

(1) Inspect the fuel quantity sensors to determine whether part number (P/N) 722105-2 is installed.

(2) Replace all P/N 722105-2 fuel quantity sensors with new P/N 722105-3 fuel quantity sensors, in accordance with the Accomplishment Instructions of Dassault Service Bulletin F900-410, dated December 20, 2010.

#### Parts Installation

(h) As of the effective date of this AD, no person may install a fuel quantity sensor having P/N 722105-2 on any airplane.

#### FAA AD Differences

**Note 1:** This AD differs from the MCAI and/or service information as follows: The MCAI specifies, for certain airplanes, to not install fuel quantity sensor P/N 722105-2 after doing the modification. This AD prohibits, for all airplanes, installation of fuel quantity sensor P/N 722105-2 after the effective date of this AD.

#### Other FAA AD Provisions

(i) The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs):* The Manager, International Branch, ANM-116, Transport Airplane Directorate, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the International Branch, send it to ATTN: Tom Rodriguez, Aerospace Engineer, International Branch, ANM-116, Transport Airplane Directorate, FAA, 1601 Lind Avenue SW., Renton, Washington 98057-3356; telephone: (425) 227-1137; fax: (425) 227-1149. Information may be emailed to: [9-ANM-116-AMOC-REQUESTS@faa.gov](mailto:9-ANM-116-AMOC-REQUESTS@faa.gov). Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office. The AMOC approval letter must specifically reference this AD.

(2) *Airworthy Product:* For any requirement in this AD to obtain corrective actions from a manufacturer or other source, use these actions if they are FAA-approved. Corrective actions are considered FAA-approved if they are approved by the State of Design Authority (or their delegated agent). You are required to assure the product is airworthy before it is returned to service.

#### Related Information

(j) Refer to MCAI European Aviation Safety Agency Airworthiness Directive 2011-0049, dated March 21, 2011; and Dassault Service Bulletin F900-410, dated December 20, 2010; for related information.

Issued in Renton, Washington, on October 20, 2011.

**Kalene C. Yanamura,**

*Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.*

[FR Doc. 2011-28578 Filed 11-3-11; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-114749-09]

RIN 1545-BI63

#### Tax Accounting Elections on Behalf of Foreign Corporations

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Withdrawal of notice of proposed rulemaking and notice of proposed rulemaking.

**SUMMARY:** These proposed regulations would clarify the rules for controlling domestic shareholders to adopt or change a method of accounting or taxable year on behalf of a foreign corporation. The regulations affect United States persons that own stock in certain foreign corporations.

**DATES:** Written or electronic comments and requests for a public hearing must be received by February 2, 2012.

**ADDRESSES:** Send submissions to CC:PA:LPD:PR (REG-114749-09), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-114749-09), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington DC 20224 or sent electronically via the Federal Rulemaking Portal at <http://www.regulations.gov> (IRS REG-114749-09).

#### FOR FURTHER INFORMATION CONTACT:

Concerning submission of comments, Oluwafunmilayo (Funmi) Taylor (202) 622-7180; concerning the regulations, Joseph W. Vetting (202) 622-3402 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Background

On April 17, 1991, a notice of proposed rulemaking (INTL-939-86) under sections 953, 954, 964, 1248, and 6046 of the Internal Revenue Code (Code) was published in the **Federal Register** (56 FR 15540) (the 1991

proposed regulations). No comments were received with respect to the proposed amendments under section 964, which would provide a special definition of controlling domestic shareholders for certain controlled foreign corporations with insurance income. Comments were received on other provisions of the 1991 proposed regulations, but no public hearing was requested and none was held.

On July 1, 1992, a notice of proposed rulemaking (INTL-0018-92) under sections 952 and 964 of the Code was published in the **Federal Register** (57 FR 29246). A correction to the notice of proposed rulemaking was published on October 8, 1992, in the **Federal Register** (57 FR 46355). The proposed regulations would modify the regulations relating to required book-to-tax adjustments in respect of depreciation and inventory accounting. Comments were received. A public hearing was not requested and none was held.

Final regulations published on June 10, 2009 (TD 9452) provided guidance for shareholders of certain foreign corporations to elect or change a method of accounting or a taxable year on behalf of the foreign corporation under section 964 of the Code.

#### Explanation of Provisions

These proposed regulations provide clarification of the required book-to-tax adjustments, including those in respect of depreciation and amortization, and additional examples illustrating the application of § 1.964-1(a) and (c). The proposed regulations also would delete § 1.964-1(b)(3), *Example 2*. The example refers to section 963, which was repealed for taxable years beginning after December 31, 1975. Additionally, the proposed regulations provide rules regarding IRS-initiated method changes.

The Treasury Department and the IRS again request comments on whether the special control group definition contained in the 1991 proposed regulations should be adopted.

#### Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, these regulations will be

submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small businesses.

### Comments and Request for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and Treasury Department request comments on the clarity of the proposed regulations and how they can be made easier to understand. All comments will be available for public inspection and copying at <http://www.regulations.gov> or upon request. A public hearing may be scheduled if requested in writing by a person who timely submits comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

### Drafting Information

The principal author of these regulations is Joseph W. Vetting, Office of Associate Chief Counsel (International). However, other personnel from the IRS and Treasury Department participated in their development.

### List of Subjects in 26 CFR Part I

Income taxes, Reporting and recordkeeping requirements.

### Withdrawal of Proposed Regulations

Accordingly, under the authority of 26 U.S.C. 7805, the notice of proposed rulemaking published in the **Federal Register** on July 1, 1992 (57 FR 29246) is withdrawn.

### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

**Paragraph. 1.** The authority for part 1 continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

**Par. 2.** Section 1.964-1 is amended as follows:

1. Adding a new paragraph (a)(4).
2. In paragraph (b)(3), revising the introductory text, redesignating *Example (1)* as *Example*, and removing *Example (2)*.
3. Revising the first sentence of paragraph (c)(1).
4. Revising paragraph (c)(1)(iii) and removing paragraphs (c)(1)(iii)(a), (c)(1)(iii)(b), and (c)(1)(iii)(c).

5. Revising paragraph (c)(1)(v).

6. Inserting a sentence after the fourth sentence of paragraph (c)(2), revising the fifth sentence of paragraph (c)(2), and adding a sentence at the end of paragraph (c)(2).

7. Revising paragraph (c)(8).

8. Adding a new paragraph (c)(9).

9. Revising paragraph (d).

The additions and revisions read as follows:

#### § 1.964-1 Determination of the earnings and profits of a foreign corporation.

\* \* \* \* \*

(a)(4) *Example.* The rules of this paragraph (a) are illustrated by the following example.

*Example. (i) Facts.* P, a domestic corporation, owns all of the outstanding stock of FX, a controlled foreign corporation. In preparing its books for purposes of accounting to its shareholders, FX uses an accounting method (Local Books Method) to determine the amount of its depreciation expense that does not conform to accounting principles generally accepted in the United States (U.S. GAAP) or to U.S. income tax accounting standards as described in paragraph (c). The amount of the adjustment necessary to conform the depreciation expense determined under the Local Books Method with the amount that would be determined under U.S. GAAP for purposes of paragraph (a)(1)(ii) of this section if FX were a domestic corporation is not material. However, the adjustment necessary to conform the amount of the depreciation expense under the Local Books Method to U.S. income tax accounting standards for purposes of paragraph (a)(1)(iii) of this section is material.

(ii) *Result.* Although FX is not required to make the adjustment necessary to conform the amount of its tax expense reserve deduction determined under the Local Books Method to the amount that would be determined under U.S. GAAP, FX is required to make the adjustment necessary to conform the amount of the depreciation expense determined under the Local Books Method to the amount of depreciation expense for the current year that would be allowed under U.S. income tax accounting standards as described in paragraph (c).

(b) \* \* \*

(3) *Example.* The rules of this paragraph (b) are illustrated by the following example.

\* \* \* \* \*

(c) \* \* \* (1) *In general.* Except as otherwise provided in the Code and regulations (for example, section 952(c)(3) (earnings and profits determined without regard to section 312(n)(4)–(6) for purposes of section 952(c)), the tax accounting standards to be applied in making the adjustments required by paragraph (a)(1)(iii) of this section shall be those applied to

domestic corporations, including but not limited to the following:

\* \* \* \* \*

(iii) *Depreciation and amortization.* Depreciation and amortization shall be computed in accordance with the provisions of section 312(k) and the regulations under that section. In the case of a foreign corporation described in section 312(k)(4) (one with less than 20 percent U.S.-source gross income), depreciation and amortization of items that are not described in section 312(k)(2) or (k)(3) shall be determined under the rules for determining taxable income. For example, amortization for amortizable section 197 intangibles (as defined in section 197(c)) is calculated in accordance with section 197, and depreciation for real property is calculated in accordance with section 168(g)(2)(C)(iii). For any taxable year beginning before July 1, 1972, depreciation shall be computed in accordance with section 167 and the regulations under that section.

\* \* \* \* \*

(v) *Taxable years.* The period for computation of taxable income and earnings and profits known as the taxable year shall reflect the provisions of sections 441 and 898 and the regulations under those sections.

\* \* \* \* \*

(2) *Adoption or change of method or taxable year.* \* \* \* Once adopted, a method of accounting or taxable year may be changed by or on behalf of the foreign corporation only in accordance with the applicable provisions of the Code and regulations. Adjustments to the appropriate separate category (as defined in § 1.904-5(a)(1)) of earnings and profits and income of the foreign corporation (including a category of subpart F income described in section 952(a) or, in the case of foreign base company income, described in § 1.954-1(c)(1)(iii)) shall be required under section 481 to prevent any duplication or omission of amounts attributable to previous years that would otherwise result from any change in a method of accounting. \* \* \* See paragraph (c)(9) of this section for rules if the change in method of accounting is required in connection with an audit of the foreign corporation's controlling domestic shareholders (as defined in paragraph (c)(5) of this section).

\* \* \* \* \*

(8) *Examples.* The following examples illustrate the application of paragraph (c) of this section:

*Example 1.* P, a domestic corporation, owns all of the outstanding stock of FX, a controlled foreign corporation organized in 2012. In maintaining its books for the

purpose of accounting to its shareholders, FX deducts additions to a reserve for bad debts. Assume that if FX were a domestic corporation, it would be required to use the specific charge-off method under section 166 with respect to allowable bad debt losses. In accordance with paragraph (c)(1)(i) of this section, FX's reserve deductions must be adjusted (if the adjustments are material) in order to compute its earnings and profits in accordance with U.S. income tax accounting standards as described in paragraph (c). Accordingly, P must compute FX's earnings and profits using the specific charge-off method of accounting for bad debts in accordance with section 166.

*Example 2.* FX, a controlled foreign corporation, maintains its books for the purpose of accounting to its shareholders by capitalizing research and experimental expenses. A, B, and C, the United States shareholders (as defined in section 951(b)) of FX, own 45 percent, 30 percent, and 25 percent, respectively, of its only class of outstanding stock. For the first taxable year of FX, pursuant to paragraph (c)(3) of this section, B and C adopt on its behalf the section 174 method of currently deducting research and experimental expenses. Regardless of whether A objects to this action or receives the notice required by paragraph (c)(3)(iii) of this section, adjustments must be made to reflect the use of the section 174 method in computing the earnings and profits of FX with respect to A as well as with respect to B and C.

*Example 3.* (i) P, a calendar year domestic corporation that uses the fair market value method of apportioning interest expense, owns all of the outstanding stock of FX, a controlled foreign corporation organized in 2002 that uses the calendar year as its taxable year for foreign tax purposes. On June 1, 2012, FX makes a distribution to P. Prior to that distribution, none of the significant events specified in paragraph (c)(6) of this section had occurred. In addition, neither P nor FX had ever made or adopted, or been required to make or adopt, an election or method of accounting or taxable year for United States tax purposes with respect to FX. FX does not act to make any election or adopt any method of accounting or a taxable year for United States tax purposes.

(ii) P must compute FX's earnings and profits for FX's 2002 through 2012 taxable years in order to determine if any portion of the 2012 distribution is taxable as a dividend and to determine P's deemed paid foreign tax credit on such portion under section 902. Under paragraph (c)(2) of this section, P may make an election or adopt a method or methods of accounting and a taxable year on behalf of FX by satisfying the requirements of paragraph (c)(3) of this section by the due date (with extensions) of P's Federal income tax return for 2012, its taxable year with which ends FX's 2012 taxable year. Under paragraph (c)(4) of this section, any such election or adoption will govern the computation of FX's earnings and profits for its taxable years beginning in 2002 and subsequent taxable years for purposes of determining the Federal income tax liability of P and any subsequent shareholders of FX in 2012 and subsequent taxable years, unless the Commissioner consents to a change.

(iii) If P fails to satisfy the requirements under paragraph (c)(3) of this section and such failure is not shown to be the satisfaction of the Commissioner to be due to reasonable cause, the earnings and profits of FX will be computed on the basis of a calendar taxable year as if no elections were made and any permissible methods of accounting not requiring an election and reflected in FX's books were adopted. Any subsequent attempt by FX or P to change an accounting method or taxable year of FX shall be effective only if the Commissioner consents to the change.

*Example 4.* (i) The facts are the same as in *Example 3*, except that P owns 80 percent, rather than all, of the outstanding stock of FX. M, a calendar year domestic corporation, owns the remaining 20 percent of the stock of FX beginning in 2002. M uses the tax book value method to allocate its interest expense under section 864(e)(4).

(ii) M, but not P, must compute FX's earnings and profits beginning in 2002 in order to determine the adjustment under § 1.861-12(c) and § 1.861-12T(c) to M's basis in the stock of FX for M's 2002 through 2011 taxable years. Because P, the controlling domestic shareholder of FX, has not made or adopted, or been required to make or adopt, an election or a method of accounting or taxable year with respect to FX, the earnings and profits of FX for 2002 through 2011 will be computed on the basis of a calendar taxable year as if no elections were made and any permissible methods of accounting not requiring an election and reflected in FX's books were adopted. However, a properly filed, timely election or adoption of a method of accounting or taxable year by, or on behalf of, FX with respect to FX's taxable year ending in 2012, when FX's earnings and profits are first significant for United States tax purposes for P, FX's controlling domestic shareholder, shall not be treated as a change in accounting method or a change in taxable year for any pre-2012 taxable year of FX. M will not be required to recompute its basis adjustments for 2002 through 2011 by reason of P's adoption of a method or methods of accounting or taxable year with respect to FX for 2012. See paragraph (c)(4)(iii) of this section. However, any method of accounting or taxable year adopted on behalf of FX by P pursuant to this paragraph (c) with respect to FX is binding on P, FX, and M for purposes of computing FX's earnings and profits in 2002 and subsequent taxable years for purposes of determining the Federal income tax liability of P, M, and any subsequent shareholders of FX in 2012 and subsequent taxable years, unless the Commissioner consents to a change.

*Example 5.* (i) In 1987, P, a calendar year domestic corporation that uses the tax book value method to allocate its interest expense under section 864(e)(4), acquired 50 percent of the outstanding stock of 10/50 Corp, a noncontrolled section 902 corporation organized in 1980. For taxable years beginning on or before April 25, 2006, the provisions of this paragraph (c) did not provide a mechanism for shareholders of noncontrolled section 902 corporations to make elections or adopt methods of accounting or a taxable year on behalf of noncontrolled section 902 corporations.

However, P had to compute 10/50 Corp's earnings and profits in order to determine the adjustment under § 1.861-12(c) and § 1.861-12T(c) to P's basis in the stock of 10/50 Corp beginning with P's 1987 taxable year.

(ii) For taxable years beginning on or before April 25, 2006, P was required to compute 10/50 Corp's earnings and profits as if any permissible method of accounting not requiring an election and reflected in 10/50 Corp's books had been adopted. See paragraph (c)(4)(ii) of this section. In taxable years beginning after April 25, 2006, in accordance with paragraph (c)(3) of this section P may request the consent of the Commissioner to change any method of accounting or the taxable year on behalf of 10/50 Corp.

(9) *Change of method on audit.* If, in connection with an audit (or audits) of one or more shareholders of the foreign corporation who collectively would constitute the foreign corporation's controlling domestic shareholder(s) if they undertook to act on the corporation's behalf, the Commissioner determines that a method of accounting of the foreign corporation does not clearly reflect income, the computation of earnings and profits shall be made in a manner which, in the opinion of the Commissioner, does clearly reflect income. See section 446 and the related regulations. The Commissioner shall provide written notice of the change in method of accounting to each such shareholder and to all other persons known by the Commissioner to be domestic shareholders who own (within the meaning of section 958(a)) stock of the foreign corporation. However, the failure of the Commissioner to provide such notice to any such other person shall not invalidate the change of method, which shall bind both the foreign corporation and all of its domestic shareholders as to the computation of the foreign corporation's earnings and profits for the taxable year of the foreign corporation for which the method of accounting is changed and in subsequent taxable years unless the Commissioner consents to a change.

(d) *Effective/applicability date.* This section applies in computing earnings and profits of foreign corporations in taxable years of foreign corporations beginning on or after the date of publication of these regulations as final regulations in the **Federal Register**, and taxable years of shareholders with or within which such taxable years of the foreign corporations end. See 26 CFR 1.964-1 (revised as of April 1, 2011) for

rules applicable to taxable years beginning before such date.

**Steven T. Miller,**

*Deputy Commissioner for Services and Enforcement.*

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**BILLING CODE 4830-01-P**

## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-140280-09]

RIN 1545-BK16

#### Tax Return Preparer Penalties Under Section 6695; Hearing Cancellation

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Cancellation of notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This document cancels a public hearing on notice of proposed rulemaking and notice of public hearing (REG-140280-09) that would modify existing regulations related to the tax return preparer penalties under section 6695 of the Internal Revenue Code.

**DATES:** The public hearing, originally scheduled for November 7, 2011 at 10 a.m., is cancelled.

**FOR FURTHER INFORMATION CONTACT:** Richard A. Hurst of the Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration), at [Richard.A.Hurst@irs.counsel.treas.gov](mailto:Richard.A.Hurst@irs.counsel.treas.gov).

**SUPPLEMENTARY INFORMATION:** A notice of proposed rulemaking and notice of public hearing that appeared in the **Federal Register** on Tuesday, October 11, 2011 (76 FR 62689) announced that a public hearing was scheduled for November 7, 2011, beginning at 10 a.m. in the auditorium of the Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC. The subject of the public hearing is under section 6695 of the Internal Revenue Code.

The public comment period for a notice of proposed rulemaking expires on November 10, 2011. Outlines of topics to be discussed at the hearing were due on November 1, 2011. A notice of proposed rulemaking and notice of public hearing instructed those interested in testifying at the public hearing to submit an outline of the topics to be addressed. As of November 2, 2011, no one has requested to speak.

Therefore, the public hearing scheduled for November, 7, 2011 is cancelled.

**Guy R. Traynor,**

*Acting Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).*

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**BILLING CODE 4830-01-P**

## DEPARTMENT OF THE TREASURY

### Alcohol and Tobacco Tax and Trade Bureau

#### 27 CFR Part 4

[Docket No. TTB-2011-0008; Notice No. 122]

RIN 1513-AB84

#### Proposed Revision to Vintage Date Requirements

**AGENCY:** Alcohol and Tobacco Tax and Trade Bureau, Treasury.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Alcohol and Tobacco Tax and Trade Bureau proposes to amend its wine labeling regulations to allow a vintage date to appear on a wine that is labeled with a country as an appellation of origin. The proposal would provide greater grape sourcing and wine labeling flexibility to winemakers, both domestic and foreign, while still ensuring that consumers are provided with adequate information as to the identity and quality of the wines they purchase.

**DATES:** Comments must be received on or before January 3, 2012.

**ADDRESSES:** You may send comments on this notice to one of the following addresses:

- <http://www.regulations.gov> (via the online comment form for this notice as posted within Docket No. TTB-2011-0008 at "Regulations.gov," the Federal e-rulemaking portal);
- Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, P.O. Box 14412, Washington, DC 20044-4412; or
- *Hand Delivery/Courier in Lieu of Mail:* Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Suite 200E, Washington, DC 20005.

See the Public Participation section of this notice for specific instructions and requirements for submitting comments, and for information on how to request a public hearing.

You may view copies of this notice and any comments TTB receives about this proposal at <http://www.regulations.gov> within Docket No. TTB-2011-0008. A direct link to this

docket is also available on the TTB Web site at <http://www.ttb.gov/wine/wine-rulemaking.shtml> under Notice No. 122. You may also view copies of this notice and any comments received about this proposal by appointment at the TTB Information Resource Center, 1310 G Street NW., Washington, DC 20005. Please call 202-453-2270 to make an appointment.

#### FOR FURTHER INFORMATION CONTACT:

Jennifer Berry, Alcohol and Tobacco Tax and Trade Bureau, Regulations and Rulings Division, P.O. Box 18152, Roanoke, VA, 24014; telephone 202-453-1039.

#### SUPPLEMENTARY INFORMATION:

##### Background on Wine Labeling

##### *TTB Authority*

Section 105(e) of the Federal Alcohol Administration Act (FAA Act), 27 U.S.C. 205(e), authorizes the Secretary of the Treasury to prescribe regulations for the labeling of wine, distilled spirits, and malt beverages. The FAA Act requires that these regulations, among other things, prohibit consumer deception and the use of misleading statements on labels, and ensure that labels provide the consumer with adequate information as to the identity and quality of the product. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers the FAA Act and the regulations promulgated under it.

##### *Current Vintage Date Requirements*

Part 4 of the TTB regulations (27 CFR part 4) sets forth the standards promulgated under the FAA Act for the labeling and advertising of wine. Section 4.27 of the TTB regulations (27 CFR 4.27) sets forth rules regarding the use of a vintage date on wine labels. Section 4.27(a) provides that vintage wine is wine labeled with the year of harvest of the grapes and that the wine "must be labeled with an appellation of origin other than a country (which does not qualify for vintage labeling)." Rules regarding appellation of origin labeling are contained in § 4.25 of the TTB regulations (27 CFR 4.25).

In addition, § 4.27(a)(1) provides that for American or imported wines labeled with a viticultural area appellation of origin (or its foreign equivalent), at least 95 percent of the wine must have been derived from grapes harvested in the labeled calendar year. For American or imported wines labeled with an appellation of origin other than a country or viticultural area (or its foreign equivalent), § 4.27(a)(2) provides that at least 85 percent of the wine must have been derived from grapes harvested in the labeled calendar year.