

HARD SELTZER AS A MALT BEVERAGE IN OREGON

WHAT IS "HARD SELTZER?"

"Seltzer" is simply carbonated water. In Oregon, a hard (sometimes also known as "spiked") seltzer is a seltzer with more than one-half of one percent of alcoholic beverage in it.¹

It is important to determine the classification of hard seltzer as this determines who may make it, import it into Oregon, distribute it, sell it at retail or wholesale, and the appropriate Oregon privilege tax category.

IS HARD SELTZER A MALT BEVERAGE IN OREGON?

HARD SELTZER ONLY QUALIFIES AS A MALT BEVERAGE IF IT MEETS THE DEFINITION OF "MALT BEVERAGE" IN OREGON REVISED STATUTE (ORS) 471.001(6):

- **Effective June 8, 2021:** "Malt beverage" means beer, ale, porter, stout and other similar fermented beverages that contain more than one-half of one percent and not more than 16 percent of alcohol by volume and that are brewed or produced from malt, wholly or in part, or from rice, grain², bran, glucose, sugar or molasses as a substitute for malt. (b) "Malt beverage" does not include cider, mead, sake or wine."

HARD SELTZER DOES NOT QUALIFY AS A MALT BEVERAGE IN OREGON IF:

- It is an alcoholic beverage obtained by *fermentation*; however, the alcohol by volume is over 16 percent and not more than 21 percent. [In this instance, the alcoholic beverage may qualify as a wine in Oregon.]
- It is an alcoholic beverage classified as a beer or malt beverage in a different state; however, the alcoholic beverage does not meet the definition of malt beverage in ORS 471.001(6).

WHY DOES THIS MATTER?

The privilege tax rate for malt beverages is different from that for wine in Oregon. The OLCC may require the manufacturer, wholesaler, or importer who is claiming a product as a malt beverage for privilege tax purposes to provide verification that the alcoholic beverage qualifies as a malt beverage under Oregon law.

WHERE CAN I FIND MORE INFORMATION?

- Contact the OLCC's privilege tax department: OLCC.privilegetax@oregon.gov
- [Guide to Hard Seltzer regulation in Oregon](#)

¹ Some may be familiar with the definition of "hard seltzer" in ORS 459A.700(9). However, this definition pertains only to beverage container redemption in Oregon.

² OLCC relies on the federal definition of "grain" to mean barley, canola, corn, flaxseed, mixed grain, oats, rye, sorghum, soybeans, sunflower seed, triticale, and wheat and the subsequent definition for each specific grain.