



March 1, 2022

To: House Committee on Federal and State Affairs

From: R.E. “Tuck” Duncan, General Counsel
Kansas Wine & Spirits Wholesalers Association

RE: HB2710 — Increasing the percentage of alcohol by volume allowed to not more than 16% for domestic table wine and the domestic fortified wine threshold to more than 16% alcohol by volume

On December 27, 2020, the President of the United States signed the Taxpayer Certainty and Disaster Tax Act of 2020 which made permanent most Craft Beverage Modernization Act (CBMA) provisions of the Tax Cuts and Jobs Act of 2017, while changing some provisions.

The temporary CBMA provisions that are now permanent include:

- Adjusted alcohol content for certain still wine tax classes from 14% to 16% alcohol by volume

At this link is a complete explanation of the Act prepared by the Trade and Tax Bureau, US Department of Treasury.

<https://www.ttb.gov/alcohol/craft-beverage-modernization-and-tax-reform-cbmtra>

Congress made this percentage change in recognition that higher temperatures make for riper grapes with more sugar to convert into alcohol. Taking advantage of warmer temperatures winemakers often aim to pick riper grapes by letting the fruit hang on the vine longer to intensify the sugar content in the berries. Alcohol is produced by a complicated process of photosynthesis, basically fermentation of sugars by the yeast. The higher the sugar (brix)¹ level grapes, the higher the final alcohol level in the wine.²

The amendments to the Kansas Liquor Control Act in Section 1 definitions and Section 2 of the bill will conform Kansas law to Federal law.

Thank you for your consideration of these matters.

¹ Brix measures must levels (sugar) in wine grapes that ultimately determines how much alcohol a wine will have.

² <https://www.forbes.com/sites/johnmariani/2021/06/01/why-are-wines-alcohol-content-growing-so-high-and-why-thats-a-real-problem/> Why Are Wines' Alcohol Content Growing So High? John Mariani FORBES 6.1.21