

**HB 2159 STAFF MEASURE SUMMARY**

**Senate Committee On Business and Transportation**

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**Prepared By:** Patrick Brennan, LPRO Analyst

**Meeting Dates:** 5/15

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**WHAT THE MEASURE DOES:**

Modifies the definition of "cider" to increase the allowable alcohol by volume limit from seven percent to 8.5 percent. Exempts licensees producing only cider from specified winery licensee requirements.

FISCAL: Minimal fiscal impact

REVENUE: Minimal revenue impact

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The federal Alcohol and Tobacco Tax and Trade Bureau recently changed the uppermost alcohol content limit that ciders may contain and still be considered cider from seven percent alcohol by volume (ABV) to 8.5 percent ABV. Under federal law, ciders with more than 8.5 percent ABV are considered a natural wine, a special nature wine or as an other-than-standard wine. The classification as cider or as wine has regulatory and tax implications.

House Bill 2159 modifies Oregon's upper ABV limit for cider to 8.5 percent to match the federal designation, allowing Oregon cider producers to make one set of calculations when completing tax filings for both federal and Oregon taxes.

House Bill 2159 also amends statute to clarify that winery licensees that produce only cider are exempt from requirements to possess a valid producer and blender basic permit, wine blender permit or wholesaler basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau.

**HOUSE VOTE: 59-0**