§ 27.42

(i) The proof gallons of all distilled spirits used in the product, including distilled spirits derived from eligible flavors; and
(ii) The wine gallons of each eligible wine used in the product, multiplied by twice the percentage of alcohol by volume of each, divided by 100.

(b) In determining the effective tax rate, quantities of distilled spirits, eligible wine, and eligible flavors will be expressed to the nearest tenth of a proof gallon. The effective tax rate may be rounded to as many decimal places as the proprietor deems appropriate, provided that, such rate is expressed no less exactly than the rate rounded to the nearest whole cent, and the effective tax rates for all products will be consistently expressed to the same number of decimal places. In such case, if the number is less than five it will be dropped; if it is five or over, a unit will be added.

(c) The following is an example of the use of the formula.

**BATCH RECORD**

| Distilled spirits | 2249.1 proof gallons. |
| Eligible wine (14% alcohol by volume) | 2265.0 wine gallons. |
| Eligible wine (19% alcohol by volume) | 1020.0 wine gallons. |
| Eligible flavors | 100.9 proof gallons. |

\[
\text{Effective tax rate} = \frac{2249.1(\$13.50) + 2265.0(\$1.07) + 1020(\$1.57) + 16.6(\$13.50)}{2249.1 + 100.9 + (2265.0 \times .28) + (1020 \times .38)} = \frac{34611.90}{3371.8} = \$10.27, \text{ the effective tax rate.}
\]

(Approved by the Office of Management and Budget under control number 1512-0352)

(Sec. 6, Pub. L. 96–598, 94 Stat. 3488, as amended (26 U.S.C. 5010))


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§ 27.42a Still wines containing carbon dioxide.

Still wines may contain not more than 0.392 gram of carbon dioxide per 100 milliliters of wine; except that a tolerance to this maximum limitation, not to exceed 0.009 gram of carbon dioxide per 100 milliliters of wine, will be

\[
\text{total proof gallons in the batch (100.9} - (2\frac{1}{2}\% \times 3.371.8) = 16.6).
\]