From: <u>Anna Brawley</u>

To: Konrad Jackson; Sen. Peter Micciche

**Subject:** Kombucha information

**Date:** Monday, March 16, 2020 4:30:11 PM

# Hello,

In case helpful: this website (TTB) has a great overview of when kombucha is or isn't regulated as an alcoholic beverage. <a href="https://www.ttb.gov/kombucha">https://www.ttb.gov/kombucha</a>

Federal and state law defines this as a beverage, made for human consumption, with 0.5% or higher ABV. (For example, industrial alcohols like isopropyl are not regulated by the ABC board because they aren't intended for human consumption). Anything below that threshold, which kombucha typically falls under unless produced to be alcoholic, is not regulated by the TTB or the state as alcohol.

Why is kombucha defined as a "brewed beverage"? TTB generally defines alcoholic beverages by the ingredients they are made with, even if they aren't commonly thought of in that way. Other examples include:

- Sake is thought of more like wine, but is made from fermented rice, so it is a brewed beverage.
- Cider looks / is consumed more like beer, but it is a wine because it is made from fruit.
- Mead is made from honey, not fruit, but defined as a wine as a fermented "agricultural wine" because it is made from another common agricultural product.

Because the ABC Board is tasked with regulating alcoholic beverages, which are defined consistent with federal law in AS 04.21.080(b)(1) under "alcoholic beverage," their jurisdiction would not extend to existing kombucha producers. There are currently no businesses in the state who are producing kombucha that fall in this category, and therefore don't need to be licensed. However, in the future there could be, and they would be required to obtain a brewery license – both federal and state. The intent in the bill is to clearly define what types of alcoholic beverages can be produced under which licenses, all consistent with how they are defined in federal law for taxation/regulation purposes.

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#### Kombucha

The term "kombucha" generally refers to a fermented beverage produced from a mixture of steeped tea and sugar, combined with a culture of yeast strains and bacteria. Some kombucha products also have fruit juice or other flavors added during production. The combination of sugar and yeast triggers fermentation, which may produce a kombucha with an alcohol content of 0.5% or more alcohol by volume.

# **Does TTB Regulate Kombucha?**

Under federal law, if the alcohol content of kombucha is 0.5% or more alcohol by volume, at any time during production, when bottled, or at any time after bottling, the kombucha is an alcohol beverage and is subject to TTB regulations.

> Kombucha is AT OR ABOVE 0.5% alcohol by volume at any time



- Visit our Kombucha Information and Resources for TTB requirements, and other information about kombucha testing, production, distribution, and labeling
- All kombucha also must comply with any applicable state and local requirements.

Kombucha is NEVER at or above 0.5% alcohol by volume during production, at time of bottling, or after bottling



- This type of kombucha must comply with all applicable Food and Drug Administration (FDA) regulations. See FDA.gov (https://www.fda.gov/food/guidance-regulation-food-anddietary-supplements) for more information.
- All kombucha also must comply with any applicable state and local requirements.



# ⚠ IMPORTANT

TTB regulations on alcohol beverages DO APPLY to any kombucha that has less than 0.5% alcohol by volume when bottled BUT the alcohol content increases to 0.5% or more alcohol by volume at any point afterwards as a result of continued fermentation in the bottle.

Failure to comply with federal laws and regulations governing the production, bottling, labeling, and distribution of alcohol beverages, including kombucha that contains 0.5% or more alcohol by volume, may lead to enforcement actions, such as the assessment of tax, penalties, and interest, in addition to potential civil and criminal penalties.

### **General TTB Requirements**

The following general requirements apply to any kombucha that contains 0.5% or more alcohol by volume:

- · It must be produced on a premises qualified by TTB under the Internal Revenue Code of 1986, as amended (IRC) (see K16 (/kombucha/kombuchageneral#k16));
- It must comply with the applicable labeling, formula, and tax requirements of the IRC (see K12 (/kombucha/kombucha-general#k12), K14 (/kombucha/kombucha-general#k14), and K15 (/kombucha/kombucha-general#k15)); and
- · The container must bear the health warning statement required by the Alcoholic Beverage Labeling Act of 1988 (ABLA) (see K11 (/kombucha/kombucha-general#k11)).

If a kombucha is classified as a malt beverage (as defined by the Federal Alcohol Administration Act (FAA Act)), it is also subject to the FAA Act permit, labeling, and advertising requirements (see K13 (/kombucha/kombucha-general#k13) for more information). For information about testing methods to measure the alcohol content of kombucha, please see K17-20 (/kombucha/kombucha-general) in our Kombucha Information and Resources (/kombucha/kombucha-general) section.

#### Kombucha Information and Resources - All FAQs Listed by Topic

The following frequently asked questions about kombucha (/kombucha/kombucha-general) are listed by topic to provide additional guidance for the public and for producers and distributors of kombucha.

(/kombucha/kombucha-general#general)

General Kombucha Information (/kombucha/kombucha-general#general)

(/kombucha/kombucha-general#general) (/kombucha/kombucha-general#labeling)

Kombucha Labeling Requirements (/kombucha/kombucha-general#labeling)

(/kombucha/kombucha-general#labeling) (/kombucha/kombucha-general#beer)

Requirements for Kombucha Classified as Beer (/kombucha/kombucha-general#beer)

(/kombucha/kombucha-general#beer) (/kombucha/kombucha-general#testing)

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Testing Methods to Measure Kombucha Alcohol Content (/kombucha/kombucha-general#testing)

(/kombucha/kombucha-general#testing) (/kombucha/kombucha-general#responsibilities)

Responsibilities of Kombucha Distributors and Retailers (/kombucha/kombucha-general#responsibilities)

(/kombucha/kombucha-general#responsibilities)



Questions? Please contact the Alcohol Labeling and Formulation Division (https://www.ttb.gov/who-we-are/contact-us/alfd-call-center) at 202-453-2250 or Toll Free 866-927-ALFD (2533), or by email at Submit an Online Inquiry (/contact-alfd) (mailto:alfd@ttb.treas.gov).

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