

1513-0041

26 U.S.C.

§ 5171. Establishment

(a) Certain operations may be conducted only on bonded premises
Except as otherwise provided by law, operations as a distiller, warehouseman, or processor may be conducted only on the bonded premises of a distilled spirits plant by a person who is qualified under this subchapter.

(b) Establishment of distilled spirits plant

A distilled spirits plant may be established only by a person who intends to conduct at such plant operations as a distiller, as a warehouseman, or as both.

(c) Registration

(1) In general

Each person shall, before commencing operations at a distilled spirits plant (and at such other times as the Secretary may by regulations prescribe), make application to the Secretary for, and receive notice of, the registration of such plant.

(2) Application required where new operations are added

No operation in addition to those set forth in the application made pursuant to paragraph (1) may be conducted at a distilled spirits plant until the person has made application to the Secretary for, and received notice of, the registration of such additional operation.

(3) Secretary may establish minimum capacity and level of activity requirements
The Secretary may by regulations prescribe for each type of operation minimum capacity and level of activity requirements for qualifying premises as a distilled spirits plant.

(4) Applicant must comply with law and regulations

No plant (or additional operation) shall be registered under this section until the applicant has complied with the requirements of law and regulations in relation to the qualification of such plant (or additional operation).

(d) Permits

(1) Requirements

Each person required to file an application for registration under subsection (c) whose distilled spirits operations (or any part thereof) are not required to be covered by a basic permit under the Federal Alcohol Administration Act (27 U.S.C. §§203 and 204) shall, before commencing the operations (or part thereof) not so covered, apply for and obtain a permit under this subsection from the Secretary to engage in such operations (or part thereof). Subsections (b), (c), (d), (e), (f), (g), and (h) of section 5271 are hereby made applicable to persons filing applications and permits required by or issued under this subsection.

(2) Exceptions for agencies of a State or political subdivisions

Paragraph (1) shall not apply to any agency of a State or political subdivision thereof or to any officer or employee of any such agency, and no such agency, officer, or employee shall be required to obtain a permit thereunder.

(e) Cross references

- 1) For penalty for failure of a distiller or processor to file application for registration as required by this section, see section 5601(a)(2).
- (2) For penalty for the filing of a false application by a distiller, warehouseman, or processor of distilled spirits, see section 5601(a)(3).

§ 5207. Records and reports

(a) Records of distilled spirits plant proprietors

Every distilled spirits plant proprietor shall keep records in such form and manner as the Secretary shall by regulations prescribe of:

(1) The following production activities -

- (A) the receipt of materials intended for use in the production of distilled spirits, and the use thereof,
- (B) the receipt and use of distilled spirits received for redistillation, and
- (C) the kind and quantity of distilled spirits produced.

(2) The following storage activities -

- (A) the kind and quantity of distilled spirits, wines, and alcoholic ingredients entered into storage,
- (B) the kind and quantity of distilled spirits, wines, and alcoholic ingredients removed, and the purpose for which removed, and
- (C) the kind and quantity of distilled spirits returned to storage.

(3) The following denaturation activities -

- (A) the kind and quantity of denaturants received and used or otherwise disposed of,
- (B) the kind and quantity of distilled spirits denatured, and
- (C) the kind and quantity of denatured distilled spirits removed.

(4) The following processing activities -

- A) all distilled spirits, wines, and alcoholic ingredients received or transferred,
- (B) the kind and quantity of distilled spirits packaged or bottled, and
- (C) the kind and quantity of distilled spirits removed from his premises.

(5) Such additional information with respect to activities described in paragraphs (1), (2), (3), and (4), and with respect to other activities, as may by regulations be required.

(b) Reports

Every person required to keep records under subsection (a) shall render such reports covering his operations, at such times and in such form and manner and containing such information, as the Secretary shall by regulations prescribe.

(c) Preservation and inspection

The records required by subsection (a) and a copy of each report required by subsection (b) shall be available for inspection by any internal revenue officer during business hours, and shall be preserved by the person required to keep such records and reports for such period as the Secretary shall by regulations prescribe.

(d) Penalty For penalty and forfeiture for refusal or neglect to keep records required under this section, or for false entries therein, see sections 5603 and 5615(5).

§ 7652. Shipments to the United States

(a) Puerto Rico

(1) Rate of tax Except as provided in section 5314, articles of merchandise of Puerto Rican manufacture coming into the United States and withdrawn for consumption or sale shall be subject to a tax equal to the internal revenue tax imposed in the United States upon the like articles of merchandise of domestic manufacture.

(2) Payment of tax

The Secretary shall by regulations prescribe the mode and time for payment and collection of the tax described in paragraph (1), including any discretionary method described in section 6302(b) and (c). Such regulations shall authorize the payment of such tax before shipment from Puerto Rico, and the provisions of section 7651(2)(B) shall be applicable to the payment and collection of such tax in Puerto Rico.

(3) Deposit of internal revenue collections

All taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and transported to the United States (less the estimated amount necessary for payment of refunds and drawbacks), or consumed in the island, shall be covered into the treasury of Puerto Rico.

(b) Virgin Islands

(1) Taxes imposed in the United States Except as provided in section 5314, there shall be imposed in the United States, upon articles coming into the United States from the Virgin Islands, a tax equal to the internal revenue tax imposed in the United States upon like articles of domestic manufacture.

(2) Exemption from tax imposed in the Virgin Islands

Such articles shipped from such islands to the United States shall be exempt from the payment of any tax imposed by the internal revenue laws of such islands.

(3) DISPOSITION OF INTERNAL REVENUE COLLECTIONS- The Secretary shall determine the amount of all taxes imposed by, and collected under the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States. The amount so determined less 1 percent and less the estimated amount of refunds or credits shall be subject to disposition as follows:

(A) The payment of an estimated amount shall be made to the government of the Virgin Islands before the commencement of each fiscal year as set forth in section 4(c)(2) of the Act entitled 'An Act to authorize appropriations for certain insular areas of the United States, and for other purposes', approved August 18, 1978 (48 U.S.C. 1645), as in effect on the date of the enactment of the Trade and Development Act of 2000. The payment so made shall constitute a separate fund in the treasury of the Virgin Islands and may be expended as the legislature may determine

(B) Any amounts remaining shall be deposited in the Treasury of the United States as miscellaneous receipts. If at the end of any fiscal year the total of the Federal contribution made under subparagraph (A) with respect to the four calendar quarters immediately preceding the beginning of that fiscal year has not

been obligated or expended for an approved purpose, the balance shall continue available for expenditure during any succeeding fiscal year, but only for emergency relief purposes and essential public projects. The aggregate amount of moneys available for expenditure for emergency relief purposes and essential public projects only shall not exceed the sum of \$5,000,000 at the end of any fiscal year. Any unobligated or unexpended balance of the Federal contribution remaining at the end of a fiscal year which would cause the moneys available for emergency relief purposes and essential public projects only to exceed the sum of \$5,000,000 shall thereupon be transferred and paid over to the Treasury of the United States as miscellaneous receipts.

(c) Articles containing distilled spirits

For purposes of subsections (a)(3) and (b)(3), any article containing distilled spirits shall in no event be treated as produced in Puerto Rico or the Virgin Islands unless at least 92 percent of the alcoholic content in such article is attributable to rum.

(d) Articles other than articles containing distilled spirits

For purposes of subsections (a)(3) and (b)(3) -

(1) Value added requirement for Puerto Rico

Any article, other than an article containing distilled spirits, shall in no event be treated as produced in Puerto Rico unless the sum of -

(A) the cost or value of the materials produced in Puerto Rico, plus

(B) the direct costs of processing operations performed in Puerto Rico, equals or exceeds 50 percent of the value of such article as of the time it is brought into the United States.

(2) Prohibition of Federal excise tax subsidies

(A) In general No amount shall be transferred under subsection (a)(3) or (b)(3) in respect of taxes imposed on any article, other than an article containing distilled spirits, if the Secretary determines that a Federal excise tax subsidy was provided by Puerto Rico or the Virgin Islands (as the case may be) with respect to such article.

(B) Federal excise tax subsidy

For purposes of this paragraph, the term "Federal excise tax subsidy" means any subsidy -

(i) of a kind different from, or

(ii) in an amount per value or volume of production greater than, the subsidy which Puerto Rico or the Virgin Islands offers generally to industries producing articles not subject to Federal excise taxes.

(3) Direct costs of processing operations

For purposes of this subsection, the term "direct cost of processing operations" has the same meaning as when used in section 213 of the Caribbean Basin Economic Recovery Act.

(e) Shipments of rum to the United States

(1) Excise taxes on rum covered into treasuries of Puerto Rico and Virgin Islands
All taxes collected under section 5001(a)(1) on rum imported into the United States (less the estimated amount necessary for payment of refunds and

drawbacks) shall be covered into the treasuries of Puerto Rico and the Virgin Islands.

(2) Secretary prescribes formula

The Secretary shall, from time to time, prescribe by regulation a formula for the division of such tax collections between Puerto Rico and the Virgin Islands and the timing and methods for transferring such tax collections.

(3) Rum defined

For purposes of this subsection, the term "rum" means any article classified under subheading 2208.40.00 of the Harmonized Tariff Schedule of the United States (19 U.S.C. 1202).

(4) Coordination with subsections (a) and (b)

Paragraph (1) shall not apply with respect to any rum subject to tax under subsection (a) or (b).

(f) Limitation on cover over of tax on distilled spirits

For purposes of this section, with respect to taxes imposed under section 5001 or this section on distilled spirits, the amount covered into the treasuries of Puerto Rico and the Virgin Islands shall not exceed the lesser of the rate of -

(1) \$10.50 (\$13.25 in the case of distilled spirits brought into the United States after June 30, 1999, and before January 1, 2004), or

(2) the tax imposed under section 5001(a)(1), on each proof gallon.

(g) Drawback for medicinal alcohol, etc.

In the case of medicines, medicinal preparations, food products, flavors, flavoring extracts, or perfume containing distilled spirits, which are unfit for beverage purposes and which are brought into the United States from Puerto Rico or the Virgin Islands -

(1) subpart F of part II of subchapter A of chapter 51 shall be applied as if -

(A) the use and tax determination described in section 5131(a) had occurred in the United States by a United States person at the time the article is brought into the United States, and

(B) the rate of tax were the rate applicable under subsection (f) of this section, and

(2) no amount shall be covered into the treasuries of Puerto Rico or the Virgin Islands.

(h) MANNER OF COVER OVER OF TAX MUST BE DERIVED FROM THIS TITLE- No amount shall be covered into the treasury of Puerto Rico or the Virgin Islands with respect to taxes for which cover over is provided under this section unless made in the manner specified in this section without regard to--

(1) any provision of law which is not contained in this title or in a revenue Act; and

(2) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this subsection.

27 CFR

Sec. 19.611 Relabeling and reclosing off bonded premises.

The proprietor of a distilled spirits plant may relabel, affix brand labels, or reclose bottled taxpaid spirits on wholesale liquor dealer premises or at a taxpaid storeroom on, contiguous to, adjacent to, or in the immediate vicinity of the plant, if such wholesale liquor dealer premises or taxpaid storeroom is operated in connection with the plant. If products which are relabeled under this section were originally bottled by another proprietor, the relabeling proprietor shall have on file a statement from the original bottler consenting to the relabeling.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

[T.D. ATF-206, 50 FR 23952, June 7, 1985]

Sec. 19.635 Bottles to be used for display purposes.

Liquor bottles may be furnished to liquor dealers for display purposes, provided that each bottle is marked to show that it is to be used for such purpose. The disposition of such bottles, showing names and addresses of consignees, dates of shipment, and size, quantity, and description of bottles, shall be included in the records required under Sec. 19.747.

(Approved by the Office of Management and Budget under control number 1513-0041)

(Sec. 201, Pub. L. 85-859, 72 Stat. 1374, as amended (26 U.S.C. 5301))

[T.D. ATF-206, 50 FR 23952, June 7, 1985]

Sec. 19.636 Bottles for testing purposes.

Proprietors may ship liquor bottles to persons for testing. The disposition of such bottles, showing the name and address of the person to whom the bottles are shipped, date of shipment, and the size and number of bottles shipped, shall be included in the records required under Sec. 19.747.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1374, as amended (26 U.S.C. 5301))

Sec. 19.639 Use and resale of liquor bottles.

No proprietor shall use any liquor bottle except for packaging distilled spirits, or dispose of any empty liquor bottle except to another person authorized to receive liquor bottles or as provided in Sec. 19.638. Bottles may be furnished to others for display and testing purposes as provided in Sec. Sec. 19.635 and 19.636, respectively.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1374, as amended (26 U.S.C. 5301))

Sec. 19.721 Records.

General

(a) In General. (1) The records to be maintained by proprietors shall include:

(i) All individual transaction forms, records, and summaries specifically required by this part;

(ii) All supplemental, auxiliary, and source data utilized in the compilation of required forms, records, and summaries, and for preparation of reports, returns, and claims; and

(iii) Copies of notices, reports, returns, and approved applications and other documents relating to operations and transactions.

(2) The records required by this part may consist of the proprietor's commercial documents, rather than records prepared expressly to meet the requirements of this part, if such documents contain all the details required by this part to be recorded, are

consistent with the general requirements of clarity and accuracy, and do not result in difficulty in their examination.

(b) Accounts. The records required by this part to be maintained by proprietors shall be arranged into three primary operational accounts:

(1) Production,

(2) Storage, and

(3) Processing.

Records shall indicate receipts, movements between accounts, transfers in bond, or withdrawals of spirits, denatured spirits, articles, or

wines.

(c) Exceptions. The term "records" as used in this subpart does not include copies of qualifying documents required under subpart G, or of bonds required under Subpart H of this part.

(d) Special provisions. See 27 CFR 70.22 for information with respect to TTB examination of financial records and books of account.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

Sec. 19.723 Maintenance and preservation of records.

(a) Place of maintenance. Records required by this part shall be prepared and kept by the proprietor at the plant where the operation or transaction occurs and shall be available for inspection by any appropriate TTB officer during business hours.

(b) Reproduction of original records. (1) Whenever any record, because of its condition, becomes unsuitable for its intended or continued use, the proprietor shall reproduce such record, by a process approved by the appropriate TTB officer under Sec. 19.725 for reproducing records, and such reproduction shall be treated and considered for all purposes as though it were the original record.

(2) All provisions of law applicable to the original record shall be applicable to such reproductions.

(c) Retention of records. (1) Records required by this part shall be preserved for a period of not less than three years from the date thereof or the date of the last entry required to be made thereon,

whichever is later. However, the appropriate TTB officer may require records to be kept for an additional period not exceeding three years in any case where such retention is deemed necessary or advisable for the protection of the revenue.

(2) The period for retention of records prescribed in paragraph (c)(1) of this section shall not apply to copies of outstanding approved formulas or to copies of formulas which form the basis for claims for credit or refund of taxes on spirits returned to bonded premises. A copy of any such formula shall be kept by the proprietor at the plant where spirits are processed subject to the formula or at the plant where such spirits are received.

(d) Data processing. (1) Notwithstanding any other provision of this section, record data maintained on data processing equipment may be kept at a location other than the plant premises if the original transaction (source) records required by Sec. Sec. 19.736-19.779 are kept available for inspection at the plant premises.

(2) Data which has been accumulated on cards, tapes, discs, or other accepted record media must be retrievable within five business days.

(3) The applicable data processing program shall be made available for examination if requested by an appropriate TTB officer.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

Sec. 19.731 General.

(a) Entries. (1) Each entry required by this part to be made in daily records shall be made on the day on which the operation or transaction occurs.

(2) When the proprietor prepares supplemental or auxiliary records concurrent with the individual operation or transaction, and these records contain all the required information with respect to the operation or transaction, entries in daily records may be deferred not later than the close of business the third business day succeeding the day on which the operation or transaction occurs.

(b) Content. (1) All entries in the daily records required by this subpart shall show the date of the operation or transaction.

(2) Daily records shall accurately and clearly reflect the details of each operation or transaction and, as applicable, contain all data

necessary to enable:

(i) Identification and proper marking and labeling of spirits, denatured spirits, or wines;

(ii) Proprietors to prepare summaries, reports, and returns required by this part; and

(iii) appropriate TTB officers to:

(A) Verify and trace the quantity and movement of materials, spirits, denatured spirits, wines, or alcoholic flavoring materials involved in each transaction or operation;

(B) Verify tax determinations and claims; and

(C) Ascertain whether there has been compliance with law and regulations.

(c) Format. (1) Proprietor's copies of prescribed forms which bear all required details shall be utilized as daily records.

(2) In instances when a form is not prescribed, the records required by this subpart shall be those commercial records used by the proprietor in his accounting system and shall bear all required details.

(3) Daily records required by this part shall be so maintained that they clearly and accurately reflect all mandatory information. Where the format or arrangement of the daily records is such that the information is not clearly or accurately reflected, the appropriate TTB officer may require a format or arrangement which will clearly and accurately reflect the information.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

Sec. 19.732 Details of daily records.

The daily records required by this part shall conform to the following requirements:

(a) Spirits shall be recorded by kind and by quantity in proof gallons, except as provided in Sec. 19.751.

(b) Denatured spirits shall be recorded by formula number and by quantity in wine gallons.

(c) Distilling materials produced on the premises shall be recorded by kind and by quantity in wine gallons. Chemical byproducts containing spirits, articles, spirits residues, and distilling materials received on the premises shall be recorded by kind, by percent of alcohol by volume, and by quantity in wine gallons. However, when nonliquid distilling materials which are not susceptible to such quantitative determination are received, the quantity of such materials may be determined by weight and shall be so recorded, and the alcohol content need not be recorded. When it can be shown that it is impractical to weigh or otherwise determine the exact quantity of such nonliquid materials, the proprietor may estimate the weight or volume of the material.

(d) Wines shall be recorded by kind, by quantity in wine gallons, and by percent of alcohol by volume.

(e) Alcoholic flavoring materials shall be recorded by kind, formula number (if any) and by quantity in proof gallons.

(f) Containers (other than those bearing lot identification numbers) or cases involved in each operation or transaction shall be recorded by type, serial number, and the number of containers (including identifying marks on bulk conveyances), or cases. However, spirits withdrawn in cases may be recorded without the serial numbers of the cases, unless the appropriate TTB officer requires such recording. Package identification numbers, number of packages, and proof gallons per package shall be recorded on deposit record in the storage account reflecting production gauges or filling of packages from tanks, however, only the lot identification, number of packages, and proof gallons per package need be shown for transactions in packages of spirits unless package identification numbers are specifically required by this part.

(g) Materials intended for use in the production of spirits shall be recorded by kind and by quantity, recording liquids in gallons and other materials in pounds, and giving the sugar content for molasses.

(h) The name and address of the consignee or consignor, and if any, the plant number or industrial use permit number of such person, shall be recorded for each receipt or removal of materials, spirits, denatured spirits, articles, spirits residues, and wine.

(i) The serial number of the tank used shall be recorded for each operation or transaction.

(j) The rate of duty paid on imported spirits shall be shown on the transaction forms or records.

(k) Records shall identify imported spirits, spirits from Puerto Rico, and spirits from the Virgin Islands, or the records shall show that a distilled spirits product contains such spirits.

(l) Records shall identify spirits that are to be used exclusively for fuel use.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

Sec. 19.746 Processing.

Each processor shall maintain daily records of transactions and operations with respect to:

- (a) Manufacture of distilled spirits products;
- (b) Finished products;
- (c) Denaturation of spirits; and
- (d) Manufacture of articles.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

Sec. 19.747 Records of manufacturing.

Each processor shall maintain daily records of the details of manufacturing operations, showing:

- (a) The spirits, wines, and alcoholic flavoring materials received. The total receipts shall be summarized showing (1) the spirits received from storage or production at the same plant, (2) the spirits received from other plants by transfer in bond, (3) spirits received from customs custody, (4) wines received from the storage account at the same plant, (5) wines received by transfer in bond, and (6) alcoholic flavoring materials received.
- (b) The spirits, wines, alcoholic flavoring materials, and other ingredients used in the manufacture of a distilled spirits products showing the serial number of the dump/batch record covering such dump.
- (c) Bottling or packaging of each batch of spirits, showing the serial numbers of the bottling and packaging records covering such bottling or packaging.
- (d) The results of bottling proof and fill tests as required by Sec. 19.386.
- (e) Receipt, use and disposition of liquor bottles.
- (f) The rebottling, relabeling, and reclosing of bottled products as required by Sec. Sec. 19.392 and 19.393.
- (g) The spirits, wines, and alcoholic flavoring materials removed from the premises.

(h) The spirits moved to the production account for redistillation.

(i) Redistillation of spirits, including the production of gin and vodka by means other than original and continuous distillation.

(j) Record of alcoholic flavoring materials deposited into tanks prior to dumping showing the consignor, the date and quantity received, the name of the product, the date and quantity of each removal from the tank and losses.

(k) Spirits returned to bond.

(l) The voluntary destruction of spirits and wines.

(m) The losses as provided in subpart Q of this part.

The records required by paragraph (a) of this section shall also show the name and plant number of the producer or processor (warehouseman in the case of blended beverage rums or brandies or spirits of 190 degrees of more of proof received from storage) for domestic spirits, the name of the importer and the country of origin for imported spirits, and the name and address of the producer of wines and alcoholic flavoring materials.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF-206, 50 FR 23953, June 7, 1985]

Sec. 19.748 Dump/batch records.

(a) Format of dump/batch records. Proprietor's dump/batch records shall contain, as applicable, the following:

(1) Serial number;

(2) Name and distilled spirits plant number of the producer;

(3) Kind and age of spirits used with a notation to indicate treatment with oak chips, addition of caramel, imported spirits, and spirits from Puerto Rico and the Virgin Islands;

(4) Serial number of tank or container to which ingredients are added for use;

(5) Serial or identification number of tank or container from which spirits are removed;

(6) Quantity by ingredient of other alcoholic ingredients used, showing wine in wine gallons, percentage of alcohol by volume and proof, and alcoholic flavoring materials in proof gallons;

(7) Serial number of source transaction record (e.g., record covering spirits previously dumped);

(8) Date of each transaction;

(9) Quantity, by ingredient (other than water), of nonalcoholic ingredients used;

(10) Formula number;

(11) Quantity of ingredients used in the batch that have been previously dumped, reported on dump records, and held in tanks or containers;

(12) Total quantity in proof gallons of all alcoholic ingredients used;

(13) Identification of each record to which spirits are transferred;

(14) Quantity in each lot transferred;

(15) Date of each transfer;

(16) Total quantity in proof gallons of product transferred;

(17) Gain or loss; and

(18) For each batch to be tax determined in accordance with Sec. 19.35, the effective tax rate.

(b) Redistillation. (1) Dump/batch records shall be prepared to show spirits to be redistilled in the processing account, including the production of gin or vodka by redistillation. A dump record shall also be prepared to record the finished distillate.

(2) When redistillation requires the use of more than one tank or other vessel in a continuous distilling system, the system may be shown

on the record in lieu of preparing a separate record to show each movement of spirits between tanks or vessels.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF-297, 55 FR 18064, Apr. 30, 1990]

Sec. 19.749 Bottling and packaging record.

The bottling and packaging record shall be prepared and contain the following information:

- (a) Tank number(s);
- (b) Serial number (beginning with "1" at the start of each calendar or fiscal year);
- (c) Formula number (if any) under which the batch was produced;
- (d) Serial number of the dump/batch record from which received;
- (e) Kind of product (including age, if claimed);
- (f) Details of the tank gauge (including proof, wine gallons, proof gallons, and, if applicable, obscuration);
- (g) The date the bottles or packages were filled;
- (h) Size of the bottles or packages filled, number of bottles per case, and number of cases or packages filled;
- (i) Serial numbers by brand name of cases or other containers filled;
- (j) Proof of the spirits bottled or packaged (if different from subsection (f));
- (k) Total quantity bottled, packaged or otherwise disposed of in bulk;
- (l) Losses or gains; and
- (m) Whether the spirits were labeled as bottled in bond.

(Sec. 807(a), Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

Sec. 19.750 Records of alcohol content and fill tests.

(a) Proprietors shall record the results of all tests of alcohol content and quantity (fill) conducted.

(b) The record shall be maintained in a manner and provide information that will enable appropriate TTB officers to determine whether the proprietor has complied with the provisions of Sec. 19.386 by:

(1) Monitoring operations by conducting alcohol content and fill tests; and

(2) Employing procedures to correct variations in alcohol content and fill.

(c) Alcohol content and fill test records shall contain, at a minimum, the following information:

- (1) Date and time of test;
- (2) Bottling tank number;
- (3) Serial number of bottling record;
- (4) Bottling line designation;
- (5) Size of bottle;
- (6) Number of bottles tested;
- (7) Labeled alcohol content;
- (8) Alcohol content found by the test;
- (9) Percentage of variation from 100 percent fill; and
- (10) Corrective action taken, if any.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1395, as amended (26 U.S.C. 5555);
Sec. 807(a), Pub. L. 96-39 (26 U.S.C. 5207)

[T.D. ATF-237, 51 FR 36395, Oct. 10, 1986; 51 FR 37271, Oct. 21, 1986]

Sec. 19.751 Records of finished products.

Each processor shall maintain by proof gallons daily transaction records and a daily summary record of spirits bottled or packaged as follows:

- (a) Beginning and ending quantity of bottled or packaged spirits on hand;
- (b) Spirits bottled or packaged;
- (c) Bottled or packaged spirits disposed of by:
 - (1) Withdrawal on tax determination;
 - (2) Transfer in bond;
 - (3) Withdrawal free of tax or without payment of tax;
 - (4) Dumping for further processing;
 - (5) Transfer to the production account for redistillation;
 - (6) Voluntary destruction;
 - (7) Accountable losses;
 - (8) Samples;
 - (9) Inventory shortages and overages; and
 - (10) Other dispositions.

In lieu of showing the proof gallons of spirits on daily transaction records of withdrawals from bonded premises, proprietors may show the wine gallons or liters and the proof of spirits in cases. Summary records shall be used to compile the report required by Sec. 19.792.

(Sec. 807, Pub. L. 96-39, 93 Stat. 283, as amended (26 U.S.C. 5207))

Sec. 19.773 Daily record of wholesale liquor dealer and taxpaid storeroom operations.

Where the proprietor, in connection with his plant, conducts wholesale liquor dealer operations, or operates a taxpaid storeroom, on, contiguous to, adjacent to, or in the immediate vicinity of general

plant premises, or operates taxpaid storage premises at another location from which distilled spirits are not sold at wholesale, he shall maintain daily records of the receipt and disposition of all distilled spirits and wines at such premises, and of all reclosing and relabeling operations. The provisions of this section shall also apply to products returned to a wholesale liquor dealer or taxpaid storeroom from the market. A separate record shall be kept for each such premises. The records in respect of the receipt and disposition of distilled spirits and wines shall contain all data necessary (consisting of or supported by records including bills of lading and invoices) to enable appropriate TTB officers to identify and trace such receipt and dispositions and to ascertain whether there has been compliance with all laws and regulations relating thereto. In addition to any other information shown therein, such records shall include:

(a) For receipts and dispositions--

(1) The date of the transaction (or date of discovery in the case of casualty or theft);

(2) The name and address of each consignor or consignee, as the case may be;

(3) The brand name;

(4) The kind of spirits;

(5) The actual quantity of distilled spirits involved (proof and proof gallons if in packages, wine gallons or liters and proof if in bottles);

(6) The package identification or serial numbers of packages involved;

(7) The name of the producer; and

(8) The country of origin, if imported spirits.

(b) For case dispositions--In addition to the requirements listed in paragraph (a) of this section the appropriate TTB officer may, upon notice to the dealer, require the recording of case serial numbers for dispositions.

(c) For reclosing or relabeling operations--

(1) The date of the transaction;

- (2) The serial numbers of cases involved;
- (3) The total number of bottles;
- (4) The name of the bottler; and
- (5) The number and kind of strip stamps used and/or the number of alternative devices used.

(Approved by the Office of Management and Budget under control number 1513-0041)

(Sec. 201, Pub. L. 85-859, 72 Stat. 1395, as amended (26 U.S.C. 5555))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF-206, 50 FR 23953, June 7, 1985]

Sec. 19.792 Reports.

(a) Reports required by this section shall be prepared as of the end of the applicable reporting period. The original shall be submitted to the appropriate TTB officer and a copy retained by the proprietor.

(b) Proprietors shall submit the following summary reports of their operations:

Title	Form No.	Reporting period

(1) Production report.....	5110.40	Monthly.
(2) Storage report.....	5110.11	Do.
(3) Processing reports--		
(i) Manufacture/bottling.....	5110.28	Do.
(ii) Denaturation (including articles).	5110.43	Do.

(c) All reports required by this part shall be prepared and submitted to the appropriate TTB officer not later than the 15th day of the month following the close of the reporting period.

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(Sec. 807, Pub. L. 96-39, 98 Stat. 284 (26 U.S.C. 5207))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF-206, 50 FR 23953, June 7, 1985]