

**HB 2159 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Mazen Malik, Senior Economist

**Meeting Dates:** 4/4, 4/11

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**WHAT THE MEASURE DOES:**

Changes definition of "cider" by increasing allowable alcohol by volume limit from seven percent to 8.5 percent. Exempts licensee producing only cider from specified winery licensee requirements.

**ISSUES DISCUSSED:**

- Economic Development Committee work
- Align with Federal Definitions
- Filings by the different industry sectors.
- The differences in Tax rates.

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

The federal agency, the Alcohol and Tobacco Tax and Trade Bureau, recently changed the uppermost alcohol content limit ciders could have and still be considered ciders from seven percent alcohol by volume (ABV) to 8.5 percent ABV. Ciders under federal law with more than 8.5 percent ABV are considered a natural wine, a special natural wine, or as an other than standard wine. This classification has regulatory and tax ramifications. This measure would change Oregon's uppermost ABV limit of cider to 8.5 percent ABV 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.