Finding Aids section of the printed volume and at www.fdsys.gov.

Subpart C—Dealer Registration and Recordkeeping

SOURCE: T.D. TTB–79, 74 FR 37406, July 28, 2009, unless otherwise noted.

§ 27.30 Dealer registration and recordkeeping.

Importers engaged in the business of selling, or offering for sale, distilled spirits, wines, or beer are subject to the provisions of part 31 of this chapter relating to dealer registration and records. Part 31 requires the filing of TTB Form 5630.5d with TTB, in accordance with the instructions on the form, before commencing business and on or before July 1 of each year thereafter if there have been any changes. The dealer must file an amended registration and give notice of termination in accordance with the rules of part 31.

(26 U.S.C. 5121, 5122, 5123, 5124)

§ 27.31 Warehouse receipts covering distilled spirits.

The sale of warehouse receipts for distilled spirits is equivalent to the sale of distilled spirits. Accordingly, every person engaged in business as an importer of distilled spirits who sells, or offers for sale, warehouse receipts for distilled spirits stored in customs bonded warehouses, or elsewhere, must register and keep records as a dealer in liquors at the place where the warehouse receipts are sold or offered for sale, in accordance with part 31 of this chapter.

(26 U.S.C. 5121, 5122, 5123, 5124)

Subpart D—Tax On Imported Distilled Spirits, Wines, and Beer

DISTILLED SPIRITS

§ 27.40 Distilled spirits.

(a) A tax is imposed on all distilled spirits in customs bonded warehouses or imported into the United States at the rate prescribed by 26 U.S.C. 5001 on each proof gallon and a proportionate tax at a like rate on all fractional parts of each proof gallon. All products of distillation, by whatever name known, which contain distilled spirits, are considered to be distilled spirits and are taxed as such. The tax will be determined at the time of importation, or, if entered into bond, at the time of withdrawal therefrom.

(b) A credit against the tax imposed on distilled spirits by 26 U.S.C. 5001 is allowable under 26 U.S.C. 5010 on each proof gallon of alcohol derived from eligible wine or from eligible flavors which do not exceed 2 1/2 percent of the finished product on a proof gallon basis. The credit is allowable at the time the tax is payable as if it constituted a reduction in the rate of tax.

(c) Where credit against the tax is desired, the person liable for the tax shall establish an effective tax rate in accordance with §27.41. The effective tax rate established will be applied to each entry.

(Approved by the Office of Management and Budget under control number 1512–0352)


§ 27.41 Computation of effective tax rate.

(a) The proprietor shall compute the effective tax rate for distilled spirits containing eligible wine or eligible flavors as the ratio of the numerator and denominator as follows:

(1) The numerator will be the sum of:
   (i) The proof gallons of all distilled spirits used in the product (exclusive of distilled spirits derived from eligible flavors), multiplied by the tax rate prescribed by 26 U.S.C. 5001;
   (ii) The wine gallons of each eligible wine used in the product, multiplied by the tax rate prescribed by 26 U.S.C. 5041(b)(1), (2), or (3), as applicable; and
   (iii) The proof gallons of all distilled spirits derived from eligible flavors used in the product, multiplied by the tax rate prescribed by 26 U.S.C. 5001, but only to the extent that such distilled spirits exceed 2 1/2% of the denominator prescribed in paragraph (a)(2) of this section.

(2) The denominator will be the sum of: