

**AMENDMENT TO H.R. 6760, AS REPORTED
OFFERED BY MR. POLIS OF COLORADO**

At the end of subtitle E of title I, add the following:

1 SEC. 150A. TAX-FREE PRODUCTION OF KOMBUCHA.

2 (a) EXCEPTION FROM DEFINITION OF BREWER.—

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

5 “(d) BREWER.—

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

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

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

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

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

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

19 (2) by inserting after subsection (h) the fol-
20 lowing new subsection:

1 “(i) PRODUCTION OF KOMBUCHA.—

2 “(1) IN GENERAL.—Subject to regulation pre-
3 scribed by the Secretary, any person may, without
4 payment of tax, produce kombucha for consumption
5 or sale.

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

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

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

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

14 “(D) is derived from—

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

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

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply beginning after December 31,
21 2018.

