

114TH CONGRESS  
2D SESSION

# H. R. 4934

To amend the Internal Revenue Code of 1986 to modify the excise tax  
on wine.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2016

Mr. THOMPSON of California (for himself and Mr. REICHERT) introduced the  
following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to modify  
the excise tax on wine.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited at the “Wine Excise Tax Mod-  
5 ernization Act of 2016”.

6 **SEC. 2. MODIFICATION OF SMALL WINE PRODUCER CRED-**

7 **IT.**

8 (a) IN GENERAL.—Section 5041(c) of the Internal  
9 Revenue Code of 1986 is amended by striking paragraphs  
10 (1) and (2) and inserting the following new paragraphs:

1           “(1) ALLOWANCE OF CREDIT.—In the case of  
2 any person who produces wine in, or imports wine  
3 into, the United States during the calendar year,  
4 there shall be allowed as a credit against any tax im-  
5 posed by this title (other than chapters 2, 21, and  
6 22) of—

7           “(A) \$1 per wine gallon on the 1st 30,000  
8 wine gallons of wine which are removed during  
9 such year for consumption or sale and which  
10 have been produced in, or imported into, the  
11 United States,

12           “(B) 90 cents per wine gallon on wine in  
13 excess of 30,000 wine gallons and not in excess  
14 of 130,000 wine gallons so removed and pro-  
15 duced or imported, and

16           “(C) 53.5 cents per wine gallon on wine in  
17 excess of 130,000 wine gallons and not in ex-  
18 cess of 750,000 wine gallons so removed and  
19 produced or imported.

20           “(2) ADJUSTMENT OF CREDIT FOR HARD  
21 CIDER.—In the case of wine described in subsection  
22 (b)(6), paragraph (1) shall be applied—

23           “(A) by substituting ‘6.2 cents’ for ‘\$1’ in  
24 subparagraph (A) thereof,

1           “(B) by substituting ‘5.6 cents’ for ‘90  
2 cents’ in subparagraph (B) thereof,

3           “(C) by substituting ‘3.3 cents’ for ‘53.5  
4 cents’ in subparagraph (C) thereof, and

5           “(D) by taking such wine into account last  
6 in applying such subparagraphs.”.

7           (b) CONFORMING AMENDMENT.—Section 5041(e)(7)  
8 of such Code is amended by striking “, including regula-  
9 tions—” and all that follows and inserting a period.

10          (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to wine removed during calendar  
12 years beginning after December 31, 2016.

13 **SEC. 3. ALCOHOL BY VOLUME LIMITATION FOR TABLE**  
14 **WINE EXCISE TAX RATE INCREASED TO 16**  
15 **PERCENT.**

16          (a) IN GENERAL.—Paragraphs (1) and (2) of section  
17 5041(b) of the Internal Revenue Code of 1986 are each  
18 amended by striking “14 percent” and inserting “16 per-  
19 cent”.

20          (b) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to wine removed during calendar  
22 years beginning after December 31, 2016.

1 **SEC. 4. INCREASE IN CARBONATION LIMITATION FOR TAX-**  
2 **ATION AS STILL WINE.**

3 (a) IN GENERAL.—Section 5041(a) of the Internal  
4 Revenue Code of 1986 is amended by striking “0.392  
5 gram” and inserting “0.64 gram”.

6 (b) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to wine removed during calendar  
8 years beginning after December 31, 2016.

9 **SEC. 5. REDUCED RATE OF EXCISE TAX ON SPARKLING AND**  
10 **ARTIFICIALLY CARBONATED WINES.**

11 (a) IN GENERAL.—Section 5041(b) of the Internal  
12 Revenue Code of 1986 is amended—

13 (1) by striking “\$3.40” in paragraph (4) and  
14 inserting “\$1.07”, and

15 (2) by striking “\$3.30” in paragraph (5) and  
16 inserting “\$1.07”.

17 (b) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to wine removed during calendar  
19 years beginning after December 31, 2016.

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