

Calendar No. 38

114TH CONGRESS
1ST SESSION**S. 904****[Report No. 114–15]**

To amend the Internal Revenue Code of 1986 to remove bond requirements and extend filing periods for certain taxpayers with limited excise tax liability.

IN THE SENATE OF THE UNITED STATES

APRIL 14, 2015

Mr. HATCH, from the Committee on Finance, reported the following original bill; which was read twice and placed on the calendar

A BILL

To amend the Internal Revenue Code of 1986 to remove bond requirements and extend filing periods for certain taxpayers with limited excise tax liability.

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 “Craft Beverage Bond
5 Simplification Act of 2015”.

1 **SEC. 2. REMOVAL OF BOND REQUIREMENTS AND EXTEND-**
 2 **ING FILING PERIODS FOR CERTAIN TAX-**
 3 **PAYERS WITH LIMITED EXCISE TAX LIABIL-**
 4 **ITY.**

5 (a) FILING REQUIREMENTS.—Paragraph (4) of sec-
 6 tion 5061(d) of the Internal Revenue Code of 1986 is
 7 amended—

8 (1) in subparagraph (A)—

9 (A) by striking “In the case of” and in-
 10 serting the following:

11 “(i) MORE THAN \$1,000 AND NOT
 12 MORE THAN \$50,000 IN TAXES.—Except as
 13 provided in clause (ii), in the case of”,

14 (B) by striking “under bond for deferred
 15 payment”, and

16 (C) by adding at the end the following new
 17 clause:

18 “(ii) NOT MORE THAN \$1,000 IN
 19 TAXES.—In the case of any taxpayer who
 20 reasonably expects to be liable for not
 21 more than \$1,000 in taxes imposed with
 22 respect to distilled spirits, wines, and beer
 23 under subparts A, C, and D and section
 24 7652 for the calendar year and who was
 25 liable for not more than \$1,000 in such
 26 taxes in the preceding calendar year, the

last day for the payment of tax on withdrawals, removals, and entries (and articles brought into the United States from Puerto Rico) shall be the 14th day after the last day of the calendar year.”, and

(2) in subparagraph (B)—

(A) by striking “Subparagraph (A)” and inserting the following:

“(i) EXCEEDS \$50,000 LIMIT.—Subparagraph (A)(i)”, and

(B) by adding at the end the following new clause:

“(ii) EXCEEDS \$1,000 LIMIT.—Subparagraph (A)(ii) shall not apply to any taxpayer for any portion of the calendar year following the first date on which the aggregate amount of tax due under subparts A, C, and D and section 7652 from such taxpayer during such calendar year exceeds \$1,000, and any tax under such subparts which has not been paid on such date shall be due on the 14th day after the last day of the calendar quarter in which such date occurs.”.

(b) BOND REQUIREMENTS.—

1 (1) IN GENERAL.—Section 5551 of such Code
2 is amended—

3 (A) in subsection (a), by striking “No indi-
4 vidual” and inserting “Except as provided
5 under subsection (d), no individual”, and

6 (B) by adding at the end the following new
7 subsection:

8 “(d) REMOVAL OF BOND REQUIREMENTS.—

9 “(1) IN GENERAL.—During any period to which
10 subparagraph (A) of section 5061(d)(4) applies to a
11 taxpayer (determined after application of subpara-
12 graph (B) thereof), such taxpayer shall not be re-
13 quired to furnish any bond covering operations or
14 withdrawals of distilled spirits, wines, or beer.

15 “(2) SATISFACTION OF BOND REQUIRE-
16 MENTS.—Any taxpayer for any period described in
17 paragraph (1) shall be treated as if sufficient bond
18 has been furnished for purposes of covering oper-
19 ations and withdrawals of distilled spirits, wines, or
20 beer for purposes of any requirements relating to
21 bonds under this chapter.”.

22 (2) CONFORMING AMENDMENTS.—

23 (A) BONDS FOR DISTILLED SPIRITS
24 PLANTS.—Section 5173(a) of such Code is
25 amended—

1 (i) in paragraph (1), by striking “No
 2 person” and inserting “Except as provided
 3 under section 5551(d), no person”, and

4 (ii) in paragraph (2), by striking “No
 5 distilled spirits” and inserting “Except as
 6 provided under section 5551(d), no dis-
 7 tilled spirits”.

8 (B) BONDED WINE CELLARS.—Section
 9 5351 of such Code is amended—

10 (i) by striking “Any person” and in-
 11 serting the following:

12 “(a) IN GENERAL.—Any person”,

13 (ii) by inserting “, except as provided
 14 under section 5551(d),” before “file bond”,

15 (iii) by striking “Such premises shall”
 16 and all that follows through the period,
 17 and

18 (iv) by adding at the end the following
 19 new subsection:

20 “(b) DEFINITIONS.—For purposes of this chapter—

21 “(1) BONDED WINE CELLAR.—The term ‘bond-
 22 ed wine cellar’ means any premises described in sub-
 23 section (a), including any such premises established
 24 by a taxpayer described in section 5551(d).

1 “(2) BONDED WINERY.—At the discretion of
2 the Secretary, any bonded wine cellar that engages
3 in production operations may be designated as a
4 ‘bonded winery’.”.

5 (C) BONDS FOR BREWERIES.—Section
6 5401 of such Code is amended by adding at the
7 end the following new subsection:

8 “(c) EXCEPTION FROM BOND REQUIREMENTS FOR
9 CERTAIN BREWERIES.—Subsection (b) shall not apply to
10 any taxpayer for any period described in section
11 5551(d).”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on the date that is 90 days
14 after the date of the enactment of this Act.

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