§ 20.213  
Specially denatured rum and new denatured alcohol or specially denatured rum shall be kept in separate storage containers properly marked for identification.  
(Approved by the Office of Management and Budget under control number 1512–0337)

§ 20.213  
Reuse of recovered spirits.  
(a) If the denatured alcohol or specially denatured rum is recovered in its original denatured state, or practically so, or contains substantial quantities of the original denaturants and other ingredients which make it unfit for beverage or other internal human medicinal use, it may be reused in any approved process without further redenaturation. In these cases, the appropriate TTB officer will require samples of the recovered product to be taken from time to time to determine if the product requires redenaturation.  
(b) If the denatured alcohol or specially denatured rum is not recovered in its original denatured state, or practically so, it shall be redenatured at the premises of the manufacturer or a denaturer before being used. The appropriate TTB officer may require supervision of the redenaturation of the recovered spirits by an appropriate TTB officer.

§ 20.214  
Shipment for restoration or redenaturation.  
Recovered denatured alcohol, recovered specially denatured rum, or recovered articles requiring restoration or redenaturation (or both, unless the restoration or redenaturation is to be done on the manufacturer’s premises) shall be shipped to a distilled spirits plant or to a permittee. Packages shall be numbered with a package identification number or serial number in accordance with § 20.179 (b) or (c). Packages shall be labeled with the name, address, and permit number of the manufacturer, the quantity (in gallons) of spirits contained in the package, and the applicable words “Recovered denatured alcohol formula No. ___” or “Recovered specially denatured rum formula No. ___.” If the restoration or redenaturation is performed by a user or dealer permittee (not a distilled spirits plant), the permittee shall return the same materials to the same manufacturer and shall not intermingle them with materials received from other sources.

§ 20.215  
Shipment of articles and spirits residues for redistillation.  
(a) The proprietor of a distilled spirits plant authorized to produce distilled spirits may receive for redistillation (1) articles manufactured under this part which contain denatured spirits, and (2) spirits residues of manufacturing processes related to the manufacture of these articles.  
(b) Any person shipping these articles or spirits residues to a distilled spirits plant for redistillation shall—  
(1) Identify each package or articles or spirits residues as to contents, and  
(2) Mark and serially number each package as provided in § 20.214.

§ 20.216  
Record of shipment.  
A consignor shipping recovered denatured alcohol, recovered specially denatured rum, or recovered articles to a permittee shall prepare and forward a record of shipment to the consignee, in accordance with § 20.171.  
(Approved by the Office of Management and Budget under control number 1512–0337)

Subpart L—Destruction

§ 20.221  
General.  
A permittee may terminate liability for payment of tax, prescribed by law, when specially denatured spirits or recovered alcohol are destroyed in accordance with this subpart.

§ 20.222  
Destruction.  
(a) A permittee who destroys specially denatured spirits or recovered alcohol shall prepare a record which identifies—  
(1) The reason for destruction,  
(2) The date, time, location and manner of destruction,  
(3) The quantity involved and, if applicable, identification of containers, and  
(4) The name of the individual who accomplished or supervised the destruction.
Subpart M—Return, Reconsignment and Disposition of Special Denatured Spirits

§ 20.231 Return.
A permittee may, following the receipt of specially denatured spirits and for any legitimate reason, return the specially denatured spirits to any distilled spirits plant or dealer if the consignee consents to the shipment. The consignor shall prepare a record of shipment in accordance with § 20.171.

§ 20.232 Reconsignment in transit.
(a) Reconsignment. Specially denatured spirits may be reconsigned to another permittee or returned to the consignor if, prior to or on arrival at the premises of the consignee, the alcohol is determined to be unsuitable for the intended purpose, was shipped in error, or, for any bona fide reason, is not accepted by the consignee or carrier.

(b) Records of reconsignment. In the case of reconsignment, the consignor shall cancel the initial record of shipment and prepare a new record of shipment, if the shipment is to another permittee. The new record of shipment will be annotated “Reconsignment.”

§ 20.233 Disposition after revocation of permit.
When any permit issued on Form 5150.9 is revoked, all specially denatured spirits in transit and all specially denatured spirits on the former permit premises, may be lawfully possessed by the former permittee for the exclusive purpose of disposing of the specially denatured spirits, for a period of 60 days following the date of revocation. Any specially denatured spirits or recovered alcohol not disposed of within the specific 60-day period, is subject to seizure and forfeiture.

§ 20.234 Disposition on permanent discontinuance of use.
(a) Specially denatured spirits. Special denatured spirits on hand at the time of discontinuance of use, may be disposed of by

(1) Returning the specially denatured spirits to a distilled spirits plant or dealer, as provided in § 20.231.

(2) Destruction, as provided in § 20.222, or

(3) Shipped to another user, as provided in § 20.235.

(b) Recovered denatured alcohol, recovered specially denatured rum, or recovered articles. Upon permanent discontinuance of use, a permittee may dispose of recovered denatured alcohol, recovered specially denatured rum, or recovered articles by

(1) Shipment to a distilled spirits plant, as provided in § 20.215 for articles and spirits residues,

(2) Destruction, as provided in § 20.222, or

(3) Upon the filing of an application with the appropriate TTB officer, any other approved method.

§ 20.235 Disposition to another user.
(a) A user may dispose of specially denatured spirits to another permittee or Government agency.

(b) The user shall prepare a record of shipment in accordance with § 20.171. The packages to be shipped shall bear the name and permit number of the user and the marks and labels required under § 20.178. The user’s copy of the record of shipment shall include an explanation of the reason for the disposition.

(c) The appropriate TTB officer may require a user to apply for and obtain a dealer’s permit, if shipments under this section are excessive.