

§ 19.347

spirits may be returned to the packages from which they were dumped for mingling or blending, or as many of such packages as are necessary.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended, 1362, as amended (26 U.S.C. 5201, 5214))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF-259, 52 FR 41423, Oct. 28, 1987]

§ 19.347 Packages dumped for mingling.

When dumping packages of spirits of less than 190 degrees of proof for mingling in the storage account, the proprietor shall record such mingling on the tank record prescribed in § 19.742 covering such tank. When packages of spirits of 190 degrees or more of proof are to be mingled, the proprietor shall record such mingling in the tank summary record prescribed in § 19.743 for all tanks of spirits of 190 degrees or more of proof. Each package of spirits to be mingled under this subpart shall be examined by the proprietor, and if any package bears evidence of loss due to theft or unauthorized voluntary destruction, such package shall not be dumped until the appropriate TTB officer has been notified.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

§ 19.348 Determining age of mingled spirits.

When spirits are mingled, the age of the spirits for the entire lot shall be the age of the youngest spirits contained in the lot.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

§ 19.349 Mingled spirits or wines held in tanks.

When spirits of less than 190 degrees of proof or wines are mingled in a tank, the proprietor shall gauge the spirits or wines in the tank and record the mingling gauge on the tank record prescribed in § 19.742.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

27 CFR Ch. I (4-1-10 Edition)

INVENTORIES

§ 19.353 Storage inventories.

Each warehouseman shall take a physical inventory of all spirits and wines held in the storage account in tanks and other vessels (except packages) at the close of each calendar quarter and at such other times as the appropriate TTB officer may require. The inventory shall separately identify spirits and wines. The results of the inventory shall be recorded in accordance with subpart W of this part.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

Subpart M—Processing Operations Other Than Denaturation and Manufacture of Articles

§ 19.371 General.

Proprietors, who are qualified as processors as provided in this part, shall conduct operations relating to the manufacture, treatment, mixing or bottling of distilled spirits on bonded premises pursuant to the provisions of this subpart. Proprietors, who conduct operations relating to the denaturation of spirits or the manufacture of articles on bonded premises, pursuant to the provisions of subpart N of this part, shall be qualified as processors.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

RECEIPT AND USE OF SPIRITS, WINES AND ALCOHOLIC FLAVORING MATERIALS

§ 19.372 Receipt of spirits, wines and alcoholic flavoring materials for processing.

(a) Proprietors may receive into the processing account—

(1) Bulk spirits (i) from the production or storage account at the same plant, (ii) by transfer in bond from another distilled spirits plant, or (iii) on withdrawal from customs custody under 26 U.S.C. 5232;

(2) Wines (i) from the storage account at the same plant, or (ii) by transfer in bond from a bonded wine cellar or another distilled spirits plant;

(3) Spirits returned to bond under the provisions of 26 U.S.C. 5215; or

(4) Alcoholic flavoring materials.

(b) Spirits and wines received in bulk containers or conveyances shall be recorded as dumped on receipt, but may be retained in the containers or conveyances in which received until used. Spirits and wines received by pipeline shall be deposited in tanks, gauged by the proprietor, and recorded as dumped. Alcoholic flavoring materials may be retained in the containers in which received or may be transferred to another container if the proprietor marks or otherwise indicates thereon, the full identification of the original container, the date of receipt, and the quantity deposited. Alcoholic flavoring materials and nonalcoholic ingredients shall be considered dumped when mixed with spirits or wines. The proof gallon content of spirits, wines, and alcoholic flavoring materials shall be determined at the time of dumping.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

§ 19.373 Use of spirits, wines and alcoholic flavoring materials.

A proprietor shall prepare a dump/batch record according to §19.748 for spirits, wines, alcoholic flavoring materials, and nonalcoholic ingredients used in the manufacture of a distilled spirits product as follows:

(a) *Dump record.* When spirits, wines, or alcoholic flavoring materials are dumped for use in the manufacture of a distilled spirits product, and when spirits are dumped for redistillation in the processing account, the proprietor shall prepare a dump record.

(b) *Batch record.* The proprietor shall prepare a batch record to report:

(1) The dumping of spirits which are to be used immediately and in their entirety in preparing a batch of a product manufactured under an approved formula;

(2) The use of spirits or wines previously dumped, reported on dump records and retained in tanks or receptacles; and

(3) Any combination of ingredients in paragraphs (b) (1) and (2) of this section used in preparing a batch of a product manufactured under an approved formula.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

§ 19.374 Manufacture of nonbeverage products, intermediate products, or eligible flavors.

Distilled spirits and wine may be used for the manufacture of flavors or flavoring extracts of a nonbeverage nature as intermediate products to be used exclusively in the manufacture of other distilled spirits products on bonded premises. Nonbeverage products on which drawback will be claimed, as provided in 26 U.S.C. 5111-5114, may not be manufactured on bonded premises. Premises used for the manufacture of nonbeverage products on which drawback will be claimed must be separated from bonded premises. For purposes of computing an effective tax rate, flavors manufactured on either the bonded or general premises of a distilled spirits plant are not eligible flavors.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

[T.D. ATF-297, 55 FR 18063, Apr. 30, 1990]

EFFECTIVE DATE NOTE: By T.D. TTB-79, 74 FR 37403, July 28, 2009, §19.374 was amended in the second sentence by removing the reference “26 U.S.C. 5131-5134” and adding, in its place, the reference “26 U.S.C. 5111-5114”, effective July 28, 2009 through July 30, 2012.

OBSCURATION

§ 19.376 Determining obscuration.

Proprietors may determine the proof obscuration as prescribed in 27 CFR §30.32 of spirits to be bottled on the basis of a representative sample taken: (a) from a storage tank incident to the transfer of the spirits to the processing account, or (b) from a tank after the spirits have been dumped for processing, whether or not combined with other alcoholic ingredients. The obscuration shall be determined after the sample has been reduced to within one degree of the proof at which the spirits will be bottled. Only water may be added to a lot of spirits to be bottled for which the determination of proof obscuration is made from a sample under this section. The proof obscuration for products gauged pursuant to this section shall be frequently verified by testing samples taken from bottling