§ 25.225

Destruction of taxpaid beer which was never removed from brewery premises.

(a) General. A brewer operating a tavern on brewery premises under §25.25 may destroy taxpaid or tax-determined beer which was never removed from brewery premises, in accordance with the recordkeeping requirements of paragraph (b) of this section, and with the benefit of the tax refund provisions of paragraph (c) of this section.

(b) Recordkeeping. (1) When taxpaid or tax-determined beer which was never removed from brewery premises is destroyed, the brewer shall prepare a record of the quantity of beer destroyed, and the reason for, date of, and method of, destruction. The brewer may prepare this record on Form 2635 (5620.8) for submission as a claim under §25.283.

(2) When required by the appropriate TTB officer, the brewer shall notify the appropriate TTB officer prior to the intended destruction, in accordance with procedures established by the appropriate TTB officer.

(c) Refund of tax. After destruction is completed, the brewer may file a claim for refund or credit of tax, in accordance with §25.283.


Subpart O—Beer Purchased From Another Brewer

§ 25.231 Finished beer.

(a) A brewer may obtain beer in barrels and kegs, finished and ready for sale from another brewer. The purchasing brewer may furnish the producing brewer barrels and kegs marked with the purchasing brewer’s name and location. The producing brewer shall pay the tax as provided in subpart K of this part.

(b) A brewer may not purchase taxpaid or tax determined beer from another brewer in bottles or cans which bear the name and address of the purchasing brewer.


§ 25.242 Markings.

(a) Designation. When bottled or packaged, cereal beverage may be designated “Cereal Beverage,” “Malt Beverage,” “Near Beer,” or other distinctive name. If designated “Near Beer,” those words will be printed identically in the same size or style of type, in the same color of ink, and on the same background.

(b) Barrels and kegs. A brewer may remove cereal beverage in barrels and kegs if the sides are durably painted at each end with a white stripe not less than 4 inches in width and the heads are painted in a solid color, with conspicuous lettering in a contrasting color reading “Nontaxable under section 5051 I.R.C.” The brewer shall also legibly mark the brewer’s name or trade name and the address on the container.

(c) Bottles. Bottle labels shall show the name or trade name and address of the brewer, the distinctive name of the beverage, and the word “nontaxable.”