

§ 26.30

and quarterly”, effective from Feb. 22, 2011 to Feb. 24, 2014.

Subpart C [Reserved]

Subpart Ca—Rum Imported Into the United States From Areas Other Than Puerto Rico and the Virgin Islands

§ 26.30 Excise taxes.

Distilled spirits excise taxes, less the estimated amounts necessary for payment of refunds and drawbacks, collected on all rum imported into the United States (including rum from possessions other than Puerto Rico and the Virgin Islands), will be deposited into the Treasuries of Puerto Rico and the Virgin Islands according to the formula described in § 26.31. The amount deposited into the Treasuries of Puerto Rico and the Virgin Islands shall be the lesser of \$10.50, or the rate imposed by 26 U.S.C. 5001(a)(1) (including adjustments to the effective tax rate under 26 U.S.C. 5010), on each proof gallon of rum imported into the United States.

(Aug. 16, 1954, Chapter 736, 68A Stat. 907, as amended (26 U.S.C. 7652))

[T.D. ATF-203, 50 FR 15888, Apr. 23, 1985. Re-designated and amended by T.D. ATF-459, 66 FR 38550, July 25, 2001]

§ 26.31 Formula.

(a) The amount of excise taxes collected on rum that is imported into the United States from areas other than Puerto Rico and the Virgin Islands shall be deposited into the Treasuries of Puerto Rico and the Virgin Islands at the rate prescribed in 26 U.S.C. 7652(f). The distribution of such amount between Puerto Rico and the Virgin Islands shall be computed by using permanent base percentages, which represent the excise taxes collected on rum brought into the United States from Puerto Rico and from the Virgin Islands during fiscal year 1983. The base percentages are 87.626889 percent for Puerto Rico and 12.373111 percent for the Virgin Islands. The formula shall be as follows:

(1) Take the total amount of excise taxes collected on all rum brought or imported into the United States from all areas (including Puerto Rico and

the Virgin Islands) during the previous fiscal year (October 1–September 30) and multiply that amount by 0.87626889 to determine the share of the entire U.S. rum market that will be allotted to Puerto Rico and by 0.12373111 to determine the share of the entire U.S. rum market that will be allotted to the Virgin Islands;

(2) Subtract from the share allotted to Puerto Rico under paragraph (a)(1) of this section the excise taxes collected on rum brought into the United States from Puerto Rico during the previous fiscal year, and subtract from the share allotted to the Virgin Islands under paragraph (a)(1) of this section the excise taxes collected on rum imported into the United States from the Virgin Islands during the previous fiscal year, to determine each possession’s loss or gain in excise taxes in relation to the previous fiscal year’s U.S. rum market. Then divide each result by the total excise taxes collected on rum imported into the United States during the previous fiscal year from areas other than Puerto Rico and the Virgin Islands.

(b) Notwithstanding the formula prescribed in paragraph (a) above, the Virgin Islands’ share of the excise taxes on rum imported into the United States from areas other than Puerto Rico and the Virgin Islands shall not exceed 49 percent nor drop below 12.373111 percent. Puerto Rico’s share of the excise taxes on rum imported into the United States from areas other than Puerto Rico and the Virgin Islands shall not exceed 87.626889 percent nor drop below 51 percent.

(c) The percentage for the distribution of the excise taxes collected on rum imported into the United States from areas other than Puerto Rico and the Virgin Islands, that will be paid over to the Treasuries of Puerto Rico and the Virgin Islands, shall be effective on March 1 of each year, and shall remain in effect until March 1 of the following year.

(d) The method for transferring the excise tax collections on rum imported from areas other than Puerto Rico and the Virgin Islands, into the Treasuries of Puerto Rico and the Virgin Islands shall be the same as the method used for transferring excise taxes into the