

114TH CONGRESS  
2D SESSION

# H. R. 6000

To amend the Internal Revenue Code of 1986 to modify rules relating to the taxation of mead and other agricultural wine, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2016

Mr. SANFORD 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 rules relating to the taxation of mead and other agricultural wine, and for other purposes.

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 as the “Mead Equality And  
5 Definition Act of 2016” or the “MEAD Act”.

6 **SEC. 2. REPEAL OF LIMITATIONS RELATING TO USE OF**  
7 **SPIRITS, FRUITS, HERBS, ETC.**

8 (a) IN GENERAL.—Section 5387 of the Internal Rev-  
9 enue Code of 1986 is amended by striking subsection (b)  
10 and by redesignating subsection (c) as subsection (b).

1 (b) REGULATIONS.—Not later than 1 year after the  
2 date of the enactment of this Act, the Secretary of the  
3 Treasury shall modify subpart I of part 24 of subchapter  
4 A of chapter 1 of title 27, Code of Federal Regulations  
5 as follows:

6 (1) Allow the use of spirits in the production of  
7 agricultural wine in a manner similar to the use of  
8 spirits in the production of natural wine.

9 (2) Eliminate any limitation on the quantity of  
10 hops used in the production of mead.

11 (3) Allow, in the production of mead, the addi-  
12 tion of wholesome fruits (including fruit juices, fruit  
13 puree, fruit extract, or fruit concentrate), vegetables,  
14 spices, and other ingredients suitable for human  
15 food consumption that are generally recognized as  
16 safe for use in an alcoholic beverage, but only to the  
17 extent the addition thereof contributes to less than  
18 50 percent of the total Brix of the mead.

19 (4) Allow, in the production mead, the density  
20 of the honey and water mixture to be below 13 de-  
21 grees Brix in the case of an addition described in  
22 paragraph (3), but only to the extent the resulting  
23 mixture is not less than 13 degrees Brix.

1 (5) Provide that after complete fermentation  
2 mead may not have an alcohol content of more than  
3 24 percent by volume.

4 (c) **RULE OF CONSTRUCTION.**—Nothing in this sec-  
5 tion shall be construed to revoke, prescribe, or limit any  
6 other exemptions from the requirements under subpart I  
7 of part 24 of subchapter A of chapter I of title 27, Code  
8 of Federal Regulations, for any ingredient that has been  
9 recognized before, on, or after the date of the enactment  
10 of this Act as a traditional ingredient in the production  
11 of fermented beverages.

12 (d) **EFFECTIVE DATE.**—The amendments made by  
13 subsection (a) shall take effect on the date that is 1 year  
14 after the date of the enactment of the this Act.

15 **SEC. 3. MODIFICATION OF FORMULA REQUIREMENT FOR**  
16 **AGRICULTURAL WINE.**

17 Not later than 1 year after the date of the enactment  
18 of this Act, the Secretary of the Treasury shall modify  
19 subpart I of part 24 of subchapter A of chapter 1 of title  
20 27, Code of Federal Regulations to allow, for research and  
21 development purposes (including consumer taste testing),  
22 production of agricultural wine without an approved for-  
23 mula, but only to the extent such wine is not marketed  
24 or sold prior to approval of its formula.

1 **SEC. 4. RATE OF TAXATION FOR MEAD.**

2 (a) IN GENERAL.—Section 5041(b) of the Internal  
3 Revenue Code of 1986 is amended by striking “and” at  
4 the end of paragraph (5), by striking the period at the  
5 end of paragraph (6) and inserting “; and”, and by adding  
6 at the end the following new paragraph:

7 “(7) On meads containing not more than 0.64  
8 grams of carbon dioxide per hundred millimeters of  
9 mead, at 22.6 cents per gallon (except that the Sec-  
10 retary may by regulations prescribe such tolerances  
11 to this limitation as may be reasonably necessary in  
12 good commercial practice).”.

13 (b) CREDIT FOR SMALL PRODUCERS.—Section  
14 5041(c) of such Code is amended by inserting “or (b)(7)”  
15 after “(b)(6)”.

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

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