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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to exempt home distillery establishments from taxation and other requirements, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mrs. HARSHBARGER introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to exempt home distillery establishments from taxation and other requirements, 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 “Freedom to Home Dis-
5 till Act”.

1 **SEC. 2. EXEMPTION OF HOME DISTILLERY ESTABLISH-**
2 **MENTS FROM TAXATION AND OTHER RE-**
3 **QUIREMENTS.**

4 (a) EXEMPTION FROM TAX.—Section 5001 of the In-
5 ternal Revenue Code of 1986 is amended—

6 (1) by redesignating subsection (d) as sub-
7 section (e), and

8 (2) by inserting after subsection (c) the fol-
9 lowing new subsection:

10 “(d) EXEMPTION FOR DISTILLED SPIRITS PRO-
11 DUCED AT HOME DISTILLERY ESTABLISHMENTS.—Sub-
12 ject to regulations prescribed by the Secretary, the tax im-
13 posed by subsection (a) shall not apply to distilled spirits
14 produced at a home distillery establishment.”.

15 (b) DEFINITION OF HOME DISTILLERY ESTABLISH-
16 MENT; CLARIFICATION OF RELATED DEFINITIONS.—

17 (1) DEFINITION OF HOME DISTILLERY ESTAB-
18 LISHMENT.—Section 5002(a) of such Code is
19 amended by adding at the end the following new
20 paragraph:

21 “(16) HOME DISTILLERY ESTABLISHMENT.—

22 “(A) IN GENERAL.—The term ‘home dis-
23 tillery establishment’ means an establishment
24 that—

25 “(i) is located in the dwelling house of
26 the owner of such establishment, or in any

1 shed, yard, or inclosure connected with
2 such dwelling house, and

3 “(ii) produces distilled spirits solely
4 for personal or family use by the owner of
5 such establishment.

6 “(B) PERSONAL OR FAMILY USE.—

7 “(i) IN GENERAL.—A home distillery
8 establishment shall be treated as producing
9 distilled spirits solely for personal or family
10 use if—

11 “(I) such establishment produces
12 no more than—

13 “(aa) in the case of a house-
14 hold with only 1 adult, 10 proof
15 gallons of distilled spirits per cal-
16 endar year, or

17 “(bb) in the case of a house-
18 hold with 2 or more adults, 20
19 proof gallons of distilled spirits
20 per calendar year, and

21 “(II) no distilled spirits produced
22 by such establishment are sold to any
23 person, or transferred to any person
24 for sale by such person.

1 “(ii) ADULT.—For purposes of this
2 paragraph, the term ‘adult’ means an indi-
3 vidual who has attained 21 years of age, or
4 the minimum age (if any) established by
5 law applicable in the locality in which the
6 household is situated at which distilled
7 spirits may be sold to individuals, which-
8 ever is greater.”.

9 (2) CLARIFICATION OF RELATED DEFINI-
10 TIONS.—

11 (A) DEFINITION OF DISTILLED SPIRITS
12 PLANT.—Section 5002(a)(1) of such Code is
13 amended by adding at the end the following
14 new sentence: “Such term shall not include any
15 home distillery establishment.”.

16 (B) DEFINITION OF DISTILLER.—Section
17 5002(a)(4) of such Code is amended by adding
18 at the end the following new flush sentence:

19 “Such term shall not include any person who pro-
20 duces only distilled spirits exempt from tax under
21 section 5001(d).”.

22 (c) EXEMPTION FROM NOTICE REQUIREMENTS RE-
23 LATED TO STILLs.—Section 5101(a) of such Code is
24 amended by adding at the end the following new para-
25 graph:

1 “(3) EXEMPTION FOR STILLS USED TO
2 PRODUCE DISTILLED SPIRITS AT HOME DISTILLERY
3 ESTABLISHMENTS.—Any requirements prescribed by
4 the Secretary under paragraph (1) or (2) shall not
5 apply with respect to any still, boiler, or other vessel
6 manufactured or set up exclusively for the purpose
7 of distilling at a home distillery establishment.”.

8 (d) LIMITATION ON SALES OF STILLS FOR HOME
9 DISTILLERY ESTABLISHMENTS.—

10 (1) IN GENERAL.—Section 5101 of such Code,
11 as amended by subsection (c), is amended—

12 (A) by redesignating subsection (b) as sub-
13 section (c), and

14 (B) by inserting after subsection (a) the
15 following new subsection:

16 “(b) LIMITATION ON SALES OF STILLS FOR HOME
17 DISTILLERY ESTABLISHMENTS.—The Secretary shall,
18 pursuant to regulations, require that no still, boiler, or
19 other vessel may be sold or transferred to any person who
20 intends to use such still, boiler, or vessel solely as part
21 of a home distillery establishment, unless such still, boiler,
22 or vessel has—

23 “(1) a pressure release valve,

24 “(2) a vacuum relief valve, and

1 “(3) a capacity of not greater than 50 gal-
2 lons.”.

3 (2) CONFORMING AMENDMENT.—The heading
4 of section 5101 of such Code is amended by striking
5 “**SET UP OF STILL**” and inserting “**SET UP OF**
6 **STILL; LIMITATION ON CERTAIN SALES OF**
7 **STILLS**”.

8 (e) EXEMPTION FROM STILLS REGISTRATION RE-
9 QUIREMENT.—Section 5179(a) of such Code is amended
10 by inserting “stills or distilling apparatus set up in a home
11 distillery establishment and” after “except that”.

12 (f) NONAPPLICATION OF PROHIBITION ON PRODUC-
13 TION OR USE OF DISTILLING MATERIALS IN CERTAIN LO-
14 CATIONS.—Section 5222(a)(2)(C) of such Code is amend-
15 ed by striking “section 5042 or 5053(e)” and inserting
16 “section 5001(d), 5042, or 5053(e)”.

17 (g) NO CRIMINAL PENALTY FOR DISTILLING IN
18 HOME DISTILLERY ESTABLISHMENT.—Section
19 5601(a)(6) of such Code is amended by inserting “or in
20 the case of a home distillery establishment” after “section
21 5178(a)(1)(C)”.

22 (h) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to distilled spirits produced, and
24 stills, boilers, and other vessels sold, after December 31,
25 2026.