AMENDMENT

OFFERED BY MR. POLIS OF COLORADO

Add at the end the following:

TITLE VI—TAX TREATMENT OF KOMBUCHA

SEC. 601. SHORT TITLE.

This title may be cited as the “Keeping Our Manufacturers from Being Unfairly taxed while Championing Health Act” or “KOMBUCHA”.

SEC. 602. TAX-FREE PRODUCTION OF KOMBUCHA.

(a) Exception from Definition of Brewer.—

Subsection (d) of section 5052 is amended to read as follows:

“(d) Brewer.—

“(1) In General.—For purposes of this chapter, the term ‘brewer’ means any person who brews beer or produces beer for sale.

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

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

“(B) produces only kombucha exempt from tax under subsection (i) of such section.”.
(b) EXEMPTION FROM TAX.—Section 5053 is amended—

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

(2) by inserting after subsection (h) the following new subsection:

“(i) PRODUCTION OF KOMBUCHA.—

“(1) IN GENERAL.—Subject to regulation prescribed by the Secretary, any person may, without payment of tax, produce kombucha for consumption or sale.

“(2) DEFINITION.—For purposes of this chapter, the term ‘kombucha’ means a beverage which—

“(A) is fermented solely by a symbiotic culture of bacteria and yeast,

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

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

“(D) is derived from—

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

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