

## § 19.584

### PRODUCTION RECORDS

#### § 19.584 Materials for the production of distilled spirits.

A proprietor must maintain daily records of materials produced or received for, or used in, the production of distilled spirits. This includes records covering:

(a) Receipt and use of fermenting material or other nonalcoholic materials for the production of distilled spirits;

(b) Receipt and use of spirits, denatured spirits, articles, and spirits residues for redistillation;

(c) Distilling materials produced, received for production, and used in the production of distilled spirits;

(d) Receipt of beer from brewery premises without payment of tax, and receipt of beer removed from brewery premises upon determination of tax as authorized by 26 U.S.C. 5222(b);

(e) Distilling material destroyed in, or removed from the premises before distillation, including residue of beer returned to the producing brewery;

(f) The quantity of fusel oils or other chemicals removed from the production system, including the disposition thereof, with the name of the consignee, if any, together with the results of alcohol content tests performed on those fusel oils or chemicals; and

(g) The kind and quantity of distillates removed from the production system pursuant to § 19.307.

(26 U.S.C. 5207)

#### § 19.585 Production and withdrawal records.

(a) *Production of spirits.* The following rules apply to the maintenance of production records:

(1) A proprietor must maintain daily production account records of the kind and quantity of distilled spirits produced. The records must show the gauge of spirits in each receiving tank and the production gauge (in proof gallons) of spirits removed from each tank. If packages are filled according to the production gauge for immediate withdrawal from bond, the proprietor must record the details of the individual packages filled;

(2) A proprietor must maintain daily records of spirits lost or destroyed prior to the production gauge; and

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(3) A proprietor must maintain production account records in a manner that will ensure the tracing of spirits through the distilling system to the mash or other material from which the spirits were produced and that will clearly establish the identity of the spirits.

(b) *Withdrawals from production.* A proprietor must maintain daily records of the distilled spirits withdrawn from the production account. This includes withdrawals for:

(1) Taxpayment;

(2) Use of the United States;

(3) Hospital, scientific or educational use;

(4) Export;

(5) Transfer to a foreign trade zone;

(6) Transfer to customs bonded manufacturing warehouse;

(7) Use as supplies on vessels and aircraft;

(8) Use in wine production;

(9) Transfer in bond to other bonded premises;

(10) Transfer to storage operations;

(11) Transfer to processing operations; and

(12) Research, development, or testing.

(26 U.S.C. 5207)

#### § 19.586 Byproduct spirits production records.

Each proprietor who manufactures substances other than spirits in a process that produces spirits as a byproduct must maintain daily production records of:

(a) The kind and quantity of materials received and used in production;

(b) The kind and quantity of spirits produced and disposed of; and

(c) The kind and quantity of other substances produced.

(26 U.S.C. 5207)

### STORAGE RECORDS

#### § 19.590 Storage operations.

(a) *Receipts.* A proprietor must maintain daily records of the kind and quantity of distilled spirits or wines received in the storage account. The proprietor must use copies of gauge records, transfer records, and tank records of wines or spirits to record

spirits or wines received into storage. Receipts into storage include:

- (1) Receipts of spirits or wines for deposit into storage;
- (2) Receipts by transfer in bond;
- (3) Receipts of spirits from customs custody; and
- (4) Receipts of spirits returned to bond.

(b) *Storage activities.* A proprietor must maintain daily records of the activities and operations within the storage account at the plant, including records regarding:

- (1) The mingling of spirits;
- (2) Spirits in tanks;
- (3) Spirits or wines filled into packages from tanks and retained for storage;
- (4) Spirits of less than 190° of proof or wines transferred from one tank to another;
- (5) The transfer of spirits or wine from one package to another; and
- (6) The addition of oak chips to spirits and the addition of caramel to brandy or rum.

(c) *Withdrawals from storage.* A proprietor must maintain daily records of the kind and quantity of distilled spirits or wines withdrawn from the storage account, including records regarding:

- (1) Taxpayment;
- (2) Use by the United States;
- (3) Hospital, scientific or educational use;
- (4) Export;
- (5) Transfer to a foreign trade zone;
- (6) Transfer to a customs bonded manufacturing warehouse;
- (7) Use as supplies on vessels and aircraft;
- (8) Transfer to a bonded winery;
- (9) Transfer to a customs bonded warehouse;
- (10) Use for research, development, or testing;
- (11) Transfer to processing operations;
- (12) Transfer to production operations;
- (13) Transfer in bond to other bonded premises;
- (14) Destruction; and
- (15) Loss.

(26 U.S.C. 5207)

**§ 19.591 Package summary records.**

(a) *General.* A proprietor must keep current summary records for each kind of spirits or wine in packages that show the spirits or wine deposited in, withdrawn from, and remaining in, the storage account. A proprietor must keep separate records for domestic spirits, imported spirits, Virgin Islands spirits, Puerto Rican spirits, and wine. A proprietor may keep package records for spirits according to the season or the year in which the packages were filled with spirits.

(b) *Arrangement of records.* The proprietor must prepare and arrange separately package summary records:

- (1) For domestic spirits, alphabetically by State and by the plant number and name of the producer or warehouseman;
- (2) For imported spirits, alphabetically by the country of origin and by the name of the producer;
- (3) For Puerto Rican or Virgin Islands spirits, by the name of the producer in Puerto Rico or the Virgin Islands; and
- (4) For wine, by the kind and the tax rate imposed by 26 U.S.C. 5041.

(c) *Details of records.* Package summary records must show the following details:

- (1) The date on which each of the summarized transactions occurred;
- (2) For spirits, the number of packages and the proof gallons covered by the summary record;
- (3) For wine, the number of packages and the wine gallons covered by the summary record;
- (4) Any gains or shortages disclosed by inventory or when an account is closed; and
- (5) The gallon balances on summary records for spirits and wines remaining in the account at the end of each month.

(d) *Consolidation.* A proprietor must consolidate package summary records at the end of each month, or for lesser periods when required by the appropriate TTB officer, to show, for all types of containers and kinds of spirits, the total proof gallons received in, withdrawn from, and remaining in the storage account.

(26 U.S.C. 5207)

## § 19.592

### § 19.592 Tank record of wine and spirits of less than 190° of proof.

A proprietor must keep a record for each tank (including each bulk conveyance) containing wine or spirits of less than 190° of proof. The record must show deposits into, withdrawals from, and the balance remaining in, each tank in the storage account. A proprietor must prepare a new record each time wine or spirits are deposited into an empty tank and must make entries each day that transactions occur. Tank records must show the following details:

- (a) The identification of the tank;
- (b) The tank record serial number, beginning with "1" for each record initiated on or after January 1 of each calendar year;
- (c) The date of each transaction;
- (d) For spirits, the kind of spirits and, as applicable,—
  - (1) For domestic spirits, the plant number and name of the producer, or, for blended rums or brandies, the plant number and name of the warehouseman;
  - (2) For imported spirits, the country of origin and the name and plant number of the warehouseman;
  - (3) For Puerto Rican or Virgin Island spirits, the name of the producer;
  - (4) The number and average proof gallon content of packages of spirits dumped in the tank, or a notation indicating the deposit of spirits in the tank by pipeline; and
  - (5) If subject to age labeling requirements under part 5 of this chapter, the age of the youngest spirits in years, months and days, each time that spirits are deposited;
  - (e) For wine, the kind and the tax rate imposed by 26 U.S.C. 5041;
  - (f) The wine gallons of wine, or proof gallons of spirits, deposited into the tank;
  - (g) The wine gallons of wine, or proof gallons of spirits, withdrawn from the tank;
  - (h) Any related transaction form or record and its serial number for deposits and withdrawals;
  - (i) The wine gallons of wine, or proof gallons of spirits, remaining in the tank, recorded at the end of each month; and
- (j) Any gain or loss disclosed by inventory or on emptying of the tank.

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(26 U.S.C. 5207)

### § 19.593 Tank summary record for spirits of 190° or more of proof.

(a) *General.* A proprietor must keep a tank summary record for spirits of 190° or more of proof held in storage tanks. The record must show the proof gallons deposited into, withdrawn from, and remaining in the tanks in the storage account. The proprietor must prepare a separate tank summary record for each kind of spirits of 190° or more of proof. The proprietor must make an entry for each day on which a transaction occurs, and the entry must summarize the individual transactions shown on the deposit records.

(b) *Arrangement of records.* The proprietor must prepare and arrange the tank summary records as follows:

- (1) For domestic spirits, by the name of the producer or warehouseman;
- (2) For imported spirits, by the name of the warehouseman who received the spirits from customs custody; and

(3) For spirits from Puerto Rico or the Virgin Islands, by the name of the producer in Puerto Rico or the Virgin Islands.

(c) *Details of records.* Tank summary records must show the following details:

- (1) The kind of spirits;
- (2) The date of the transactions summarized;
- (3) The proof gallons deposited;
- (4) The proof gallons withdrawn;
- (5) The proof gallons remaining in tanks; and
- (6) Any gain or loss disclosed by inventory or on emptying of the tanks covered by the tank summary record.

(26 U.S.C. 5207)

## PROCESSING RECORDS

### § 19.596 Processing records in general.

A proprietor who processes spirits must maintain daily records of transactions and operations in the processing account relating to:

- (a) The manufacture of distilled spirits products;
- (b) Finished products;
- (c) The denaturation of spirits; and