§ 19.723 Effect of redistillation on plant size and bond amount.

The redistillation of spirits at an alcohol fuel plant may affect the alcohol fuel plant size category and the resulting bond penal sum amount. The following rules apply in this regard:

(a) Spirits originally produced by the alcohol fuel plant and subsequently recovered by redistillation are not includable in the determination of plant size and bond amount; and

(b) Spirits originally produced elsewhere and subsequently recovered by redistillation at the alcohol fuel plant are includable in the determination of plant size and bond amount.

(26 U.S.C. 5181)

§ 19.724 Records of redistillation.

(a) Except as otherwise provided in paragraph (b) of this section, a proprietor must record in a separate record the following information for spirits and fuel alcohol received at the alcohol fuel plant for redistillation:

(1) Date of receipt;
(2) Identification as spirits or fuel alcohol;
(3) Quantity received;
(4) From whom received;
(5) Reason for redistillation;
(6) Date redistilled; and
(7) The quantity of spirits recovered by redistillation.

(b) A proprietor may use a document required by §19.729 or §19.734 or any other commercial record covering spirits or fuel alcohol received in lieu of the record required by paragraph (a) of this section, including any such information added to it by the proprietor.

(26 U.S.C. 5181, 5223)

RULES FOR USE, WITHDRAWAL, AND TRANSFER OF SPIRITS

§ 19.726 Prohibited uses, transfers, and withdrawals.

No person may withdraw, use, sell or otherwise dispose of distilled spirits, including fuel alcohol, produced under this subpart for any purpose other than for fuel use. The law imposes criminal penalties on any person who withdraws, uses, sells, or otherwise disposes of distilled spirits, including fuel alcohol, produced under this subpart for other than fuel use.

(26 U.S.C. 5181, 5601)

§ 19.727 Use on premises.

A proprietor may use spirits as a fuel on the premises of the alcohol fuel plant where they were produced without having to make them unfit for beverage use. A proprietor using spirits in this way must keep the applicable records concerning such use as provided in §19.718(b)(3).

(26 U.S.C. 5181)

§ 19.728 Withdrawal of spirits.

Before withdrawal of spirits from the premises of an alcohol fuel plant, the proprietor must render the spirits unfit for beverage use as provided in this subpart. Spirits rendered unfit for beverage use may be withdrawn free of tax from the alcohol fuel plant premises if they will be used exclusively for fuel.

(26 U.S.C. 5181, 5214)

§ 19.729 Withdrawal of fuel alcohol.

(a) For each shipment or other removal of fuel alcohol from the alcohol fuel plant premises, the consignor proprietor must prepare a commercial invoice, sales slip, or similar document that shows:

(1) The date of the withdrawal;
(2) The quantity of fuel alcohol removed;
(3) A description of the shipment that includes the number and size of containers, tank trucks, etc.; and
(4) The name and address of the consignee.

(b) The consignor proprietor must retain in its records a copy of the document described in paragraph (a) of this section.

(26 U.S.C. 5181)

TRANSFER OF SPIRITS BETWEEN ALCOHOL FUEL PLANTS

§ 19.733 Authorized transfers between alcohol fuel plants.

A proprietor may remove spirits from the bonded premises of an alcohol fuel plant, including the premises of a small
plant, for transfer in bond to another alcohol fuel plant. A proprietor of an alcohol fuel plant may also receive spirits from another alcohol fuel plant. The following conditions apply to such transfers:

(a) The transfer of spirits must be pursuant to an approved application on form TTB F 5100.16, Application for Transfer of Spirits and/or Denatured Spirits in Bond in accordance with §19.403;

(b) Bulk conveyances in which spirits are transferred must be secured with locks, seals, or other devices in accordance with §19.441;

(c) It is not necessary to render the spirits unfit for beverage use prior to the transfer;

(d) The transferred spirits may not be withdrawn, used, sold, or disposed of for other than fuel use; and

(e) Each proprietor must adhere to the requirements for transfers between alcohol fuel plants prescribed in §§19.734 through 19.736, as applicable.

(26 U.S.C. 5181, 5212)

§ 19.734 Consignor for in-bond shipments.

A proprietor that ships distilled spirits in bond to another alcohol fuel plant is the “consignor” of the shipment. When shipping spirits in bond, the consignor must:

(a) Ship the spirits pursuant to an approved application on form TTB F 5100.16, Application for Transfer of Spirits and/or Denatured Spirits in Bond;

(b) Prepare a duplicate commercial invoice or shipping document for each shipment of spirits that includes the following:

(1) The quantity of the spirits transferred;

(2) The proof of the spirits transferred;

(3) A description of the shipment that includes the number and size of drums, barrels, tank trucks, etc.;

(4) The consignor’s name, address, and permit number and the name, address, and permit number of the proprietor of the alcohol fuel plant that will receive the spirits; and

(5) The serial numbers of seals, locks, or other devices used to secure the shipment; and

(c) Forward the original invoice or shipping document with the shipment to the proprietor of the receiving alcohol fuel plant and retain a copy in the alcohol fuel plant’s records.

(26 U.S.C. 5212)

§ 19.735 Reconsignment while in transit.

A consignor may reconsign an in-bond shipment of spirits while the shipment is in transit or upon arrival at the premises of the consignee for any bona fide reason such as when the spirits transferred in bond are found to be unsuitable for the intended purpose or the spirits were shipped in error. The consignor may reconsign the shipment to itself or to another consignee that is qualified to receive the spirits. In either case, an Application for Transfer of Spirits and/or Denatured Spirits in Bond on form TTB F 5100.16 must have been previously approved for the new consignee and must be on file at the alcohol fuel plant. The bond of the new consignee of the spirits will cover the spirits while they are in transit after reconsignment. When reconsigning a shipment, the consignor must notify the original consignee that the transfer has been cancelled and must make a notation on the original invoice or shipping document that the shipment was reconsigned. The consignor must also prepare a new invoice or shipping document for the new consignee and must mark the new invoice or shipping document “reconsignment.”

(26 U.S.C. 5181, 5212)

§ 19.736 Consignee for in-bond shipments.

(a) General. A proprietor that receives spirits in bond from another alcohol fuel plant is the “consignee” of the shipment. When receiving spirits in bond, the consignee must:

(1) Examine each conveyance and notify the appropriate TTB officer immediately if any of the locks, seals, or other devices that secure each conveyance do not arrive at the premises intact;

(2) Determine the quantity of spirits received and record the quantity and