



ADMINISTRATOR

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
WASHINGTON, D.C. 20005

September 25, 2015

The Honorable Jared Polis
U.S. House of Representatives
Washington, DC 20515

Dear Representative Polis:

I write in response to your September 14, 2015 letter urging the Alcohol and Tobacco Tax and Trade Bureau (TTB) not to enforce provisions of the Internal Revenue Code of 1986 (IRC) or the Alcohol Beverage Labeling Act of 1988 (ABLA) with regard to kombucha products.

As you know, pursuant to the IRC, kombucha producers whose products contain 0.5% alcohol by volume are subject to the IRC provisions that apply to alcohol beverages. They must also label the product with the health warning statement required by the ABLA and, depending on how the product is formulated, they may have to comply with the labeling requirements of the Federal Alcohol Administration Act. TTB does not have the authority to exempt kombucha from these statutory requirements.

Furthermore, enforcement of these statutory provisions helps protect consumers who may not wish to consume alcohol from unknowingly doing so. It also ensures a level playing field for those who produce kombucha in a way that ensures conformance with the applicable statutory requirements regarding production, taxation and labeling of alcohol beverages.

In your letter, you note that TTB is participating in a process to develop a testing methodology specific to kombucha. Our participation should not, however, be misconstrued as an indication that our testing methodology is inaccurate when used on kombucha. Our testing methodology accurately and consistently quantifies the level of alcohol in beverage alcohol products regardless of type and alcohol content.

Unfortunately, TTB continues to find kombucha products in the marketplace that are not properly labeled as alcohol beverages despite containing 0.5% or more alcohol by volume. Consequently, we have re-issued our guidance on kombucha in the hope that this will help industry members and protect consumers.

Sincerely,

John J. Manfreda