

**HB 2159 STAFF MEASURE SUMMARY**

**House Committee On Economic Development and Trade**

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**Action Date:** 03/06/17

**Action:** Do pass and be referred to Revenue by prior reference

**Vote:** 9-0-0-0

**Yeas:** 9 - Clem, Gomberg, Helm, Lewis, Lininger, Marsh, Post, Reschke, Smith DB

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

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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:**

- Recent change to the federal definition of cider
- Tax filings to Oregon Liquor and Control Commission by cider producers
- Contents of the measure

**EFFECT OF AMENDMENT:**

No 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.

House Bill 2159 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.