

**§ 41.116 Default.**

Where a check or money order tendered with a semimonthly return for payment of internal revenue tax under the provisions of this subpart is not paid on presentment, where a bonded manufacturer fails to remit with the semimonthly return the full amount of tax due thereunder, or where a bonded manufacturer is otherwise in default in payment of tax under the provisions of this subpart, he shall not ship tobacco products to the United States on computation of tax, until the appropriate TTB officer finds that the revenue will not be jeopardized by deferred payment of tax under the provisions of this subpart.

[T.D. 6871, 31 FR 44, Jan 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986; T.D. ATF-251, 52 FR 19340, May 22, 1987. Redesignated and amended by T.D. TTB-16, 69 FR 52424, 52425, Aug. 26, 2004]

**§§ 41.117–41.118 [Reserved]**

**§ 41.119 Corporate surety.**

(a) Surety bonds, required under the provisions of this subpart, may be given only with corporate sureties holding certificates of authority from the Secretary of the Treasury as acceptable sureties on Federal bonds. Limitations concerning corporate sureties are prescribed by the Secretary in the current revision of Treasury Department Circular No. 570 (Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies). The surety shall have no interest whatever in the business covered by the bond.

(b) Treasury Department Circular No. 570 is published in the FEDERAL REGISTER annually as of the first workday of July. As they occur, interim revisions of the circular are published in the FEDERAL REGISTER. Copies may be obtained from the Audit Staff, Bureau of Government Financial Operations, Department of the Treasury, Washington, DC 20226.

(July 30, 1947, ch. 390, 61 Stat. 648, as amended (6 U.S.C. 6, 7))

[T.D. ATF-92, 46 FR 46922, Sept. 23, 1981]

**§ 41.120 Deposit of securities in lieu of corporate surety.**

In lieu of corporate surety, the manufacturer of tobacco products in Puerto Rico may pledge and deposit, as security for his bond, securities which are transferrable and are guaranteed both as to interest and as to principal by the United States, in accordance with the provisions of 31 CFR part 225.

(61 Stat. 650; 6 U.S.C. 15)

[T.D. 6871, 31 FR 44, Jan. 4, 1966. Redesignated at 40 FR 16835, Apr. 15, 1975, and amended by T.D. ATF-232, 51 FR 28086, Aug. 5, 1986; T.D. ATF-243, 51 FR 43194, Dec. 1, 1986]

**§ 41.121 Amount and account of bond.**

(a) *Bond amount.* Except for the maximum and minimum amounts stated in this paragraph, the total amount of the bond or bonds required under this subpart must be in an amount not less than the amount of unpaid tax chargeable at any one time against the bond or bonds. The maximum and minimum amounts of such bond or bonds are as follows:

Taxable article	Bond amount maximum (in dollars)	Bond amount minimum (in dollars)
(1) Cigarettes .....	250,000	1,000
(2) Any combination of taxable articles .....	250,000	1,000
(3) One kind of taxable article other than cigarettes .....	150,000	1,000

(b) *Bond account.* Where the amount of a bonded manufacturer's bond is less than the maximum amount prescribed in paragraph (a) of this section, the bonded manufacturer must maintain an account reflecting all outstanding taxes for which the manufacturer's bond is chargeable. A manufacturer must debit that account with the amount of tax that was agreed to be paid under § 41.111 or that is otherwise chargeable against the bond and then must credit the account for the amount paid on TTB F 5000.25 or other TTB-prescribed document, at the time it is filed. A manufacturer who will defer payment of tax for a shipment of tobacco products or cigarette papers or tubes under this subpart must have sufficient credit in this account to cover