

AMENDMENT TO RULES COMMITTEE PRINT 115-

39

OFFERED BY MR. POLIS OF COLORADO

Add at the end the following:

1 **TITLE VI—TAX-FREE**
2 **PRODUCTION OF KOMBUCHA**

3 **SEC. 6001. TAX-FREE PRODUCTION OF KOMBUCHA.**

4 (a) EXCEPTION FROM DEFINITION OF BREWER.—

5 Subsection (d) of section 5052 of the Internal Revenue
6 Code of 1986 is amended to read as follows:

7 “(d) BREWER.—

8 “(1) IN GENERAL.—For purposes of this chap-
9 ter, the term ‘brewer’ means any person who brews
10 beer or produces beer for sale.

11 “(2) EXCEPTION.—The term ‘brewer’ shall not
12 include any person who—

13 “(A) produces only beer exempt from tax
14 under subsection (e) of section 5053, or

15 “(B) produces only kombucha exempt from
16 tax under subsection (i) of such section.”.

17 (b) EXEMPTION FROM TAX.—Section 5053 of the In-
18 ternal Revenue Code of 1986 is amended—

1 (1) by redesignating subsection (i) as subsection
2 (j), and

3 (2) by inserting after subsection (h) the fol-
4 lowing new subsection:

5 “(i) PRODUCTION OF KOMBUCHA.—

6 “(1) IN GENERAL.—Subject to regulation pre-
7 scribed by the Secretary, any person may, without
8 payment of tax, produce kombucha for consumption
9 or sale.

10 “(2) DEFINITION.—For purposes of this chap-
11 ter, the term ‘kombucha’ means a beverage which—

12 “(A) is fermented solely by a symbiotic cul-
13 ture of bacteria and yeast,

14 “(B) contains not more than 1.25 percent
15 of alcohol by volume,

16 “(C) is sold or offered for sale as
17 kombucha, and

18 “(D) is derived from—

19 “(i) sugar, malt or malt substitute,
20 tea, or coffee, and

21 “(ii) not more than 20 percent other
22 wholesome ingredients.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply beginning after December 31,
3 2017.

