§ 19.247  Use of effective (actual) tax rates.

(a) Select method of applying tax rate. The proprietor may choose to apply an effective tax rate to taxable removals of distilled spirits products in accordance with §19.246, §19.249, or §19.250. Any proprietor who does not elect one of these options must establish an effective tax rate for each batch of distilled spirits product on which a claim for tax credit for alcohol derived from eligible wine or eligible flavor will be made. The proprietor must compute the effective tax rates for these products in accordance with the instructions in §19.246.

(b) Record tax rates used. The proprietor must record the effective tax rate used on the dump or batch records for the products as required by §19.598. The proprietor must record the serial numbers of cases of product removed at each rate on the record of tax determination or other related record. The proprietor must keep these records available for inspection by TTB officers.

(26 U.S.C. 5010, 5207)

§ 19.248  Standard effective tax rate.

(a) Establishing a standard effective tax rate for a product. The proprietor may establish a permanent standard effective tax rate for any eligible distilled spirits product, rather than calculate a separate effective tax rate for each total proof gallons in the batch (100.9 – (2.5% x 3,371.8) = 16.6).
§ 19.253 Assessment of tax on spirits not accounted for or reported.

The proprietor is required by law to properly account for and report all spirits that it produces. TTB will assess the proprietor for the tax on the difference between the quantity reported and the quantity actually produced.

(26 U.S.C. 5006)