

FREE THE BUBBLES



AMERICAN
MEAD
MAKERS
ASSOCIATION

Bubble Tax = Barrier to Innovation

HR 7029 - Bubble Tax Modernization Act

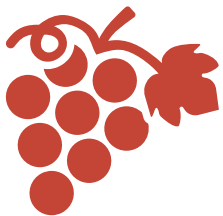
Despite the popularity of bubbly beverages, the carbonation tax on fruit wine, cider, and mead makes carbonating at higher levels simply prohibitive. Most craft beverage entrepreneurs using fruit can't afford to carbonate at the level the market desires due to the cost of the bubble tax. The result is that an important American agricultural sector is falling flat.

Meanwhile, fruited beers, seltzers, hard kombucha, and ready-to-drink canned cocktails are carbonating freely to give consumers the bubbles they want.

Leveling the playing field requires an easy change in how carbonation taxes are assessed. This small fix will reduce a barrier for more innovative cider, wine, and mead.

Raising the floor of the carbonation tax threshold to include ALL low-ABV wine, cider, and mead to 0.64 grams of carbon dioxide per hundred milliliters would allow producers to compete more fairly in the evolving beverage market. The Craft Beverage Modernization and Tax Reform Act achieved this for grape-only wines but fruit-based craft beverages were overlooked. This created an excise tax disparity of \$2-\$3 a gallon depending on the product!

THE BUBBLE TAX:



Low-ABV
Carbonated
Grape Wine
\$1.07 / Gal

VS



Low-ABV Carbonated
Fruit Wine, Fruit Cider,
and Fruit Mead
\$3.30 or \$3.40 / Gal

MORE CARBONATION OPTIONS FOR FRUIT-BASED CRAFT BEVERAGES WILL CREATE:



Economic
Opportunity for
Craft Beverage
Makers



Small
Producer
Collaborations



Value-added
Revenue for
Diversified Farms



Disaster mitigation
options in the face
of crop-damaging
fires, droughts,
floods or disease

Now it's time to modernize carbonation taxes
for all wine, cider, and mead.