

SECURING CONVEYANCES

§ 19.441 Securing of conveyances.

(a) *Construction for securing.* When the securing of a conveyance is required by this part, the conveyance must be constructed so that all openings, including valves, may be closed and secured.

(b) *Approval of securing devices.* Seals, locks or other devices on conveyances used to transport taxpaid spirits, denatured spirits transferred in bond, or denatured spirits withdrawn free of tax do not require approval by TTB. On the other hand, all seals, locks, or devices used on conveyances in which spirits are transferred in bond, withdrawn free of tax, or withdrawn without payment of tax, require approval by the appropriate TTB officer before use. However, cap seals at least three-fourths of an inch in diameter, ball-strap-type (railroad) seals with a strap at least five-sixteenths of an inch wide, and locking security cable with at least a 1/16-inch cable may be used on conveyances without approval by TTB. Such seals must:

- (1) Be made of durable materials;
- (2) Bear the plant registration number or the name, or readily recognizable abbreviation of the name, of the proprietor;
- (3) Bear a serial number, including letter prefixes or suffixes, which will not be repeated within the following 6-month period;
- (4) Be durably and legibly marked; and
- (5) Be constructed to show evidence of tampering.

(c) *Furnishing and affixing securing devices.* The proprietor must furnish and affix any seals, locks or other devices used on conveyances. However, TTB may require any conveyance in which spirits are transferred in bond, withdrawn free of tax, or withdrawn without payment of tax, to be secured by a device furnished by TTB and affixed by a TTB officer. The securing of a conveyance will be done:

- (1) As soon as the conveyance is loaded for shipment; and
- (2) In such a manner that access to the contents of the conveyance cannot be gained without leaving evidence of tampering.

(26 U.S.C. 5206, 5682)

Subpart Q—Return of Spirits to Bonded Premises and Voluntary Destruction**§ 19.451 Scope.**

The IRC allows a proprietor of a distilled spirits plant to return distilled spirits, denatured spirits, and articles to the bonded premises of that plant under certain conditions. This subpart covers the types of returns allowed, sets forth the procedures that the proprietor must follow when returning these products to bonded premises, and prescribes rules for voluntary destruction on or off bonded premises.

CONDITIONS FOR RETURN OF SPIRITS TO BOND

§ 19.452 Return of taxpaid spirits to bonded premises for destruction, denaturation, redistillation, reconditioning, or rebottling.

(a) *Allowable returns.* A proprietor may return spirits to bonded premises if the spirits were taxpaid or tax determined by him, by another distilled spirits plant proprietor, or by an importer upon importation through U.S. Customs and Border Protection. However, consistent with section 5215(a) of the IRC the proprietor may return such spirits to bond only for one of the following reasons:

- (1) Destruction, in accordance with § 19.459;
- (2) Denaturation, in accordance with subpart O of this part;
- (3) Redistillation, in accordance with subpart L of this part;
- (4) Reconditioning; or
- (5) Rebottling.

(b) *Dump and gauge of returned spirits.* The proprietor must immediately dump spirits returned to bonded premises under this section unless the spirits are returned in the sealed metal drums in which they were withdrawn. The proprietor must gauge spirits returned under this section upon their receipt. The proprietor may gauge spirits in bottles based upon the case markings and label information in accordance with § 19.286.

(c) *Claims for credit or refund of tax.* A proprietor may file a claim under § 19.264 for credit or refund of tax on spirits returned to bonded premises

§ 19.453

under this section. In addition to the information specified in §19.264, a proprietor filing a claim for credit or refund of tax must have on file at the plant where spirits are returned to bond the following documentation for each lot of spirits returned:

(1) Documentation that establishes the amount of tax for which the claim for credit or refund is filed. If the spirits contain eligible wine or eligible flavors, the proprietor must have on file a copy of the record of tax determination as prescribed by §19.611, or other documentation that establishes the rate of tax that was paid on the product. In lieu of establishing the actual effective tax rate of the product, the proprietor may claim a credit or refund based on the lowest effective tax rate applied to the product; and

(2) Credit memoranda or comparable financial records evidencing the return of each lot of spirits.

(d) *Applicability of Chapter 51 of the IRC.* All provisions of chapter 51 of the IRC and of this part that apply to spirits under TTB bond also apply to spirits when returned to bond under this section.

(26 U.S.C. 5008, 5010, 5201, 5207, 5215)

27 CFR Ch. I (4–1–11 Edition)

§ 19.453 Return of bottled spirits for relabeling or reclosing.

A proprietor may return bottled distilled spirits to his bonded premises for relabeling or reclosing. When bottled spirits are returned for relabeling or reclosing, the proprietor may not claim credit or refund of tax on the returned spirits, and no tax will be due on their subsequent removal. The proprietor must relabel or reclose the bottles immediately and must promptly remove the spirits from bonded premises. The provisions of §19.363 apply to relabeling and reclosing performed under this section.

(26 U.S.C. 5215)

§ 19.454 Other authorized returns to bonded premises.

In addition to the returns to bonded premises specified in §§19.452 and 19.453, there are other permissible returns of distilled spirits products to a proprietor's bonded premises. These other products, the purposes for which they may be returned, and the conditions for their return are listed in the table below. All of these products must be gauged upon receipt.