



News Release

FOR IMMEDIATE RELEASE

June 16, 2021

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Kombucha Brewers Call for Update to Antiquated Tax Code

Kombucha Brewers International, leading kombucha trade organization enlists bipartisan support for the KOMBUCHA Act

Los Angeles, CA (June 16, 2021) - [Kombucha Brewers International](https://www.kombuchabrewers.org/) (KBI), the leading global trade organization for commercial kombucha brewers, has enlisted bipartisan support for a common-sense update to the antiquated tax code for alcoholic beverages. The KOMBUCHA Act, "Keeping Our Manufacturers from Being Unfairly Taxed while Championing Health Act," would amend the Internal Revenue Code of 1986 to increase the applicable taxation alcohol-by-volume threshold for kombucha from 0.5 percent to 1.25 percent. Kombucha would still meet the health and safety requirements applicable to nonalcoholic beverages as well as certain beverage alcohol labeling requirements.

The bill has received strong bipartisan support, with the recent addition of Congressman Adrian Smith (R-NE-3), the Ranking member on the House Subcommittee on Select Revenue Measures, after meeting with constituent kombucha producer Jessi Hoefft of Ensign Beverage in Hastings, NE. Jessi, who has been lobbying for the change for several years, is "happy to be a part of this industry growth and change. With the support of Representative Smith and the passing of this bill, we will confidently continue to grow our business and produce kombucha of the highest quality."

Sen. Ron Wyden (D-OR), the Chairman of the Senate Finance Committee, which considers all tax legislation, has been championing the KOMBUCHA Act in the Senate since 2017. Rep. Earl Blumenauer (D-OR-3), senior member of the Ways and Means Committee, the tax-writing committee in the House, also introduced the bill in the House along with Rep. Brian Fitzpatrick (R-PA-1).

Both Rep. Blumenauer and Sen. Wyden have extensive experience with updates in this area of the tax code, having enacted changes in recent years for craft beer brewers and hard cider producers.

"The past year has been incredibly hard on businesses in Oregon and across the country, especially as supply chains have been disrupted. Still, kombucha is one the fastest



growing beverage industries in the world,” Blumenauer said. “There’s no reason why kombucha brewers and sellers should get taxed like beer. Our common-sense legislation would eliminate this burden and support a burgeoning industry that has a major impact on Oregon’s food and beverage economy.”

“The growth of kombucha production in Oregon and nationwide creates jobs and a beverage folks enjoy,” Wyden said. “It’s been a particularly difficult year for small businesses, and our bill would modernize taxes and regulations so these businesses can continue to grow and sell their products in stores across the country.”

“This legislation not only protects family businesses but also meets the needs of the community,” says Hannah Crum, founder and president of KBI, “as consumers pull away from sugary soft drinks in search of traditionally fermented beverages.”

KBI has set up a letter campaign so that people who value access to raw, unpasteurized kombucha may urge their Senators and House members to sign on to support the bill. The petition ([viewed here](#)) has already generated over a thousand emails despite limited distribution.

“We have been working to make the KOMBUCHA Act the law of the land for four years,” says Crum. “We continue to build strong bipartisan support for this common-sense tax law update. The purpose of our advocacy is to educate lawmakers and their staff about this important legislation and the economic and health impact the Kombucha industry has on communities across the nation. In addition to having the support of key legislators, our success will also depend on the voices of consumers who reach out to their representatives.”

For more information on the KOMBUCHA Act campaign or to sign up to talk to your legislators, please visit <https://kombuchabrewers.org/lobbying/> To learn more about Kombucha Brewers International and the efforts of the organization, visit www.KombuchaBrewers.org.

About Kombucha Brewers International:

[Kombucha Brewers International](#) (KBI) is a non-profit trade association that represents the commercial Kombucha category globally. KBI strives to promote, protect and enhance the overall well-being of the industry by creating an open line of communication between brewers, consumers and regulators while advancing the industry through advocacy, education, research, and modern legislation. To learn more, visit www.kombuchabrewers.org.

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