

be exported provided that the proprietor maintains on file an English translation of that information. The export label may state the net contents and percentage of alcohol by volume in the units of measurement of the foreign country, provided that the proprietor maintains a record of the equivalent units as required for labels of spirits bottled for domestic consumption.

(d) *Waiver.* The appropriate TTB officer may waive the requirement to show any information required by this section, other than the kind of spirits, upon a showing that the country to which the spirits are to be exported prohibits the showing of such information. In regard to kind (class and type) of spirits, the appropriate TTB officer may waive the designation required by § 5.22 of this chapter, only to the extent that the label need not bear the word "diluted" for distilled spirits bottled below the minimum bottling proof, and provided that this is in accordance with the rules of the country to which the product is to be exported.

(26 U.S.C. 5201, 5301)

#### § 19.520 Spirits for shipment to Puerto Rico.

Spirits removed for shipment to Puerto Rico with benefit of drawback or without payment of tax in accordance with part 28 of this chapter are subject to the provisions of part 5 of this chapter in regard to labeling and standards of fill for bottles.

(26 U.S.C. 5201)

#### CLOSURE REQUIREMENTS

##### § 19.523 Affixing closures.

Each bottle or other container of spirits having a capacity of one gallon (3.785 liters) or less must have a closure or other device securely affixed to the container prior to withdrawal from bond or customs custody. The closure or other device must be constructed in such a manner as to require breaking in order to gain access to the contents of the container.

(26 U.S.C. 5301)

##### § 19.525 Reclosing.

A proprietor may reclose bottles of distilled spirits filled on bonded prem-

ises as provided in subpart N of this part. A proprietor may also reclose bottles of distilled spirits to which closures or other devices have been affixed as provided in § 19.498.

(26 U.S.C. 5215)

#### Subpart U [Reserved]

#### Subpart V—Records and Reports

##### GENERAL RULES FOR RECORDS

###### § 19.571 Records in general.

Each proprietor of a distilled spirits plant must maintain records that accurately reflect the operations and transactions occurring at the plant. This subpart specifies the types of records that a proprietor must maintain. In general, a proprietor is responsible for recording activities and transactions related to the three primary operational accounts at a plant: production, storage, and processing. A proprietor's records must show receipts in each account, movement from one account to another, transfers in bond, and withdrawals of spirits, denatured spirits, articles, or wines. The types of records that a proprietor must keep include:

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

(b) All supplemental, auxiliary, and source data that a proprietor uses to compile required forms, records, and summaries, and to prepare reports, returns and claims; and

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

(26 U.S.C. 5207)

###### § 19.572 Format of records.

As a general rule, the provisions of this subpart do not require proprietors to keep their records in any particular format or medium. For example, a proprietor may keep required records on paper, on microfilm or microfiche, or on a computer or other electronic medium, so long as the records are readily retrievable in hardcopy format for review by TTB officers as necessary. The

**§ 19.573**

required records may consist of documents created in the ordinary course of business, rather than documents created expressly to meet the requirements of this part, provided that those documents:

- (a) Contain all of the relevant information required under this part;
- (b) Are consistent with the general standards of clarity and accuracy; and
- (c) Can be readily understood by TTB personnel.

(26 U.S.C. 5207)

**§ 19.573 Location of required records.**

A proprietor may keep the records required by this part at the distilled spirits plant where operations or transactions occur or at a central record-keeping location maintained by the proprietor. If a proprietor keeps the required records at any location other than the distilled spirits plant where operations or transactions occur, the proprietor must provide a letterhead notice to the Director, National Revenue Center, of the location where the records are kept.

(26 U.S.C. 5207)

**§ 19.574 Availability of records.**

The records required by this part must be available for inspection by the appropriate TTB officer during normal business hours. If a proprietor keeps the records at a location other than the distilled spirits plant where operations or transactions occur, the proprietor upon request must make them available at the distilled spirits plant premises undergoing a TTB audit or inspection. The records must be produced within two days of the request except that data accumulated on cards, tapes, discs, or other accepted record media must be retrievable within five business days. Applicable data processing programs must be made available for examination if requested by any authorized TTB officer.

(26 U.S.C. 5207)

**§ 19.575 Retention of records.**

A proprietor must retain any records required by this part for a period of not less than three years from the date of the record or the date of the last entry required to be made, whichever is later.

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However, the appropriate TTB officer may require a proprietor to keep records for an additional period not exceeding three years in any case where such retention is deemed appropriate for the protection of the revenue.

(26 U.S.C. 5207)

**§ 19.576 Preservation of records.**

A proprietor must maintain required records in a manner that will ensure their readability and availability for inspection. Whenever the condition of any record will render it unsuitable for its intended or continued use, the proprietor must create an accurate and legible reproduction of the original record. TTB will treat the reproduced record as an original record, and all of the provisions of law that would apply to the original record also will apply to the reproduced record.

(26 U.S.C. 5207, 5555)

**§ 19.577 Documents that are not records.**

The term "records" as used in this subpart does not include qualifying documents required under subpart D of this part, or bonds required under subpart F of this part. Approved active formulas, plant registrations and similar records are permanent in nature and must be maintained in a permanent file.

(26 U.S.C. 5207)

**§ 19.578 Financial records and books of account.**

See § 70.22 of this chapter for information regarding TTB examination of financial records and books of account.

(26 U.S.C. 7602)

**§ 19.580 Time for making entries in records.**

(a) *Daily record entries.* A proprietor must make entries required by this part in records on a daily basis for each transaction or operation and not later than the close of the next business day after the transaction or operation occurred. However, if a proprietor prepares supplemental or auxiliary records when an operation or transaction occurs and those records contain all of the required information,

the proprietor may make entries into the daily records not later than the close of business on the third business day following the day on which the transaction or operation occurred.

(b) *Tax records.* A proprietor must enter the tax determination and the taxable removal of distilled spirits in the proprietor's records on the day on which tax determination and taxable removal occurs.

(26 U.S.C. 5207)

#### § 19.581 Details of daily records.

The daily records required by this part must include the following information:

(a) The date of each operation or transaction;

(b) For spirits, the kind and the quantity in proof gallons;

(c) For denatured spirits, the formula number and the quantity in wine gallons;

(d) For distilling materials produced on the premises, the kind and the quantity in wine gallons. For chemical byproducts containing spirits, articles, spirits residues, and distilling material received on the premises, the kind, the percent of alcohol by volume, and the quantity in wine gallons;

(e) For wines, the kind, the quantity in wine gallons and the percent of alcohol by volume;

(f) For alcoholic flavoring materials, the kind, formula number (if any), and the quantity in proof gallons;

(g) For containers (other than those bearing lot identification numbers) or cases, the type, serial number, and the number of containers (including identifying marks on bulk conveyances), or cases. However, a proprietor may withdraw spirits in cases without recording the serial numbers of the cases, unless the appropriate TTB officer requires such recording. A proprietor must record package identification numbers, number of packages, and proof gallons per package on deposit records in the storage account reflecting production gauges or filling of packages from tanks; however, the proprietor need show only the lot identification, number of packages, and proof gallons per package for transactions in packages of spirits unless package identification

numbers are specifically required by this part;

(h) For materials intended for use in the production of spirits, the kind and the quantity, with liquids recorded in gallons and other nonliquid materials recorded by weight;

(i) For each receipt or removal of material, spirits, denatured spirits, articles, spirits residues, and wine, the name and address of the consignee or consignor, and, if any, the plant number or industrial use permit number of such person;

(j) The serial number of any tank used;

(k) On the transaction record, the rate of duty paid on imported spirits;

(l) Identification of imported spirits, spirits from Puerto Rico, and spirits from the Virgin Islands, or a showing that a distilled spirits product contains such spirits; and

(m) Identification of spirits that are to be used exclusively for fuel use.

(26 U.S.C. 5207)

#### § 19.582 Conversion from metric to U.S. units.

When liters are converted to wine gallons, the proprietor must multiply the quantity in liters by 0.264172 to determine the equivalent quantity in wine gallons. If cases contain the same quantity of spirits of the same proof in metric bottles, the proprietor must convert the cases to U.S. units by multiplying the liters in one case by the number of cases to be converted, as follows:

(a) If the conversion from liters to U.S. units is made before multiplying by the number of cases, the quantity in U.S. units must be rounded to the sixth decimal; or

(b) If the conversion is made after multiplying by the number of cases, the quantity in U.S. units must be rounded to the nearest hundredth. Once converted to wine gallons, the proprietor must determine the proof gallons of spirits in cases as provided in § 30.52 of this chapter.

(26 U.S.C. 5201)

## § 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

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(j) Any gain or loss disclosed by inventory or on emptying of the tank.

(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

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- (d) The manufacture of articles.  
(26 U.S.C. 5207)

**§ 19.597 Manufacturing records.**

(a) *Receipts.* A proprietor must maintain daily records of the spirits, wines, and alcoholic flavoring materials received into the processing account for the manufacture of distilled spirits products. Total receipts must be summarized showing the amount of:

- (1) Spirits received from storage or production at the same plant;
- (2) Spirits received from other plants by transfer in bond;
- (3) Spirits received from customs custody;
- (4) Spirits received by return to bond;
- (5) Wines received from the storage at the same plant;
- (6) Wines received by transfer in bond; and
- (7) Alcoholic flavoring materials received.

(b) *Additional receipt information.* The records described in paragraph (a) of this section must also show the name and plant number of the producer or processor (or the warehouseman in the case of blended beverage rums or brandies or spirits of 190° or 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 for wines and alcoholic flavoring materials.

(c) *Usage.* A proprietor must maintain daily records of the spirits, wines, and alcoholic flavoring materials and other ingredients used in the manufacture of distilled spirits products as provided in § 19.598.

(d) *Bottling or packaging.* A proprietor must maintain daily records of the bottling or packaging of each batch of spirits as provided in § 19.599.

(e) *Other dispositions.* A proprietor must maintain daily records of all other dispositions of spirits, wines and alcoholic flavoring materials, including, but not limited to, records regarding the following:

- (1) Spirits, wines, and alcoholic flavoring materials removed from the distilled spirits plant premises;
- (2) Transfers in bond;
- (3) Spirits transferred to the production account for redistillation;

(4) Redistillation of spirits, including the production of gin or vodka by other than original and continuous distillation;

(5) Voluntary destruction of spirits or wines; and

(6) Losses of spirits, wines and alcoholic flavoring materials.

(26 U.S.C. 5207)

**§ 19.598 Dump/batch records.**

A proprietor who processes, mixes, or blends spirits in the processing account must maintain "dump/batch" records setting forth detailed information regarding the processing of the spirits. The dump/batch records must contain each of the following items of information that applies to the processing in question:

(a) Serial number of the record or batch number;

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

(c) Kind and age of the spirits used, together with a notation, if applicable, that the spirits—

(1) Were treated with oak chips;

(2) Contain added caramel;

(3) Were imported; or

(4) Are from Puerto Rico or the Virgin Islands;

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

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

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

(g) Serial number of the source transaction record (for example, the record for spirits previously dumped);

(h) Date of each transaction;

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

(j) Formula number;

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

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

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

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- (n) Quantity of each lot transferred;
  - (o) Date of each transfer;
  - (p) Total quantity in proof gallons of the product transferred;
  - (q) Batch gain or loss; and
  - (r) For each batch to be tax determined in accordance with § 19.247, the effective tax rate.
- (26 U.S.C. 5207)

**§ 19.599 Bottling and packaging records.**

A proprietor who bottles or packages spirits must prepare a “bottling and packaging” record for each lot of spirits bottled or packaged. The bottling and packaging record must contain the following information:

- (a) Bottling tank number;
  - (b) Serial number of the record (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 the spirits were received;
  - (e) Kind of distilled spirits 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) The size of the bottles or packages filled, the number of bottles per case, and the number of cases or packages filled;
  - (i) Serial numbers by brand name of the cases or other containers filled;
  - (j) Proof of the spirits bottled or packaged (if different from the proof recorded under paragraph (f) of this section);
  - (k) Total quantity bottled, packaged, or otherwise disposed of in bulk;
  - (l) Losses or gains of the distilled spirits product; and
  - (m) If labeled as bottled in bond, a statement to that effect.
- (26 U.S.C. 5207)

**§ 19.600 Alcohol content and fill test record.**

A proprietor must maintain a record of the results of all tests of alcohol content and quantity (fill) conducted. The record must include information

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that will enable TTB officers to determine whether the proprietor is complying with the requirements of § 19.356. The record of alcohol content and fill tests must contain, at a minimum, the following information:

- (a) Date and time of the test;
- (b) Bottling tank number;
- (c) Serial number of the bottling record;
- (d) Bottling line designation;
- (e) Size of bottles filled;
- (f) Number of bottles tested;
- (g) Labeled alcohol content;
- (h) Alcohol content found by the test;
- (i) Percentage of variation from 100 percent fill; and
- (j) Corrective action taken, if any.

(26 U.S.C. 5207, 5555)

**§ 19.601 Finished products records.**

(a) *Bottling and packaging.* A proprietor must maintain daily transaction records and a daily summary record of the kind and quantity of finished products bottled or packaged within the processing account at the distilled spirits plant. These records must show:

- (1) The beginning and ending quantity of bottled or packaged spirits on hand;
- (2) The quantity of spirits bottled or packaged; and
- (3) Inventory overages.

(b) *Disposition of finished products.* A proprietor must also maintain daily records of the disposition of finished products from the processing account at the distilled spirits plant. These disposition records must show any spirits:

- (1) Transferred in bond (packages);
- (2) Withdrawn tax determined;
- (3) Withdrawn free of tax for U.S., hospital, scientific, or educational use;
- (4) Withdrawn without payment of tax for addition to wine;
- (5) Withdrawn for exportation, for vessels and aircraft supplies and for transfer to a customs bonded warehouse;
- (6) Transferred to the production account for redistillation;
- (7) Withdrawn for research, development or testing (including government samples);
- (8) Voluntarily destroyed;
- (9) Dumped for further processing;
- (10) Recorded losses or shortages of finished product; and

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(11) Disposed of as samples of the finished product.

(26 U.S.C. 5207)

**§ 19.602 Redistillation records.**

If a proprietor redistills spirits in the processing account (as in the production of gin or vodka by redistillation), the proprietor must prepare a record of the redistillation. The record must show the kind and quantity of the spirits entered into the distilling system and the kind and quantity of the spirits removed from the distilling system upon completion of the process.

(26 U.S.C. 5207)

**§ 10.603 Liquor bottle records.**

A proprietor must maintain records of the receipt, use, and disposition of liquor bottles.

(26 U.S.C. 5207)

**§ 19.604 Rebottling, relabeling, and reclosing records.**

(a) If a proprietor dumps spirits for rebottling, the proprietor must prepare in accordance with § 19.599 a bottling and packaging record that covers the rebottling operation.

(b) If a proprietor relabels or recloses bottled products in accordance with § 19.363, the proprietor must maintain records of the operation that reflect the following:

- (1) The identity of the spirits relabeled or reclosed;
- (2) The date of the transaction;
- (3) The serial numbers of any cases involved; and
- (4) The total number of bottles.

(26 U.S.C. 5207)

**DENATURATION AND ARTICLE  
MANUFACTURE RECORDS****§ 19.606 Denaturation records.**

(a) *General.* A processor that is authorized to denature spirits must maintain daily records of denaturation showing the following information:

(1) Spirits that are received for, and used in, denaturation;

(2) Spirits, denatured spirits, recovered denatured spirits, spirits residues, and articles that are redistilled in the processing account for denaturation;

(3) Kind and quantity of denaturants received and used in denaturation of spirits or otherwise disposed of;

(4) Conversion of denatured alcohol formulas in accordance with § 19.392;

(5) Denatured spirits produced, received, stored in tanks, filled into containers, removed, or otherwise disposed of;

(6) Recovered denatured spirits or recovered articles received, restored, or redenatured;

(7) Packages of denatured spirits filled, with a separate record for each formula number and filed in numerical order according to the serial number or lot identification number of the packages;

(8) Losses of denatured spirits; and

(9) Disposition of denatured spirits.

(b) *Record of denaturation.* Each time that a proprietor denatures spirits, the proprietor must prepare a record that shows the formula number, the tank in which denaturation takes place, the proof gallons of the spirits before denaturation, the quantity of each denaturant used (in gallons, or in pounds or ounces), and the wine gallons of denatured spirits produced.

(26 U.S.C. 5207)

**§ 19.607 Article manufacture records.**

A processor that is authorized to manufacture articles must maintain daily records arranged by the name and authorized use code of the article and showing the following:

(a) Quantity, by formula number of denatured spirits used in the manufacture of the article;

(b) Quantity of each article manufactured; and

(c) Quantity of each article removed, or otherwise disposed of, including the name and address of the person purchasing or otherwise disposing of the article.

(26 U.S.C. 5207)

**TAX RECORDS****§ 19.611 Records of tax determination  
in general.**

(a) *Taxable withdrawals.* Except as otherwise provided in this part, a proprietor must gauge and determine the tax on spirits when they are withdrawn from bond. When spirits are withdrawn

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from bond, the proprietor must also prepare a record of the tax determination in accordance with paragraph (b) of this section.

(b) *Form of record.* A serially numbered invoice or shipping document, signed or initialed by an agent or employee of the proprietor, will constitute the record of tax determination. Although neither the proof gallons nor the effective tax rate must be shown on the record of tax determination, each invoice or shipping document must contain information sufficient to enable TTB officers to determine the total proof gallons and, if applicable, each effective tax rate and the proof gallons removed at each effective tax rate. For purposes of this part, the total proof gallons calculated from each invoice or shipping document constitutes a single withdrawal.

(26 U.S.C. 5207)

**§ 19.612 Summary records of tax determinations.**

Each proprietor that withdraws distilled spirits on determination of tax, but before payment of tax, must maintain a daily summary record of tax determinations. The summary record must show for each day on which tax determinations occur:

(a) The serial numbers of the records of tax determination, the total proof gallons rounded to the nearest tenth proof gallon on which tax was determined at each effective tax rate, and the total tax; or

(b) The serial numbers of the records of tax determination, the total tax for each record of tax determination, and the total tax.

(26 U.S.C. 5207)

**§ 19.613 Average effective tax rate records.**

(a) *Daily record.* For each distilled spirits product to be tax determined using an average effective tax rate in accordance with § 19.249, the proprietor must prepare a daily summary record showing:

(1) The serial number of the batch record of each batch of the product that will be bottled or packaged, in whole or in part, for domestic consumption;

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(2) The proof gallons in each such batch derived from distilled spirits, eligible wine, and eligible flavors; and

(3) The tax liability of each such batch determined as follows—

(i) Proof gallons of all distilled spirits (exclusive of distilled spirits derived from eligible flavors), multiplied by the tax rate prescribed in 26 U.S.C. 5001;

(ii) Wine gallons of each eligible wine, multiplied by the tax rate which would be imposed on the wine under 26 U.S.C. 5041(b)(1), (2), or (3) but for its removal to bonded premises; and

(iii) Proof gallons of all distilled spirits derived from eligible flavors, to the extent that those distilled spirits exceed 2.5 percent of the proof gallons in the product, multiplied by the tax rate prescribed in 26 U.S.C. 5001.

(b) *Monthly records.* At the end of each month during which the product is manufactured, the proprietor must:

(1) Determine the total proof gallons and total tax liability for each summary record prescribed by paragraph (a) of this section;

(2) Add the sums derived under paragraph (b)(1) of this section to the like sums determined for each of the preceding 5 months; and

(3) Divide the total tax liabilities by the total proof gallons.

(26 U.S.C. 5207)

**§ 19.614 Inventory reserve records.**

(a) *General.* For each eligible distilled spirits product to be tax determined in accordance with § 19.250, the proprietor must establish an inventory reserve account, in accordance with this section.

(b) *Deposit records.* For each batch of the bottled or packaged product, the proprietor must enter into the inventory reserve account a deposit record, which may be combined with the bottling and packaging record required by § 19.599, showing:

(1) The name of the product;  
(2) The bottling and packaging record serial number;

(3) The date the bottling or packaging was completed;

(4) The total proof gallons bottled and packaged; and

(5) The effective tax rate of the product computed in accordance with § 19.246.

(c) *Depletions.* The inventory reserve account for each product must be depleted in the same order in which the deposit records were entered into the account. The proprietor must record a depletion for each disposition (for example, a taxable removal, an exportation, or an inventory shortage or breakage) by entering on the deposit record:

- (1) The transaction date;
- (2) The transaction record serial number;
- (3) The proof gallons disposed of; and
- (4) The proof gallons remaining. If any depletion exceeds the quantity of product remaining on the deposit record, the proprietor must deplete the remaining quantity, close the deposit record, and then deplete the remainder of the transaction from the next deposit record.

(26 U.S.C. 5207)

#### **§ 19.615 Standard effective tax rate records.**

For each product to be tax determined using a standard effective tax rate in accordance with §19.248, a proprietor must prepare a record of the standard effective tax rate computation showing, for one proof gallon of the finished product, the following information:

- (a) The name of the product;
- (b) The least quantity of each eligible flavor that will be used in the product, in proof gallons, or 0.025 proof gallon, whichever is less;
- (c) The least quantity of each eligible wine that will be used in the product, in proof gallons;
- (d) The greatest effective tax rate applicable to the product, calculated in accordance with §19.246 with the values indicated in paragraphs (a) and (b) of this section; and
- (e) The date on which the use of the standard effective tax rate commenced.

(26 U.S.C. 5207)

#### **OTHER REQUIRED RECORDS**

#### **§ 19.616 Records of samples.**

(a) *Required records.* A proprietor must maintain records of all samples taken under §§19.434 and 19.435. The sample record must show the:

(1) The date that the samples were taken;

(2) The account from which taken;

(3) The purpose for which taken;

(4) The size and number of samples taken;

(5) The kind of spirits;

(6) The disposition of each sample (for example, destroyed, returned to containers or the distilling system, retained for library purposes); and

(7) The name and address of the recipient of the sample if a sample is to be analyzed or tested elsewhere than at the distilled spirits plant where taken.

(b) *Sample schedule.* When a proprietor takes samples pursuant to an established schedule, the proprietor may maintain the schedule as the required record if it contains the information required by paragraphs (a)(2) through (a)(7).

(26 U.S.C. 5207)

#### **§ 19.617 Destruction records.**

Each time that a proprietor voluntarily destroys spirits, denatured spirits, articles, or wines, the proprietor must prepare a record of the destruction that sets forth:

(a) The identification of the spirits, denatured spirits, articles, or wines, including kind, quantity, elements of gauge, name and permit number of the producer, warehouseman or processor, and identity and type of container;

(b) The date, time, place and manner of the destruction;

(c) A statement that the spirits had, or had not, previously been withdrawn and returned to bond; and

(d) The name and title of any representative of the proprietor who accomplished or supervised the destruction.

(26 U.S.C. 5207)

#### **§ 19.618 Gauge record.**

When a gauge record is required by this part, the proprietor must prepare the gauge record in a manner that shows:

(a) The serial number of the gauge record, which must either:

(1) Commence with "1" at the start of each calendar or fiscal year, or

(2) Be a unique identifying number that is not repeated.

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- (b) From the following, the applicable circumstances requiring the gauge—
- (1) Production gauge and entry for deposit in the storage or processing account at the distilled spirits plant where the spirits were produced;
  - (2) Packaging of spirits or wine filled from a tank in the storage account at the same distilled spirits plant;
  - (3) Transfer from the processing or storage account to the production account for redistillation;
  - (4) Repackaging of spirits of 190° or more of proof; or
  - (5) Gauge on return to bond in production or processing operations of spirits, denatured spirits, recovered spirits, recovered denatured spirits, articles, recovered articles, or spirits residues;
- (c) The date of the gauge;
- (d) Any related form or record (identification, serial number and date);
- (e) The kind of spirits or formula number for denatured spirits;
- (f) The proof of distillation (not required for denatured spirits, spirits for redistillation, or spirits of 190° or more of proof);
- (g) When containers are to be filled, the type and number of containers;
- (h) The age of the spirits;
- (i) The name and distilled spirits plant number of the producer or warehouseman; and
- (j) The following gauge data—
- (1) Package identification, tank number, volumetric or weight gauge details, proof, and wine gallons;
  - (2) Cooperage identification ("C" for charred, "REC" for recharred, "P" for plain, "PAR" for paraffined, "G" for glued, or "R" for reused, and "PS" if a barrel has been steamed or water soaked before filling);
  - (3) Entry proof for whiskey;
  - (4) Proof gallons per filled package; and
  - (5) Total proof gallons of spirits or wine gallons of denatured spirits, recovered denatured spirits, articles, spirits residues, or wine.

(26 U.S.C. 5207)

### § 19.619 Package gauge record.

When this part or part 28 of this chapter requires a proprietor to gauge packages of spirits, the proprietor

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must prepare a package gauge record in a manner that shows:

- (a) The date the record is prepared;
- (b) The identity of the related transaction form or record, and its serial number;
- (c) The name and distilled spirits plant number of the producer or processor. For blended rums or brandies the proprietor must enter the name and plant number of the blending warehouseman. For spirits of 190° or more of proof, the proprietor must enter the name and plant number of the producer or warehouseman, as appropriate and, where the packages have already been marked, the name and distilled spirits plant number marked thereon. For imported spirits, the proprietor must enter the name of the warehouseman who received the spirits from customs custody and the name of the importer. For Virgin Islands or Puerto Rican spirits, the proprietor must enter the name of the producer in the Virgin Islands or Puerto Rico;
- (d) The proof of distillation for spirits not over 190° of proof; and
- (e) For each package—
  - (1) The serial or identification number;
  - (2) The designation for wooden barrels ("C" for charred, "REC" for recharred, "P" for plain, "PAR" for paraffined, "G" for glued, "R" for reused, and "PS" if a barrel has been steamed or water soaked before filling);
  - (3) The kind of spirits;
  - (4) The gross weight determined at the time of the original gauge or regauge or at the time of shipment;
  - (5) The present tare on regauge;
  - (6) The net weight for filling gauge or regauge;
  - (7) The proof;
  - (8) The proof gallons for regauge;
  - (9) The original proof gallons; and
  - (10) The receiving weights, when a material difference appears on receipt after transfer in bond of weighed packages.

(26 U.S.C. 5207)

### § 19.620 Transfer record—consignor's responsibility.

When this part requires a consignor proprietor to prepare a transfer record covering spirits, denatured spirits, or

wines shipped in bond from its distilled spirits plant, the transfer record must include:

(a) The serial number of the transfer record, which must either:

(1) Commence with "1" at the start of each calendar or fiscal year, or

(2) Be a unique identifying number that is not repeated.

(b) The serial number and date of form TTB F 5100.16 (not required for wine spirits withdrawn without payment of tax for use in wine production);

(c) The name and distilled spirits plant number of the consignor proprietor;

(d) The name and distilled spirits plant number or bonded wine cellar number of the consignee;

(e) The account from which the spirits or wines were removed for transfer (that is, the production, storage, or processing account);

(f) A description of the spirits, denatured spirits, or wine, including—

(1) The name and plant number of the producer, warehouseman, or processor (not required for denatured spirits or wine). For imported spirits transferred in bond between distilled spirits plants, the transfer record must show the name and plant number of the warehouseman or processor who received the spirits from customs custody. For Virgin Islands or Puerto Rican spirits, the transfer record must show the name of the producer in the Virgin Islands or Puerto Rico. For spirits of different producers or warehousemen that have been mixed in the processing account, the transfer record must show the name of the processor;

(2) The kind of spirits or wines. For denatured spirits, the transfer record must show the kind and formula number. For alcohol, the transfer record must show the material from which it was produced. For bulk spirits and for alcohol in packages, the transfer record must show the kind and proof. For other spirits and wines, the transfer record must show the kind designation as specified in part 4 or part 5 of this chapter, as appropriate;

(3) The age (in years, months, and days) and year of production;

(4) The number of packages or cases with their lot identification numbers or serial numbers and dates of fill;

(5) The type of container (if the spirits, denatured spirits or wines are to be transferred by pipeline, the transfer record must show "P/L");

(6) The proof gallons for distilled spirits, or wine gallons for denatured spirits or wine; and

(7) For distilled spirits products that contain eligible wine or eligible flavors, the transfer record must show the elements necessary to compute the effective tax rate as follows—

(i) Proof gallons of distilled spirits (exclusive of distilled spirits derived from eligible flavors);

(ii) Wine gallons of each eligible wine and the percentage of alcohol by volume of each; and

(iii) Proof gallons of distilled spirits derived from eligible flavors;

(g) A notation to indicate when spirits are being transferred in bond from a production facility to another distilled spirits plant;

(h) The identification of the conveyance;

(i) The identity of the seals, locks, or other devices affixed to the conveyance or package (permanent seals affixed to a conveyance that remain intact need not be recorded on the transfer record when a permanent record is maintained);

(j) The date of transfer; and

(k) The signature and title of the consignor, with a penalty-of-perjury statement as prescribed in § 19.45.

(26 U.S.C. 5207)

#### **§ 19.621 Transfer record—consignee's responsibility.**

(a) When a proprietor receives wine by transfer in bond from a bonded wine cellar as the consignee, that proprietor must complete the transfer record covering the transfer in accordance with § 24.284 of this chapter.

(b) When a proprietor receives spirits from an alcohol fuel plant or from customs custody, or receives spirits, denatured spirits, and wines from the bonded premises of another distilled spirits plant as the consignee, that proprietor must record the results of the receipt by including the following on the related transfer record:

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- (1) The date of receipt;
- (2) A notation that the securing devices on the conveyance were, or were not, intact on arrival (not applicable to denatured spirits or spirits transferred in unsecured conveyances);
- (3) The gauge of spirits, denatured spirits, or wine showing the tank number, proof (percent of alcohol by volume for wine) and specifications of the weight or volumetric determination of quantity, wine gallons or proof gallons received, and any losses or gains;
- (4) A notation of any excessive in-transit loss, missing packages, tampering, or apparent theft;
- (5) The account into which the spirits, denatured spirits, or wines were deposited (that is, production, storage or processing); and
- (6) The signature and title of the consignee proprietor, with a penalty-of-perjury statement as prescribed in § 19.45.
- (c) When spirits are transferred from customs custody as provided in subpart P of this part, the transfer record must contain the information specified in § 27.138 of this chapter.

(26 U.S.C. 5207)

**§ 19.622 Daily records of wholesale liquor dealer and taxpaid storeroom operations.**

(a) *General.* If a proprietor in connection with plant operations conducts wholesale liquor dealer operations, or operates a taxpaid storeroom on, 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, that proprietor must maintain daily records covering the receipt and disposition of all distilled spirits and wines and all reclosing and relabeling operations at those premises. The proprietor must keep separate records for each of those premises.

(b) *Receipt and disposition records.* The records covering receipt and disposition of distilled spirits and wines required under paragraph (a) of this section must show:

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

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- (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 the packages involved;
- (7) The name of the producer; and
- (8) The country of origin in the case of imported spirits.
- (c) *Case dispositions.* In addition to the records required under paragraph (b) of this section, the appropriate TTB officer may, upon notice, require the proprietor to record the case serial numbers for dispositions.
- (d) *Reclosing or relabeling.* The records of reclosing and relabeling required under paragraph (a) of this section must include:
- (1) The date of the transaction;
- (2) The serial numbers of the cases involved;
- (3) The total number of bottles; and
- (4) The name of the bottler.

(26 U.S.C. 5114, 5555)

**§ 19.623 Records of inventories.**

(a) *General.* When conducting an inventory required by this part, the proprietor must prepare a record of the inventory taken. The record must include the following:

- (1) The date of the inventory;
- (2) The identity of the container(s);
- (3) The kind and quantity of spirits, denatured spirits, and wines;
- (4) Any losses (whether by theft, voluntary destruction or otherwise), gains or shortages; and

(5) The proprietor's signature, or the signature of the person taking the inventory, with the penalties of perjury statement as prescribed in § 19.45.

(b) *Overages, gains, or losses.* A proprietor must record in the daily records of operations, tank records, dump/batch records, bottling and packaging records, or denaturation records, as appropriate, any overages, gains, or losses disclosed by an inventory.

(c) *Retention.* A proprietor must retain inventory records and make them

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available for inspection by TTB officers.

(26 U.S.C. 5207)

**§ 19.624 Removal of Puerto Rican and Virgin Islands spirits and rum imported from all other areas.**

(a) *General.* A proprietor must maintain separate accounts, in proof gallons, of Puerto Rican spirits having an alcoholic content of at least 92 percent rum, of Virgin Islands spirits having an alcoholic content of at least 92 percent rum, and of rum imported from all other areas removed from the processing account on determination of tax. A proprietor may determine the quantities of spirits in these categories that are contained in products mixed in processing with other alcoholic ingredients by using one of the methods referred to in paragraph (b), (c), or (d) of this section. The proprietor must report these quantities on the monthly report of operations referred to in § 19.632.

(b) *Standard method.* For purposes of maintaining the separate accounts referred to in paragraph (a) of this section, a proprietor may determine the quantities of spirits in those specified categories based on the least amount of those spirits that may be used in each product as stated in the approved form TTB F 5110.38, Formula for Distilled Spirits Under the Federal Alcohol Administration Act.

(c) *Averaging method.* For purposes of the separate accounts referred to in paragraph (a) of this section, a proprietor may determine the quantities of spirits in those specified categories by computing the average quantity of those spirits contained in all batches of the same product formulation manufactured during the preceding six-month period. The average must be adjusted at the end of each month in order to include only the preceding six-month period.

(d) *Alternative method.* If a proprietor wishes to use a method for determining the quantities of spirits as an alternative for a method prescribed in paragraphs (b) or (c) of this section, the proprietor must file an application with the appropriate TTB officer. The written application must specifically describe the proposed alternative

method and must explain the reasons for using the alternative method.

(26 U.S.C. 5555, 7652)

**§ 19.625 Shipping records for spirits and specially denatured spirits withdrawn free of tax.**

(a) *General.* A proprietor must prepare a shipping record when:

(1) Spirits are withdrawn free of tax in accordance with §§ 19.424(a) through (c);

(2) Specially denatured spirits are withdrawn free of tax in accordance with §§ 19.424(d) and 19.427; and

(3) Samples of specially denatured spirits in excess of five gallons are withdrawn in accordance with § 19.427(c);

(b) *Form of record.* The shipping record referred to in paragraph (a) of this section may be any commercial document, such as an invoice or bill of lading, so long as it reflects the following information:

(1) The name and address of the consignor;

(2) A serial number;

(3) The date of shipment;

(4) The name, address, and permit number of the consignee;

(5) The kind of the spirits;

(6) The proof of the spirits;

(7) The formula number(s), for specially denatured spirits;

(8) The number and size of the shipping containers;

(9) The package identification numbers or serial numbers of the shipping containers; and

(10) The total wine gallons (specially denatured spirits) or the total proof gallons (tax-free alcohol).

(c) *Disposition of the shipping record.* The proprietor must forward a copy of the shipping record to the company that receives the spirits and must retain a copy for its files.

(26 U.S.C. 5207)

**§ 19.626 Records of distilled spirits shipped to manufacturers of non-beverage products.**

(a) *General.* When a proprietor ships distilled spirits to a manufacturer of nonbeverage products, the proprietor must prepare a record of the shipment, forward the original to the consignee, and retain a copy.

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(b) *Form of record.* The record of shipment referred to in paragraph (a) of this section may consist of either the record of tax determination required by § 19.611 or any other document that contains the necessary information specified in paragraph (c) of this section.

(c) *Required information.* The record of shipment required under this section must contain the following information:

- (1) The name, address, and registry number of the proprietor;
- (2) The date of shipment;
- (3) The name and address of the consignee;
- (4) The kind, proof, and quantity of distilled spirits in each container;
- (5) The number of shipping containers of each size;
- (6) The package identification numbers or serial numbers of the containers;
- (7) The serial number of the applicable record of tax determination; and
- (8) For distilled spirits containing eligible wine or eligible flavors, the effective tax rate.

(26 U.S.C. 5201, 5207)

**§ 19.627 Alternating premises record.**

When distilled spirits plant bonded premises are alternated to or from bonded or taxpaid wine, brewery, manufacturer of nonbeverage products, or general premises, under an approved alternation plan described in the plant registration, the proprietor must record in a logbook, or must maintain in commercial records retrievable and available for TTB inspection upon request, the following information:

- (a) The date and hour of the alternation;
- (b) The kind of premises being curtailed, including the plant identification number, if applicable;
- (c) The kind of premises being extended, including the plant identification number, if applicable;
- (d) The identity of the special diagrams in the registration documents depicting the premises before and after the alternation; and
- (e) The purpose of the alternation.

(26 U.S.C. 5555)

**27 CFR Ch. I (4-1-11 Edition)****FILING FORMS AND REPORTS****§ 19.631 Submission of transaction forms.**

When required to submit a transaction form to the appropriate TTB officer under this part, the proprietor must submit the form no later than the close of business of the third business day following the day on which the transaction took place.

(26 U.S.C. 5207)

**§ 19.632 Submission of monthly reports.**

(a) Each proprietor must submit monthly reports of its distilled spirits plant operations to TTB in accordance with paragraph (b) of this section. The proprietor must submit the original reports to TTB and must retain a copy for its records. The required monthly report forms are as follows:

(1) Monthly Report of Production Operations, form TTB F 5110.40, except that no report is required when production operations are suspended as provided in § 19.292;

(2) Monthly Report of Storage Operations, form TTB F 5110.11;

(3) Monthly Report of Processing Operations, form TTB F 5110.28; and

(4) Monthly Report of Processing (Denaturing) Operations, form TTB F 5110.43.

(b) Each proprietor must submit the monthly reports specified in paragraph (a) of this section to the Director, National Revenue Center, not later than the 15th day of the month following the close of the reporting period. A proprietor may submit monthly reports in either paper format or electronically via TTB Pay.gov.

(26 U.S.C. 5207)

**§ 19.634 Computer-generated reports and transaction forms.**

TTB will accept computer-generated reports of operations and transaction forms made using a computer printer on plain white paper without preapproval from TTB if they conform to the following standards:

(a) The computer-generated report or form must approximate the physical layout of the corresponding TTB report

or form, although the typeface may vary;

(b) The text of the computer-generated report or form including each line entry, must exactly match the official TTB report or form; and

(c) Each penalty of perjury statement specified for the TTB report or form must be reproduced in its entirety.

(26 U.S.C. 5207)

(b) A description of the plant premises;

(c) A description of the operations to be conducted; and

(d) A description of each still, including the name and address of the owner, the kind of still and its capacity, and the purpose for which the still was set up.

(26 U.S.C. 5502)

## **Subpart W—Production of Vinegar by the Vaporizing Process**

### VINEGAR PLANTS IN GENERAL

#### **§ 19.641 Application.**

(a) *In general.* This subpart covers the production of vinegar by the vaporizing process. It prescribes rules regarding the qualification, location, construction, and operation of vinegar plants and the maintenance of records of operations at vinegar plants.

(b) *Application of other regulations.* As a general rule, the provisions of subparts A through V and subpart X of this part do not apply to vinegar plants using the vaporizing process. However, the following sections do apply to vinegar plants using the vaporizing process: §19.1 (definitions); §19.11 (right of entry and examination); §19.12 (furnishing facilities and assistance); §19.52 (restriction on locations of plants); §19.55 (other businesses); §19.79 (registry of stills); §19.573 (location of required records); §19.574 (availability of records); §19.575 (retention of records); and §19.576 (preservation of records).

(26 U.S.C. 5501–5505)

### QUALIFICATION, CONSTRUCTION, AND EQUIPMENT REQUIREMENTS FOR VINEGAR PLANTS

#### **§ 19.643 Qualification requirements.**

Before beginning the business of manufacturing vinegar by the vaporizing process, a person must make written application to the appropriate TTB officer and receive approval of the application from TTB. The application must include:

(a) The applicant's name and principal business address (including the plant address if different from the applicant's principal business address);

#### **§ 19.644 Changes after original qualification.**

If there is any change in the information that was provided in an approved application, the proprietor of the vinegar plant must immediately notify the appropriate TTB officer in writing of the change. The notice must identify the change and the effective date of the change.

(26 U.S.C. 5502)

#### **§ 19.645 Notice of permanent discontinuance of business.**

If the proprietor of a vinegar plant decides to permanently discontinue operations, the proprietor must so notify the appropriate TTB officer in writing. The proprietor must include in the notice a statement regarding the status of each still.

(26 U.S.C. 5502)

#### **§ 19.646 Construction and equipment requirements.**

The proprietor of a vinegar plant must construct and equip the plant to ensure that:

(a) The distilled spirits vapors that are separated by the vaporizing process from the mash are condensed only by introducing them into the water or other liquid used in making the vinegar; and

(b) The distilled spirits produced are accurately accounted for and are secure from unlawful removal from the premises or from unauthorized use.

(26 U.S.C. 5502)

### RULES FOR OPERATING VINEGAR PLANTS

#### **§ 19.647 Authorized operations.**

After approval of an application by TTB, a plant qualified for the production of vinegar may only: