changes in:**

- Legal business name
- Controlling ownership
- Any partner or general partner
- Any stockholder or members holding ownership of 10 percent or more
- Corporate officer, directors, or any titled positions

## **Adding, Revoking, or Changing:**

- Signing authority
- Power of attorney

## **Termination:**

- If all TTB-regulated operations under your EIN are terminating (going completely out of business).



# Changes to Your **Commodity** Operations That You Must Report

---

## Change in:

- Premises location
- Bond
- Construction or use of building
- Operations
- DBA/Operating name
- Mailing address

## Adding or removing:

- Trade names
- Noncontiguous premises
- **Alternation of premises**
- **Alternation of proprietor**
- Variance or alternate method

## Termination:

- If terminating operations at one location, but keeping other operations/locations under the same EIN open



# Alternations Permit Requirements

---

**Alternating Premises:** Premises is used by the same owner/same EIN to conduct another TTB-regulated business, such as a distilled spirits plant or brewery.

- A permit or Brewer's Notice for each **commodity operations** you are adding (DSP or BN)

**Alternating Proprietor:** Consists of two or more persons or entities taking turns using the same space and equipment to produce wine.

- Each alternating proprietor needs to hold a Bonded Winery permit (BWN).



# Alternation of Premises

---

If you are an established wine premises and wish to add a distilled spirits plant or brewery, you must submit:

- A new application for the commodity operations that you are adding
- Updated diagram showing which areas will be alternating
- Change in Bond (Consent of Surety) TTB Form 5000.18

You may also submit:

- A statement on the application that an alternation of wine premises will occur
- A description of how taxpaid wine or spirits, or un taxpaid wine or spirits will be identified and segregated

27 CFR 24.135



# Alternation of Proprietorship

---

Generally, the proprietor of a wine premises agrees to rent space and equipment to a new tenant.

The host and tenant of an alternating proprietorship are required to submit:

- An alternating proprietorship agreement (a contract between the host and tenant)
- Updated diagram showing which areas will be alternating and which will be the permanent non-alternating space of both the host and tenant

*Industry Circular 2008-4 – Alternating Proprietors at Bonded Wine Premises*

27 CFR 24.136



# Contract Production

---

**Contract Production (Custom Crush):** Arrangement that involves an agreement or formal contract under which a customer pays a wine/cider producer to produce wine/cider to order, after which the customer markets the product.

- Producer needs to hold a BWN.
- Client can hold either a BWN or a Wholesaler's Basic Permit.



# Contract Production

---

- Contract producer retains title to the wine/cider at least until the product is taxpaid or removed from the winery
- Contract producer is entirely responsible for:
  - Producing the wine/cider,
  - Keeping appropriate winery records,
  - Labeling the wine/cider with its name and address,
  - Obtaining necessary Certificates of Label Approval (COLAs), and
  - Paying tax at the appropriate rate upon removal of the wine/cider from the winery.



# 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)

Please take a few minutes to provide feedback on this session:

<https://www.ttb.gov/survey>





# TTB Records, Operational Reports, and Returns

---

RONDA MERRELL

TECHNICAL ADVISOR

OFFICE OF PERMITTING AND TAXATION



# 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. 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.



# Agenda: You'll learn how to determine how much tax you owe and how to pay it



Keep  
Records of  
what you  
produce

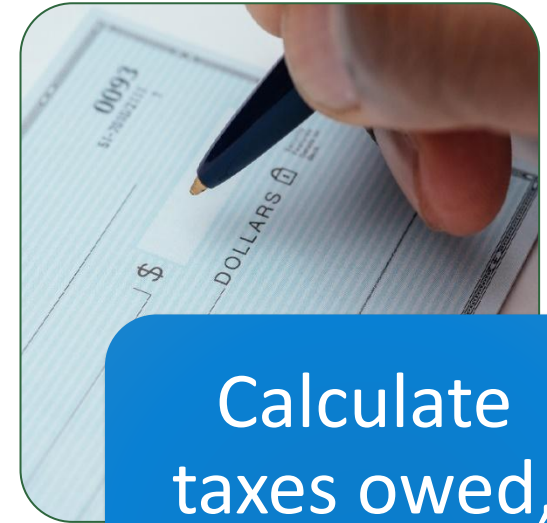


DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)  
**REPORT OF WINE PREMISES OPERATIONS**

Operator (Name, Address, and Telephone)	
Operator's Tax Identification Number	
Report for the business (EIN)	
Report	

**INSTRUCTIONS**

Proprietors who...  
a quarterly...  
ax and Trade...  
portable oper...  
ly reports w...  
er the end of...  
mises for in...  
Revenue C...  
45202-5



Calculate  
taxes owed,  
file return,  
and send  
payment

# Recordkeeping





# 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 containing 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 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 are used to complete the Operational Report
- 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 kind, alcohol content, and other required information (i.e., 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





# Removals from Bonded Premises

---

## Untaxpaid removals (subject to regulations)

- Tasting on bonded premises
- Analytical testing/TTB samples
- Family use for cidery proprietors (100 or 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 semi-monthly (with an extra payment in September)



# 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

# Operational Reports





# Report of Wine Premises Operations

---

Use the version of the form that says FOR ACTIVITY ON OR AFTER 01/01/2018 to report winery activity ([TTB F 5120.17sm](#))

- 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



# How Often Must You File Reports?

## File ANNUALLY if you:

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

## File QUARTERLY if you:

1. Will have no more than 60,000 gallons on hand in any one quarter,  
AND
  2. Will file 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)



# How Often Must You File Reports?

---

- 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		
<b>PERIOD COVERED</b> (Year Only, or Year & Month, or Year & Quarter) YEAR 2020 MONTH		<b>OPERATED BY</b> (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		
<b>VERSION</b> (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	<b>EIN</b> 12-3456789	<b>REGISTRY NUMBER</b> 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)	 (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. <b>TOTAL</b>	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. <b>TOTAL</b>	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 end 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 <sup>11</sup> (f)
	NOT OVER 16 PERCENT (a)	OVER 16 TO 21 PERCENT (Inclusive) (b)	OVER 21 TO 24 PERCENT (Inclusive) (c)			
<b>SECTION A - BULK WINES</b>						
1. ON HAND BEGINNING OF PERIOD	Use "On Hand End of Period" from previous report					
2. PRODUCED BY FERMENTATION <sup>2/</sup>					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 <sup>3/</sup>					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 <sup>5/</sup>						
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 <sup>3/</sup>					BF	
						BP	
3.	RECEIVED IN BOND						
4.	TAXPAID WINE RETURNED TO BOND						
5.							
6.							
7.	<b>TOTAL</b>	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 <sup>4/</sup>						
20.	ON HAND END OF PERIOD						
21.	<b>TOTAL</b>	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!

Filing may be semi-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, you must start paying 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**

- **Note: there are 3 return periods in September**



# Excise Tax Due Dates

---

## Semi-monthly Return

- 14 days after close of tax period

## 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

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



# Excise Tax Return Periods

---

## Semi-monthly

- 1<sup>st</sup> to 15<sup>th</sup> of the month
- 16<sup>th</sup> 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-for-filing> to sign up for email reminders



# Tax Rates that May Apply to Cider Products

Tax Classes	Wine 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
<b>Still Wines</b>					
16% and under alcohol by volume (0.392g CO <sub>2</sub> /100mL or less)	\$1.07	\$0.07	\$0.17	\$0.535	\$1.07
Over 16 - 21% alcohol by volume (0.392g CO <sub>2</sub> /100mL or less)	\$1.57	\$0.57	\$0.67	\$1.035	\$1.57
Over 21 - 24% alcohol by volume (0.392g CO <sub>2</sub> /100mL or less)	\$3.15	\$2.15	\$2.25	\$2.615	\$3.15



# Tax Rates that May Apply to Cider Products

Tax Classes	Wine 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
<b>Artificially Carbonated Wine</b>					
Over 0.392g CO <sub>2</sub> /100mL - injected or otherwise added	\$3.30	\$2.30	\$2.40	\$2.765	\$3.30
<b>Sparkling Wine</b>					
Over 0.392g CO <sub>2</sub> /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
<b>Hard Cider</b>					
No more than 0.64g CO <sub>2</sub> /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



# Completion of the Tax Return

## TTB Form 5000.24

---

- Paper or electronic
- Serially numbered
- Filed semi-monthly, quarterly, annually
- Signer must have 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**  
*(Prepare in duplicate – See instructions below)*

1. SERIAL NUMBER

2. FORM OF PAYMENT  
 CHECK  MONEY ORDER  EFT  OTHER (Specify) \_\_\_\_\_

3. AMOUNT OF PAYMENT  
\$ \_\_\_\_\_

4. RETURN COVERS (Check one)  
 PREPAYMENT  PERIOD  
BEGINNING \_\_\_\_\_  
ENDING \_\_\_\_\_

5. DATE PRODUCTS TO BE REMOVED (For Prepayment Returns Only)

6. EMPLOYER IDENTIFICATION NUMBER

7. PLANT, REGISTRY, OR PERMIT NUMBER

8. NAME AND ADDRESS OF TAXPAYER (Include ZIP Code)

**FOR TTB USE ONLY**

TAX	\$
PENALTY	
INTEREST	
TOTAL	\$
EXAMINED BY:	
DATE EXAMINED:	

Serial Number

Registry or Permit Number

Employer ID Number (EIN)



# 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 <i>(a)</i>	AMOUNT OF TAX <i>(b)</i>
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	
<b>17. TOTAL TAX LIABILITY <i>(Total of lines 9-16)</i></b>	\$ 0.00
18. ADJUSTMENTS INCREASING AMOUNT DUE <i>(From line 29)</i>	0.00
<b>19. GROSS AMOUNT DUE <i>(Line 17 plus line 18)</i></b>	\$ 0.00
20. ADJUSTMENTS DECREASING AMOUNT DUE <i>(From line 34)</i>	0.00
<b>21. AMOUNT TO BE PAID WITH THIS RETURN <i>(Line 19 minus line 20)</i></b>	\$ 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 Tax Credits

<b>SCHEDULE A – ADJUSTMENTS INCREASING AMOUNT DUE</b>			
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
<b>SCHEDULE B – ADJUSTMENTS DECREASING AMOUNT DUE</b>			
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





# 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



# Tax Simplification Usability Survey

---

Participating in our Wine Pilot Form Usability Survey will help us improve our instructional materials for filling out the **Wine Pilot Premises Excise Tax Return and Report of Operations (Pilot-B)**.



*Stop by our booth for more information!*

# 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"> <li>No more than 0.64g CO<sub>2</sub>/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</li> </ul>	<b>22.6¢</b>
<b>Still Wine Tax Classes (0.392g CO<sub>2</sub>/100mL or less)</b>	
<ul style="list-style-type: none"> <li>16% alcohol by volume and under</li> </ul>	<b>\$1.07</b>
<ul style="list-style-type: none"> <li>Over 16 - 21% alcohol by volume</li> </ul>	<b>\$1.57</b>
<ul style="list-style-type: none"> <li>Over 21 - 24% alcohol by volume</li> </ul>	<b>\$3.15</b>
<b>Artificially Carbonated Wine Tax Class</b>	<b>\$3.30</b>
<b>Sparkling Wine Tax Class</b>	<b>\$3.40</b>

*\*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 CO<sub>2</sub> 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** - CO<sub>2</sub> level of not more than .392 g/100 mL
- **Artificially carbonated hard cider** - CO<sub>2</sub> level of more than .392 and not more than .64 gram of CO<sub>2</sub> per 100 ml - artificially injected
- **Sparkling hard cider** - CO<sub>2</sub> level of more than .392 and not more than .64 gram of CO<sub>2</sub> 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 <sub>2</sub> level of .62g/100 mL	22.6 cents	Hard Cider
8% ABV Sparkling Perry/CO <sub>2</sub> 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:

<b>Product:</b>	<b>Tax Rate*</b>	<b>Tax Class</b>
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 <sub>2</sub> level of .70g/100 mL	\$3.30	Artificially carbonated wine
6% ABV Sparkling Pearly Pear CO <sub>2</sub> level of .70g/100 mL	\$3.40	Sparkling wine

*\*This is before any available tax credit*



# Quiz: Is it Eligible for the Hard Cider Tax Rate?



Ingredients	Alcohol by Volume	CO <sub>2</sub> per 100 mL	Hard Cider Tax Rate?
	7.2%	0.64g	✓
	6.9%	0.43g	✗
	8.5%	0.62g	✗
	5.0%	0.81g	✗
	8.4%	0.55g	✓



# 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 <sup>1/</sup> (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 - Report of Wine Premises Operations

---

- Ciderly proprietors 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



# Additional Tax Resources

## Cider Resources

### Taxes and Filing

<https://www.ttb.gov/tax-audit/taxes-and-filing>

### Helpful Hints in Preparing F 5000.24, Excise Tax Return

<https://www.ttb.gov/forms/tips-for-form-5000-24>

### Automated Reminders for Filing Returns and Reports

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

### Tax Return and Report Due Dates

<https://www.ttb.gov/tax-audit/excise-tax-and-export-duty-dates>

### TTB Forms

<https://www.ttb.gov/forms/all-forms>

### Financial Hardships

<https://www.ttb.gov/hardship>

### Maintaining Compliance in a TTB-Regulated Industry

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

### Pay.gov Customer Page

<https://www.ttb.gov/epayment>



# 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)

Please take a few minutes to provide feedback on this session:

<https://www.ttb.gov/survey>





# TTB Formula Approvals

---

GOODLOE HARMAN

FORMULA SPECIALIST

ALCOHOL LABELING AND FORMULATION DIVISION



# 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. 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.



# Agenda: You'll learn if you need to get your formula approved by TTB and how to apply

---

1

What "TTB formula approval" means

2

How to determine if you need formula approval

3

How to apply



# 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

---

## **Formula approval, 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



# 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 CO<sub>2</sub> 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  
**Note: Although citrus zest is considered a spice/flower in formulas, it is a **fruit product** and will disqualify products from the hard cider tax rate!**
- 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

# 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 27 CFR 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

27 CFR 24.10



# Is My Cider/Perry Product a Natural Fruit Wine?

---

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

- 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 CO<sub>2</sub>
- 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 of 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



# Compounded Flavors

---

Are one of the following:

- All natural
- Natural and artificial containing up to 0.1% artificial content topnote
- Natural and artificial containing greater than 0.1% artificial content topnote
- All artificial
- Non-flavor: product is not flavor (e.g., Cloud Emulsion)

Submitted to TTB Nonbeverage Lab for Review

May contain colors



# TTB Limited Ingredients

---

There are 4 artificial flavor materials that TTB allows to be present at certain levels in alcoholic beverages without affecting the label declaration:


- Synthetic maltol
- Ethyl maltol
- Synthetic vanillin
- Ethyl vanillin

If these limits are exceeded, a “natural flavor” is treated as an “artificial flavor” in the product



# Flavor Ingredient Data Sheet (FIDS)

- Flavor manufacturer supplies to the producer
- FID based on exchange between flavor producer and TTB Nonbeverage Laboratory
- It lists concentration of limited ingredients in PPM
- Lists any colors used in flavor
- States alcohol content of flavor
- This information, combined with the use rate, determines classification of flavor

Flavor Ingredient Data Sheet									
Flavor Producer Information									
TTB Co. Code: <u>FLRUS</u>		Date: <u>1/1/2017</u>							
Company Name: <u>Flavors-R-Us LLC</u>		Contact Person: <u>Jane Q. Flavor</u>							
Address: <u>123 Nonexistent Street</u>		Phone: <u>202-555-5555</u>							
<u>Any City, State USA 00000</u>		Fax: <u>202-555-5554</u>							
<b>Check Appropriate Box:</b>									
Flavor Name: <u>Natural Poppin' Pecan Supreme</u>		Approved for Drawback (DrB)		<input type="checkbox"/>					
TTB Drawback Number: <u>123456</u>		Approved as No Action (N/A)		<input checked="" type="checkbox"/>					
Alcohol Range by Volume: <u>50.0 - 54.0</u>		Fit for Beverage Purposes (Fit)		<input type="checkbox"/>					
Flavor Product Number: <u>7891011</u>		Submitted for TTB Approval		<input type="checkbox"/>					
		Not Yet Submitted for TTB Approval		<input type="checkbox"/>					
Classification									
Natural	<input checked="" type="checkbox"/>	N&A ≤ 0.1% Topnote	<input type="checkbox"/>	N&A > 0.1% Topnote	<input type="checkbox"/>	Artificial	<input type="checkbox"/>	Non-Flavor	<input type="checkbox"/>
Total Artificial Flavor Content: _____ ppm (Excluding Synthetic Vanillin, Ethyl Vanillin, Synthetic Maltol, and Ethyl Maltol)									
Flavor Components									
TTB/FDA Limited Ingredients	TTB/FDA Limitation in Finished Product	Amount of Additive or Agent Present in Flavor	Maximum Use Rate	Coloring Additives and Other Additives that Affect the Beverage Label (check or list label ingredients that affect the beverage label)					
1. Synthetic Vanillin	40.0 ppm	_____ ppm	- %	1. FD&C Yellow #5 <input type="checkbox"/>					
2. Ethyl Vanillin	16.0 ppm	_____ ppm	- %	2. FD&C Yellow #6 <input type="checkbox"/>					
3. Synthetic Maltol	250.0 ppm	_____ ppm	- %	3. FD&C Blue #1 <input type="checkbox"/>					
4. Ethyl Maltol	100.0 ppm	_____ ppm	- %	4. FD&C Blue #2 <input type="checkbox"/>					
5. Ester Gum	100.0 ppm	_____ ppm	- %	5. FD&C Green #3 <input type="checkbox"/>					
6. BVO	15.0 ppm	_____ ppm	- %	6. FD&C Red #40 <input type="checkbox"/>					
7. Sodium Benzoate	1,000.0 ppm	5,000 ppm	20.00 %	7. Grapeskin Extract <input type="checkbox"/>					
8. Gum Arabi/Acacia	200,000.0 ppm	_____ ppm	- %	8. Caramel Color <input checked="" type="checkbox"/>					
9. Propylene Glycol	50,000.0 ppm	10,000 ppm	NO LIMIT %	9. Annatto <input type="checkbox"/>					
10. BHA	(<0.5% Essential Oil)	<input type="checkbox"/> check if contained	- %	10. Elderberry Extract <input type="checkbox"/>					
11. Acetic Acid	1,500.0 ppm	_____ ppm	- %	11. Beet Extract <input type="checkbox"/>					
12. _____	_____ ppm	_____ ppm	- %	12. Oak Extract <input type="checkbox"/>					
13. _____	_____ ppm	_____ ppm	- %	13. Carmine/ Cochineal Extract <input type="checkbox"/>					
14. _____	_____ ppm	_____ ppm	- %	14. _____ <input type="checkbox"/>					
15. Total Vanillin	40.0 ppm	- ppm	- %	15. _____ <input type="checkbox"/>					
16. Total Maltol	250.0 ppm	- ppm	- %						
Confidential Limited Ingredients Not Shown (CLI)									
Check if contained in formula <input type="checkbox"/> Check if CLI was previously submitted <input type="checkbox"/>									
Beverage Manufacturer / Importer: _____									
Formula # / Serial #: _____									
 Flavor Company Representative Signature		Title: <u>Supervisory Chemist</u>	Date: <u>30-Sep-17</u>						



# FDA Requirements

---

FDA has authority over food and ingredient safety

- Approved Food Additives
  - 21 CFR parts 170-186
- Generally Recognized as Safe
  - Traditional use in food prior to 1958
  - Scientific determination



Traditional medicines/dietary supplements are not necessarily GRAS

Importer/producer is responsible for providing evidence that an ingredient is GRAS

# How to Apply for Formula Approval





# How Do I Apply for Formula Approval?

---

## Formulas Online

- Step-by-step guidance
- Data validation checks along the way
- Application status updates via email



## [Formulas Online Customer Page](#)

See webinar presentation: [How to Register and Submit Formulas through Formulas Online](#)



# Formulas Online Submitter Tips

---

## Before submitting a formula you should:

- Ensure that formula approval is required for your cider/perry product by using the [Formula Tool](#) on TTB's website
- 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





# 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



# 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



# Formula Resources

## Cider Resources

### Alcohol Beverage Formula Approval Guidance

<https://www.ttb.gov/formulation>

### Does my Wine/Cider Require a Formula?

<https://www.ttb.gov/formulation/do-i-need-a-formula-wine>

### Flavor Ingredient Data Sheet: Guidance and Examples

[Flavor Ingredient Data Sheet: Guidance and Examples](#)

### Determine if and How Ingredients May be Used

<https://www.ttb.gov/formulation/determining-if-and-how-ingredients-may-be-used-in-your-beverage>

### Ingredient Specification Sheet: Guidance and Examples

<https://www.ttb.gov/formulation/ingredient-specification-sheet-guidance-and-examples>

### Limited Ingredient Calculation Worksheet: Guidance and Examples

<https://www.ttb.gov/formulation/limited-ingredient-calculation-worksheet-guidance-and-examples>

### Formulas Online Customer Page

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

### Processing Times for Beverage Alcohol Formulas

<https://www.ttb.gov/formulation/fonl-processing-times>



# Contact Us

---

## Questions?

**Contact the Alcohol Labeling and Formulation Division at:**

- Toll Free at 866-927-ALFD (2533), OR
- Use our [Alcohol Labeling and Formulation Division \(ALFD\) Contact Form](#)

**Representatives are Available:**

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

Please take a few minutes to provide feedback on this session:

<https://www.ttb.gov/survey>





# Labeling of Ciders Under TTB Jurisdiction

---

KENDRA JOHNSON

LABELING SPECIALIST

ALCOHOL LABELING AND FORMULATION DIVISION



# 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. 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.



# Agenda: You'll learn which labeling rules to follow and how to create compliant labels

---

1 Determining which labeling rules apply to your product

2 Information that is required to be on the label

3 Information you may choose to include on the label

4 Certificate of Label Approval (COLA) requirements

# Which TTB Labeling Rules apply?





# 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/part 24 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



# Which Labeling Laws and Regulations Apply?

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

# Mandatory Label Information

1. Cider with 7% or more alc/vol
2. Cider with under 7% alc/vol





# Type Size Requirements

Applies to all mandatory label information, except alcohol content and government health warning statement, regardless of alc./vol.

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: 7% or more alc/vol

The following section covers the labeling requirements for cider/perry products that are 7% or more alc/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/Canned/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](#)



# Standards of Fill (Container Sizes)

The following metric standards of fill are authorized for wine:

50 milliliters	250 milliliters	375 milliliters	600 milliliters	1 liter
100 milliliters	300 milliliters	473 milliliters (16 oz.)	620 milliliters	1.5 liters
180 milliliters	330 milliliters	500 milliliters	700 milliliters	1.8 liters
187 milliliters	355 milliliters	550 milliliters	720 milliliters	2.25 liters
200 milliliters	360 milliliters	568 milliliters (19.2 oz.)	750 milliliters	3 liters

- Wine may be bottled or packed in containers of 4 liters or larger if the containers are filled and labeled in quantities of even liters (4 liters, 5 liters, 6 liters, etc.).
- Sizes shaded in blue were authorized January 2025.

27 CFR 4.72



# Mandatory Label Information

## 7% or More

### Alcohol Content

- May appear on any label
- “Fruit [apple] [pear] Table Wine” may be used if the wine contains 14% or less alcohol by volume; 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 Simply ‘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: CO<sub>2</sub> results solely from secondary fermentation within a closed container, tank, or bottle
- **Carbonated** cider/perry: Obtains its effervescence through the artificial injection of CO<sub>2</sub>

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 CO<sub>2</sub> level to 0.64 g/100mL of wine
- The CO<sub>2</sub> level requiring an effervescent designation did not change (remains >0.392)
- Applicable effervescent designations must be used on cider/perry products with CO<sub>2</sub> 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 CO<sub>2</sub>

27 CFR 4.21(e)(5) or 4.34(a)

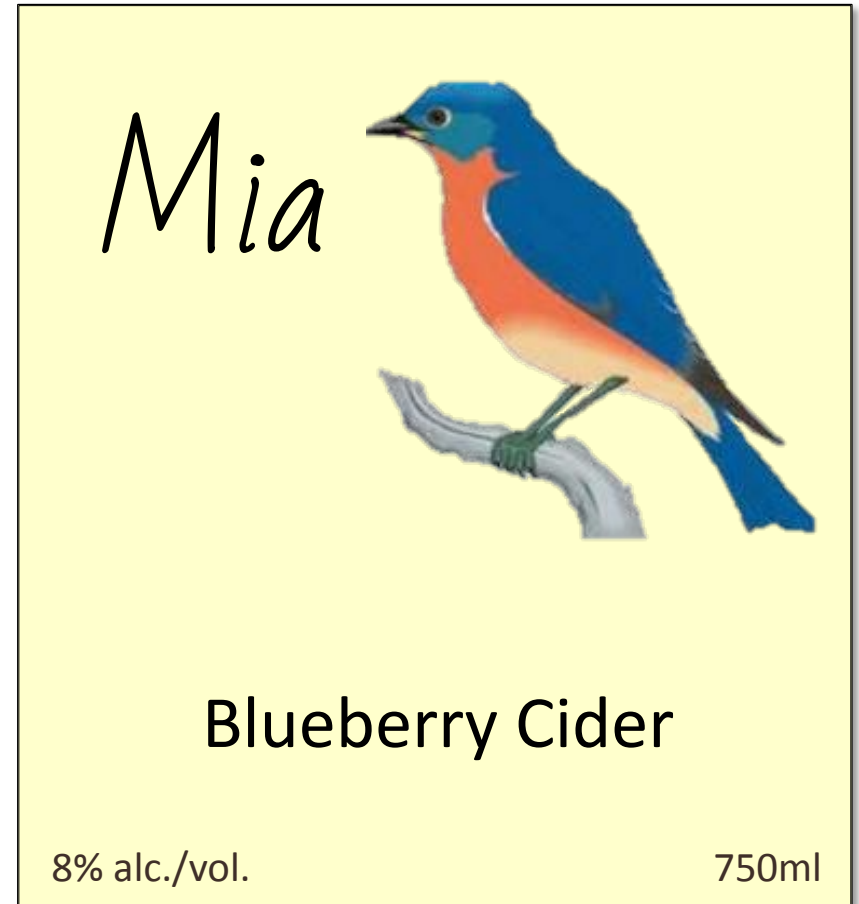


# Fermenting Two Kinds of Fruit Juice 7% or More

- 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)



Mia

Fanciful name

Blueberry Apple Delight  
Blueberry Wine - Cider

8% alc./vol. 750ml



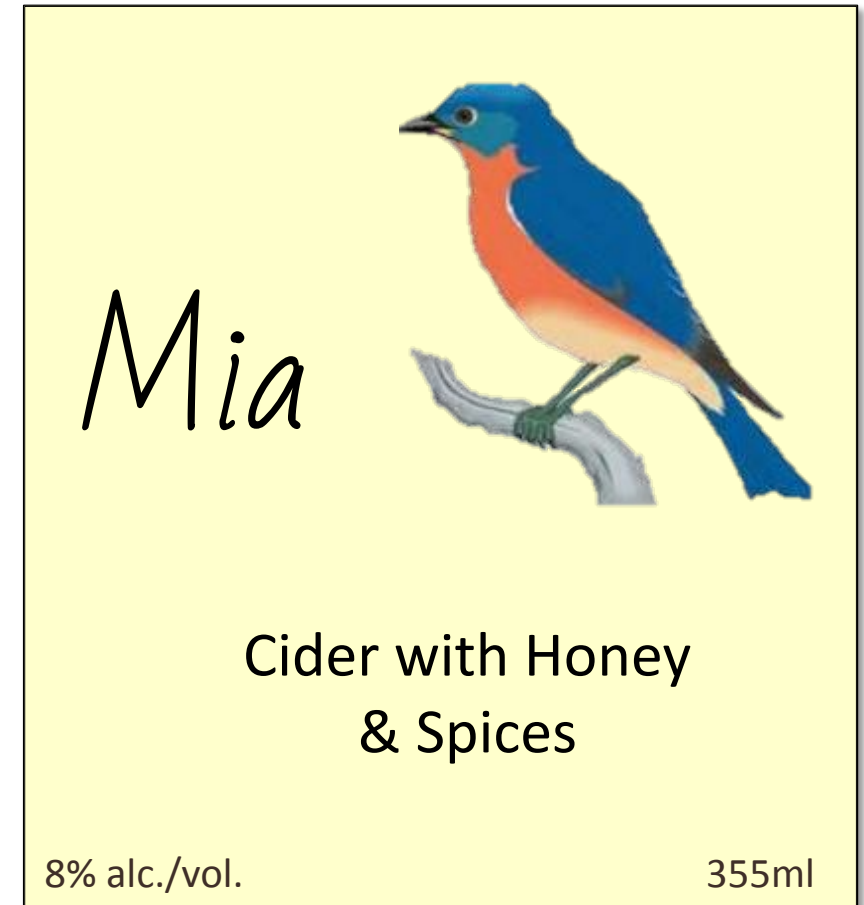
# Added Honey, Spices, Natural or Artificial Flavors

## 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)





# Added Distilled Spirits 7% or More

- A formula is required only when made with distilled spirits derived from a different fruit than the product was fermented from
- Must be designated with a statement of composition that would follow the SOC given on the formula results tab
- May only be stated **IF** it is also listed in the labeling instructions of said formula

***Requires formula approval***

27 CFR 4.34(a)

*Mia*

Cider with grape neutral  
spirits

8% alc./vol. 355ml



# 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, with a Country of Origin statement) in accordance with CBP regulations

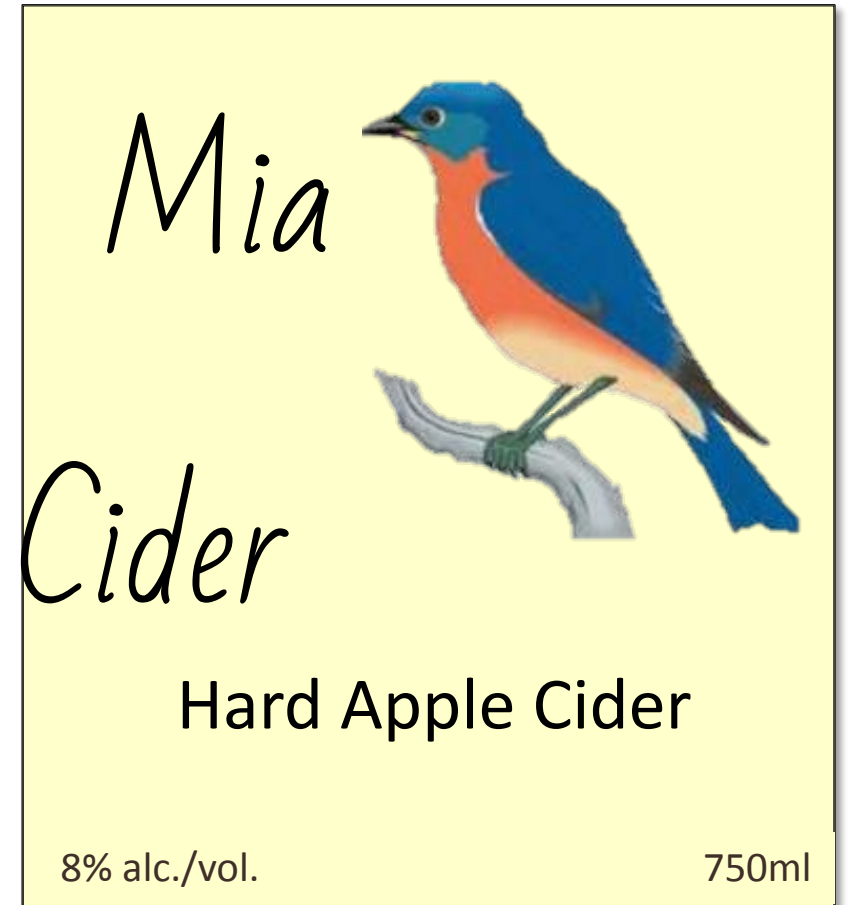
19 CFR part 11, [part 12](#) and [part 134](#)



# '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

Fanciful name

*Mia*

Pear Flavored Cider  
Cider with Natural Flavors

9% alc./vol. 750ml

# Optional Label Claims: 7% or more alc/vol





# 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 (AVAs)**, 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 inherently “gluten-free” under the standards set by FDA, (because they are made only from ingredients that do not contain gluten, such as cider fermented from apples) are eligible for a “gluten-free” claim on the label

[TTB Ruling 2020-2 Gluten Content Statements in the Labeling and Advertising of Wine, Distilled Spirits, and Malt Beverages](#)

[Gluten-Free Labeling of Foods | FDA](#)



# 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?  
7% or more alc/vol





# 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

# Mandatory Label Information: Under 7% alc/vol

These requirements apply to all cider/perry products that are under 7% alc/vol *and* to cider/perry products that are 7% alc/vol 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:
  - OK: “hard cider,” “apple wine,” “pear wine,” “apple cider,” “apple perry,” “apple pear wine,” “cider” and “perry”
  - Not OK: “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:** CO<sub>2</sub> results solely from secondary fermentation within a closed container, tank, or bottle
  - **Carbonated Wine:** Obtains its effervescence through the artificial injection of CO<sub>2</sub>

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

\*The rules for labeling effervescent wine are the same for both under 7% and 7% or more



# Effervescent Designations

---

- The 2017 changes to the definition of wine eligible for the Hard Cider tax rate increased the maximum allowable CO<sub>2</sub> level to 0.64 g/100mL of wine
- The CO<sub>2</sub> level requiring an effervescent designation did not change (remains >0.392)
- Applicable effervescent designations must be used on cider/perry products with CO<sub>2</sub> 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, with a Country of Origin statement) in accordance with CBP regulations

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

# COLAs & Certificates of Exemption: 7% or more alc/vol

Applicable only to cider/perry products with 7% or more alc/vol





# 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”



# Labeling Resources

## Cider Resources

### Wine/Cider Labeling

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

### Anatomy of a Wine Label

<https://www.ttb.gov/wine/anatomy-of-a-label>

### Cider Resources

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

### Cider FAQs

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

### COLAs Online Customer Page

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

### Allowable Revisions to Approved Labels

[www.ttb.gov/labeling/allowable-revisions](http://www.ttb.gov/labeling/allowable-revisions)

### Processing Times for Label Applications

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

### Labeling Laws and Regulations

[www.ttb.gov/labeling/laws-and-regulations](http://www.ttb.gov/labeling/laws-and-regulations)



# Contact Us

---

## Questions?

**Contact the Alcohol Labeling and Formulation Division at:**

- Toll Free at 866-927-ALFD (2533), OR
- Use our [Alcohol Labeling and Formulation Division \(ALFD\) Contact Form](#)

**Representatives are Available:**

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

Please take a few minutes to provide feedback on this session:

<https://www.ttb.gov/survey>

