the words ''FAA Order JO 7400.11J, Airspace Designations and Reporting Points'', remove those words and add in their place ''FAA Order JO 7400.11K, Airspace Designations and Reporting Points''.

d. In the final rule amending 14 CFR part 71 published on September 10, 2025 (90 FR 43550), for each instance of the words ''FAA Order JO 7400.11J'', remove those words and add in their place ''FAA Order JO 7400.11K''.

Issued in Washington, DC, on September 17, 2025.

Brian Eric Konie,

Acting Manager, Rules and Regulations Group.

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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Parts 26 and 27

[Docket No. TTB–2022–0009; T.D. TTB–201; Re: T.D. TTB–186, Notice No. 215]

RIN 1513–AC89

Implementation of Refund Procedures for Craft Beverage Modernization Act Federal Excise Tax Benefits Applicable to Imported Alcohol

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

ACTION: Final rule; Treasury decision.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau (TTB) is making permanent, with two changes, temporary regulations published in the **Federal Register** on September 23, 2022, relating to reduced excise tax rates and tax credits for imported distilled spirits, wines, and beer. These regulatory amendments implement changes made to the Internal Revenue Code by the Taxpayer Certainty and Disaster Tax Relief Act of 2020, which amended the Craft Beverage Modernization Act provisions of the Tax Cuts and Jobs Act of 2017. This rule finalizes the procedures for industry members to claim limited reduced tax rates and tax credits for imported alcohol products that are entered for consumption in the United States. Specifically, this rule finalizes provisions in a temporary rule that outlines the process for foreign producers to assign reduced tax rates and tax credits to importers, and for importers to accept and apply the assigned tax benefits to imported products. This final rule clarifies that only the foreign producer who produces the product may assign the applicable tax benefits on distilled spirits, wine, or beer to U.S. importers, and extends by one calendar quarter the timeframe for those foreign producers to submit these assignments to TTB.

DATES: Effective September 22, 2025, the temporary regulations published in the **Federal Register** at 87 FR 58021 on September 23, 2022, are adopted as final with the amendments described below.

FOR FURTHER INFORMATION CONTACT: Tammy McNeely, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW, Box 12, Washington, DC 20005; phone 202–453–2265, ext. 092.

SUPPLEMENTARY INFORMATION:

I. Background

A. TTB's Temporary Regulations Implementing the Transition To Refunds to Obtain Tax Benefits for Imported Alcohol

This final rule adopts as permanent, with two changes, the Alcohol and Tobacco Tax and Trade Bureau's (TTB's) temporary regulations implementing changes to the Internal Revenue Code of 1986 (IRC) pursuant to the Taxpayer Certainty and Disaster Tax Relief Act of 2020. TTB published the temporary rule, T.D. TTB–186, in the **Federal Register** on September 23, 2022, at 87 FR 58021, along with a concurrent notice of proposed rulemaking, Notice No. 215, at 87 FR 58043, soliciting comments on the temporary regulations and proposing a clarifying change.

The temporary regulations established procedures for claiming reduced tax rates and tax credits established under the Craft Beverage Modernization Act (CBMA) (collectively, ''tax benefits'' or ''CBMA tax benefits'') for imported alcohol products entered for consumption [1] in the United States beginning in 2023.

[1] The temporary regulations implemented statutory tax refund provisions that apply to imported products ''removed'' after December 31, 2022. See 26 U.S.C. 5001(c)(4), 5041(c)(7), and 5051(a)(6). TTB regulations at 27 CFR 27.48 provide that any internal revenue taxes payable on imported distilled spirits, wines, and beer upon release from customs custody are collected, accounted for, and deposited as internal revenue collections by U.S. Customs and Border Protection (CBP) in accordance with CBP requirements. There are different types of entry under CBP regulations, and ''entered for consumption'' refers to a type of customs entry filed to introduce the goods into the stream of U.S. commerce. Such entries are subject to applicable tax and duties. Accordingly, TTB interprets the term ''removed'' as used in the CBMA tax refund statutory provisions for imported products to mean ''entered for consumption.'' For purposes of this temporary rule, ''entered for consumption'' includes withdrawal from a CBP bonded warehouse for consumption.

Enactment of Temporary CBMA Tax Benefits

The CBMA tax benefits were first made available in 2018, through the Tax Cuts and Jobs Act (Pub. L. 115–97).[2] These CBMA provisions established reduced tax rates and tax credits applicable to specified limited quantities of domestic and foreign producers' distilled spirits, wine, and beer. These quantities are subject to controlled group limitations, which are described more fully later in this document. Domestic producers are eligible to apply the CBMA tax benefits when they pay tax to TTB. For imported products, foreign producers must assign tax benefits to importers of their products, who then must elect to take them. Beginning in 2018, U.S. Customs and Border Protection (CBP) administered these provisions for imported alcohol and established procedures for foreign producers to assign tax benefits to importers, as well as for importers to receive the benefits and apply them at the time of entry.

The CBMA tax benefits for imported alcohol products [3] are as follows:

- Each foreign distilled spirits producer may assign a limited quantity of tax benefits in the form of reduced tax rates to importers of their products. The reduced tax rates may be assigned for the first 22,230,000 proof gallons of that foreign producer's production imported into the United States in a calendar year. These rates are, for each foreign producer, $2.70 per proof gallon on the first 100,000 proof gallons, and $13.34 per proof gallon on the next 22,130,000 proof gallons, imported into the United States.
- Each foreign wine producer may assign a limited quantity of tax benefits in the form of tax credits to importers of their products. The tax credits may be assigned for the first 750,000 wine gallons of that producer's production imported into the United States in a calendar year. The credits are, for each foreign producer, $1 per wine gallon on

[2] The ''Craft Beverage Modernization and Tax Reform Act.'' These statutory provisions apply to beverage and non-beverage alcohol. See Public Law 115–97, sections 13801–13808 (CBMA provisions of the law commonly known as the Tax Cuts and Jobs Act) and 131 Stat. 2054 at 2169–78.

[3] These tax benefits apply to alcohol from foreign countries and other areas outside of the customs territory of the United States (as defined in 19 CFR 101.1) that is imported into the United States (as defined at 26 U.S.C. 7701(a)(9) as the 50 States and the District of Columbia) and entered for consumption subject to tax. Foreign producers may not assign tax benefits to domestic distilled spirits plants, bonded wine cellars, or breweries that receive bulk distilled spirits, natural wine, or beer that is withdrawn without payment of tax from customs custody for transfer to their bonded premises under 26 U.S.C. 5232, 5364, or 5418.

the first 30,000 wine gallons of wine imported, 90 cents on the next 100,000 wine gallons imported, and 53.5 cents on the next 620,000 wine gallons imported. The tax credits apply to all wine tax rates,[4] except that CBMA provides for adjusted credits for imported wine eligible for the hard cider tax rate (6.2 cents, 5.6 cents, and 3.3 cents, respectively, for each of the above quantities).

- Each foreign brewer may assign a limited quantity of tax benefits in the form of a reduced tax rate of $16 per barrel. This reduced tax rate may be assigned to importers for the first 6,000,000 barrels produced by that foreign producer and imported into the United States in a calendar year.

These CBMA tax benefits first applied to calendar years 2018 and 2019.[5]

Enactment of Permanent CBMA Tax Benefits

Prior to their initial expiration date in 2019, the CBMA tax benefits were extended and finally made permanent through the Tax Relief Act of 2020.[6]

In addition to making the CBMA tax benefits permanent, the Tax Relief Act of 2020 transferred responsibility for administering CBMA tax benefits for imported alcohol from CBP to the Department of the Treasury (Treasury) as of January 1, 2023.[7] The Tax Relief Act of 2020 amendments also changed the way importers could take advantage of CBMA tax benefits, requiring that importers pay the full tax rate[8] on imported alcohol products to CBP and then subsequently submit refund claims to obtain the tax benefit. This replaced the prior process by which importers could apply the CBMA tax benefit to tax payments made to CBP in connection with the entry of the products into the United States. Consequently, beginning January 1, 2023, importers began paying the full tax rate on imported alcohol products to CBP and submitting refund claims to TTB (as delegated by Treasury, see section I(C) of this document).

TTB's temporary regulations set forth the procedures under which foreign distilled spirits producers, wine producers, and brewers (collectively ''foreign producers'') assign CBMA tax benefits to importers, and the procedures by which importers may receive the assignments and file refund claims with TTB to receive those benefits, starting in 2023. Generally, the temporary regulations: (1) Require foreign producers to register with TTB to assign tax benefits to importers; (2) establish the information foreign producers must submit to register and assign those benefits; and (3) establish the information that importers must provide to claim a refund based on the foreign producer's assignment of tax benefits to them. The information required in a claim includes information the importer will generally submit through CBP's Automated Commercial Environment (ACE) as part of the entry summary,[9] as well as information the importer submits directly to TTB with the claim.

The temporary regulations also include provisions to implement statutory limitations on CBMA tax benefits. For example, the CBMA tax benefits available for assignment by foreign producers are subject to controlled group limitations that apply to producers under common ownership. See 26 U.S.C. 5001(c)(3)(C), 5041(c)(4), and 5051(a)(5)(B). Accordingly, the temporary regulations require foreign producers to either certify that they are not under common ownership with other alcohol producers or to provide details about their owners when registering with TTB, as authorized by 26 U.S.C. 6038E.[10] The temporary regulations also address the statutory provisions that provide authority to revoke the eligibility of foreign producers to assign and importers to receive CBMA tax benefits if the foreign producer submits erroneous or fraudulent information that is material to qualifying for CBMA tax benefits. See 26 U.S.C. 5001(c)(3)(B)(iv), 5041(c)(6)(B)(iv), and 5051(a)(4)(B)(iv).

B. TTB Administration of CBMA Importer Refunds

Since the effective date of the temporary regulations, TTB has administered the CBMA importer refund program within an online system, ''myTTB.'' [11] Using myTTB, foreign producers register, receive a TTB-issued Foreign Producer ID, and assign the CBMA tax benefits to importers. Importers then use myTTB to obtain any tax benefits assigned to them. Once the importer has imported the products to which the assigned tax benefit applied, the importer uses the myTTB system to submit refund claims. To streamline submission and validation of an importer's claim, myTTB links the foreign producer's assignment information with the importer's entry data submitted in ACE, allowing importers to see the relevant ACE data and identify the specific entries for which they may submit a CBMA claim.

Since the initial launch of the myTTB foreign producer registration and assignment system in October 2022, over 23,000 foreign producer registrations have been submitted to TTB from 129 countries. Foreign producers have submitted over 70,000 assignments of CBMA tax benefits to over 2,200 importers. Since the initial launch of the myTTB CBMA importer refund claims system in April 2023, over 20,000 valid claims have been submitted by U.S. importers and, as of August 2025, TTB has paid over $679 million in refunds on those claims. As of August 2025, the median processing time for claims over the life of the program has been 16 days with approximately 24 percent of system submitted claims processed using automated validation, leading to claim payments to importers in typically under a week. Processing times have declined as the program has matured. In fiscal year 2025 TTB has achieved an automated validation rate of 66 percent,

[4] Wine tax rates vary based on a number of factors such as alcohol and carbonation content. See 26 U.S.C. 5041.

[5] See Public Law 115–97, sections 13801–13808 (CBMA provisions of the law commonly known as the Tax Cuts and Jobs Act).

[6] See Public Law 116–94, section 144 (Further Consolidated Appropriations Act, 2020 extending and amending CBMA provisions); Public Law 116–260, Division EE, sections 106–110 (Tax Relief Act of 2020 making CBMA provisions permanent with amendments).

[7] See Section 107(e) & (f) of the Tax Relief Act of 2020 (Pub. L. 116–260, Division EE) (134 Stat. 3048). Paragraph (e) reads, ''The Secretary of the Treasury (or the Secretary's delegate within the Department of the Treasury) shall implement and administer sections 5001(c)(4), 5041(c)(7), and 5051(a)(6) of the Internal Revenue Code of 1986, as added by this Act, in coordination with the United States Customs and Border Protection of the Department of Homeland Security.'' Paragraph (f) reads, ''The Secretary of the Treasury (or the Secretary's delegate within the Department of the Treasury) shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section. . . .''

[8] Here the ''full tax rate'' refers to the tax rate applicable without taking into account any reduced rates or credits available under CBMA; importers of distilled spirits may still pay a reduced rate to CBP based on eligible wine or flavor content pursuant to 26 U.S.C. 5010 and implementing regulations at 27 CFR 27.76 and 27.77.

[9] TTB understands that the vast majority of importers file entry and entry summary data electronically in ACE. As explained below, the electronic submission of import data in ACE is a prerequisite for using TTB's CBMA importer claims interface.

[10] See 26 U.S.C. 6038E (authorizing Treasury to require that foreign producers provide information related to a foreign producer's assignment of CBMA tax benefits to importers, including information about a foreign producer's controlled group structure).

[11] TTB is currently engaged in a multiyear initiative to develop and deploy ''myTTB,'' a single, online interface for all industry transactions with TTB, including permit, label, and formula applications, as well as tax filings, payments, and claims. When complete, myTTB will provide both industry and TTB with online access to a consolidated view of an industry member's records, approvals, and filings.

with over 77 percent of claims processed within 15 days and over 99 percent of claims processed within 45 days.

Based on program performance to date as well as comments received in response to Notice No. 215, TTB is finalizing the temporary regulations as published with only two changes. First, TTB is finalizing the proposed amendment included in Notice No. 215 that clarifies that a foreign producer ''may not assign CBMA tax benefits on distilled spirits, wine, or beer unless it produced the product.'' Second, TTB is extending the time period for foreign producers to submit CBMA tax benefit assignments for an additional three months, that is, through the first calendar quarter of the year following the calendar year for which the benefits are assigned.

C. TTB Authority

TTB regulates, among other things, the importation of distilled spirits, wine, and malt beverages [12] pursuant to the Federal Alcohol Administration Act (FAA Act). TTB also administers the provisions of the IRC with respect to the taxation of domestically produced distilled spirits, wine, and beer.[13]

The FAA Act requires a TTB permit before engaging in certain activities related to distilled spirits, wine, and malt beverages, including importation. See 27 U.S.C. 203(a). Section 203(a) provides that it shall be unlawful, except pursuant to a ''basic permit,'' to engage in the business of importing into the United States distilled spirits, wine, or malt beverages. Section 203(a) also states that it is unlawful for any person so engaged to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, imported distilled spirits, wine, or malt beverages without a basic permit. Because many—but not all—alcohol products that are subject to tax under the IRC fall under the FAA Act definitions of distilled spirits, wine, and malt beverages, most—but not all—alcohol importers are required to obtain a TTB importer's basic permit under the FAA Act.[14]

Chapter 51 of the IRC pertains to the taxation and regulation of distilled spirits, wine, and beer. The IRC imposes a Federal excise tax on all distilled spirits, wine, and beer manufactured in or imported into the United States. See 26 U.S.C. 5001, 5041, and 5051, respectively. The tax on distilled spirits, wine, and beer either imported from foreign countries or brought into the United States from beyond the customs territory of the United States, as defined in 19 CFR 101.1, including the U.S. Virgin Islands, is generally collected by CBP along with any import duties as part of CBP's exercise of its delegated customs revenue functions.[15] See Treasury Order 100–20, ''Delegation of Customs revenue functions to Homeland Security,'' dated October 30, 2024.

The IRC provides general authority to the Secretary of the Treasury (Secretary) to issue regulations to carry out the provisions of the IRC. See 26 U.S.C. 7805(a). With respect to the tax benefits available under CBMA to foreign producers and importers, the IRC directs the Secretary to issue rules, regulations, and procedures as appropriate for the assignment of such tax benefits. See 26 U.S.C. 5001(c)(3), 5041(c)(6), and 5051(a)(4). Additionally, these include procedures for allowing a foreign producer to assign and an importer to receive CBMA tax benefits; limitations to ensure that the quantity of products for which a foreign producer assigns reduced rates does not exceed the statutory quantity limitations on such rates; requirements for foreign producers to provide any information the Secretary determines necessary and appropriate for making assignments; and procedures allowing for revocation of a foreign producer's eligibility to assign reduced rates based on erroneous or fraudulent information provided by the foreign producer that is material to qualifying for a reduced rate. Id. The IRC further provides specific authority for the Secretary to require foreign producers seeking to make assignments of CBMA tax benefits to provide information, at such time and in such manner, as the Secretary may prescribe, including information about the controlled group structure of such foreign producer. See 26 U.S.C. 6038E. An importer will only be allowed a refund for CBMA tax benefits if a foreign producer has elected to assign, and the importer has elected to receive, such benefits in accordance with these rules, regulations, and procedures. See, *e.g.,* 26 U.S.C. 5001(c)(4)(C).

TTB administers these IRC and FAA Act provisions pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d). In addition, the Secretary has delegated certain administrative and enforcement authorities to TTB through Treasury Order 120–01. Responsibility for collecting the excise taxes incident to the importation of distilled spirits, wines, and beer is vested by statute with the Secretary. See 26 U.S.C. 7801. Under the authority of the Homeland Security Act of 2002, the Secretary has delegated these customs revenue functions to the Secretary of Homeland Security. See Treasury Department Order 100–20. Accordingly, TTB regulations provide that such taxes are collected, accounted for, and deposited as internal revenue collections by CBP in accordance with CBP requirements. See 27 CFR 27.48; see also 27 CFR 26.200(d).

Sections 107(e) and (f) of the Tax Relief Act of 2020 set forth the Secretary's ability to delegate the implementation, administration, and rulemaking authority concerning the assignment of a foreign producer's CBMA benefits to importers, and the claims of importers seeking to receive those benefits, to ''the Secretary's delegate within the Department of the Treasury.'' Treasury delegated that authority to TTB. See Treasury Department Order 120–1.

TTB regulations implementing the applicable provisions of chapter 51 of the IRC are found in 27 CFR part 27. Specifically, this part contains requirements relative to the importation of distilled spirits, wine, and beer into the United States from foreign countries,

[12] The terms ''distilled spirits'' and ''wine,'' when used in the context of the FAA Act, apply only to distilled spirits and wine for nonindustrial use, and ''wine'' is further defined under the FAA Act as containing ''not less than 7 percent'' alcohol by volume. See 27 CFR 1.10. Additionally, the FAA Act defines ''malt beverage'' as ''a beverage made by the alcoholic fermentation of an infusion or decoction, or combination of both, in potable brewing water, of malted barley with hops, or their parts, or their products, and with or without other malted cereals, and with or without the addition of unmalted or prepared cereals, other carbohydrates or products prepared therefrom, and with or without the addition of carbon dioxide, and with or without other wholesome products suitable for human food consumption.'' Id.

[13] Under the IRC, alcohol subject to tax as ''distilled spirits'' includes both beverage and industrial spirits, as well as wine that contains more than 24 percent alcohol by volume. See 26 U.S.C. 5001(a)(1) and (3). Alcohol subject to tax as ''wine'' includes wine containing up to 24 percent alcohol by volume. The IRC defines ''beer'' as ''beer, ale, porter, stout, and other similar fermented beverages (including sake or similar products) of any name or description containing one-half of 1 percent or more of alcohol by volume, brewed or produced from malt, wholly or in part, or from any substitute therefor.'' See 26 U.S.C. 5052(a). References to ''beer,'' ''wine'' and ''distilled spirits'' in TTB's IRC regulations refer to those terms as they are defined in the IRC.

[14] Importers of industrial alcohol, wine under 7 percent alcohol by volume, or beer that is not a ''malt beverage'' may engage in the business of importing such alcohol without an FAA Act basic permit.

[15] Imported bulk distilled spirits, natural wine, and beer withdrawn without payment of tax from customs custody and transferred in bond to a domestic distilled spirits plant, bonded wine cellar, or brewery under 26 U.S.C. 5232, 5364, and 5418 is outside the scope of this rule as, in those cases, the tax is collected from domestic industry members by TTB and not from the importers by CBP.

including the information importers are required to submit upon importation and the records importers must keep. Regulations at 27 CFR part 26 implement chapter 51 of the IRC as it applies to distilled spirits, wine, and beer brought into the United States from the U.S. Virgin Islands.

TTB has authority under section 2(d) of the FAA Act, Public Law 74–401 (1935) ''to prescribe such rules and regulations as may be necessary to carry out [its] powers and duties'' under the FAA Act. The TTB regulations at 27 CFR part 1 implement the permit requirements of the FAA Act.

II. Notice No. 215 and the Comments Received

On September 23, 2022, TTB published in the **Federal Register** at 87 FR 58021, T.D. TTB–186 amending the regulations in 27 CFR parts 26 and 27. In the same issue of the **Federal Register**, TTB also requested public comments on the temporary rule via a notice of proposed rulemaking, Notice No. 215 (87 FR 58043). Notice No. 215 solicited comments on a proposed amendment to the temporary regulations at 27 CFR 27.262(c)(1), clarifying that a foreign producer ''may not assign CBMA tax benefits on distilled spirits, wine, or beer unless it produced the product.''

TTB received 15 comments in response to Notice No. 215. Commenters included industry members, trade organizations, consulting firms, and a government agency, specifically: Three Badge Beverage Corp., B. United International Inc., the Small Business Administration (SBA) Office of Advocacy, New Zealand Winegrowers, the American Craft Spirits Association, Soley Beverage, the Beer Institute, the French Wine and Spirits Exporters Association, National Association of Beverage Importers, Inc., an individual, and 5 anonymous commenters.

Twelve commenters raised concerns about the financial implications of the CBMA imports refund program; three commenters raised other questions or concerns regarding importers' interactions with TTB's CBMA import refund program; and six commenters raised questions or concerns regarding the interaction of foreign producers with the program. The specific questions and concerns within these areas, and TTB's responses, are set forth in detail below.

A. Comments Relating to Financial Implications of the Refund Provisions

Twelve commenters raised concerns about the financial implications of the refund provisions in the temporary and proposed regulations. Some of the commenters pointed out the cash flow disruptions to importers resulting from the statutory change to refunds from the prior process that allowed importers to take the reduced tax rates and tax credits on the alcohol upon importation. Commenters also expressed concerns about the frequency of claim filing periods and timing of payment of refunds. Finally, commenters raised concerns over the compliance costs of the new program.

Commenters raising cash flow concerns associated with the transition to a refund system include three importers (Badge Beverage Corp., B. United International Inc., and Soley Beverage, Inc.); three trade organizations (New Zealand Winegrowers, the American Craft Spirits Association, and the National Association of Beverage Importers); one government agency (the SBA Office of Advocacy); and four anonymous commenters.

In general, these commenters pointed out that being required to pay the full rate of tax up front and subsequently file a refund claim can impose significant cash flow issues for importers that were not present under the prior statutory framework administered by CBP. Commenters suggested that these cash flow concerns could disproportionately affect smaller importers. Commenters encouraged TTB to find a way to allow importers to take advantage of the CBMA tax benefits at the time of initial tax payment, including by establishing exemptions from the requirement to pay the full rate of tax for entities below certain activity or liability thresholds.

Similar to the concerns raised over the transition to a refund system, seven commenters raised specific cash flow concerns about the quarterly claim period established in the temporary rule and TTB's ability to timely pay refund claims. Specifically, these commenters addressed TTB's temporary regulations that established a quarterly refund claims period where importers are able to file refund claims on products only after the close of the calendar quarter in which the products were entered for consumption. The commenters were three trade associations (the American Craft Spirits Association, the Beer Institute, and the National Association of Beverage Importers); one government agency (SBA Office of Advocacy); and three anonymous commenters.

Commenters expressed general concerns that the impact on cash flow of transitioning to a refund system would be exacerbated by the quarterly claims period. The SBA Office of Advocacy, American Craft Spirits Association, and National Association of Beverage Importers further pointed out that interest does not begin to accrue on claims until 90 days after a claim is filed which, when combined with the quarterly claim period, could allow a prospective claimant to wait up to six months after paying the tax before accruing interest on an unpaid claim. The National Association of Beverage Importers commented that this 90-day period before interest begins to accrue is a special rule that, while statutory, is longer than the 45-day interest period present with other types of refunds under the IRC. Given these concerns, commenters emphasized the need for valid claims to be processed and paid quickly. The National Association of Beverage Importers also recommended that the quarterly filing period for refund claims be instated for 18 months following publication of the final rule, after which the filing period should transition to a monthly period.

Finally, three commenters specifically raised concerns over compliance costs associated with the new myTTB system. The SBA Office of Advocacy asserted that TTB underestimated the burden associated with learning an entirely new electronic filing system (that is, myTTB), and that this burden may disproportionately affect small businesses who do not necessarily have dedicated tax and compliance support staff. An importer, B. United International, asserted in its comment that any savings generated by CBMA tax benefits would be outweighed by the administrative costs associated with the temporary rule. The National Association of Beverage Importers also raised concerns about the impact the refund system might have regarding their compliance costs, specifically associated with the costs of any bonds required by CBP, if refunds are not processed in a timely fashion.

TTB Response

The statutory changes made under the Tax Relief Act of 2020, which transferred responsibility for administering CBMA tax benefits on imported products from CBP to Treasury, also changed the method of taking advantage of those benefits. The law specifically requires importers to pay the full rate of tax and then obtain the tax benefit by subsequently submitting a claim for refund from Treasury. While TTB understands that the statutorily mandated transition to a refund system may have created cash flow challenges that did not previously exist, TTB does not have authority to implement a different system or exempt importers from the statutory requirement to pay the full rate of tax. Instead, TTB has worked to minimize

burdens on industry members by creating a system that expedites the refund process.

TTB has attempted to design its CBMA import refund system to make the refund process as straightforward as possible for foreign producers and importers, while simultaneously collecting the minimum amount of information needed for TTB to ensure that tax benefit assignments and refund claims are valid and proper. This includes integrating entry data from CBP's ACE system directly into myTTB to minimize the amount of information importers must submit to TTB and avoid data entry errors. Under the temporary regulations, and as of August 2025, TTB has processed over 20,000 refund claims and paid over $679 million in tax refunds to U.S. importers. As a result of this streamlined process, since TTB began administering this program, these claims have had a median processing time of 16 days; further, nearly a quarter of claims have been processed using automated validation, leading to claim payments to importers in typically under a week. Processing times have declined as the program has matured. In fiscal year 2025, TTB has achieved an automated validation rate of 66 percent, with over 77 percent of claims processed within 15 days and over 99 percent of claims processed within 45 days.

Regarding the claim filing period, TTB is maintaining the quarterly claim period that was established in the temporary regulations. As explained in the temporary rule, this refund period is necessary to provide TTB time to identify potential over-assignment of CBMA tax benefits, particularly regarding controlled group limitations. CBMA tax benefits are applied to an entire controlled group, which may include both domestic and foreign producers, and as a result TTB needs the opportunity to consolidate entry data and CBMA importer refund claims (both paid and pending) with domestic removals to mitigate over-assignment.

B. Other Comments Regarding Importers' Interactions With the CBMA Importer Refunds Program

Three commenters raised other questions and concerns regarding importers' interactions with TTB's CBMA importer refunds program. Commenters had questions about the submission of data in CBP's Automated Commercial Environment (ACE) and corrections to that data via post-summary correction. Commenters asked about how claims would be paid, and about amending claims after they are filed and/or paid by TTB. These commenters were two trade associations (the Beer Institute and the National Association of Beverage Importers) and one anonymous commenter.

Specifically, the anonymous commenter stated that importers may not receive CBMA tax benefit assignments from their suppliers until later in the calendar year and may have already imported and liquidated entries from those suppliers by the time they receive the assignment. As a result, importers may not be able to submit in ACE the CBMA-related data required by TTB's regulations.

The Beer Institute and the National Association of Beverage Importers requested clarification on what happens if an importer files a post-summary correction or a protest with CBP after submitting a refund claim to TTB and/or after TTB has already paid a refund on a submitted claim. They also asked whether payment of claims would be consolidated, or if importers would receive refunds on a per-entry basis.

TTB Response

As explained in the temporary rule, to minimize delay in issuing refunds on valid claims, TTB's importer refund program relies on electronic filing systems to link the two key elements of a prospective CBMA import refund claim, that is: (1) the foreign producer's assignment of the CBMA tax benefit, and (2) the importer's entry data for the products subject to the foreign producer's assignment. The process for an importer to submit a claim then primarily consists of electing to receive tax benefit assignments by logging in to the myTTB system for submitting CBMA importer refund claims, identifying the applicable claim period and the lines on the customs entry summary or summaries for which a claim will be filed, and verifying information the importer previously submitted through ACE in the consumption entry (including payment of tax to CBP). Importers receive a single consolidated payment for all entry lines they choose to include in a claim (and which are approved by TTB). With the initial launch of TTB's CBMA importer refund claims program under the temporary regulations, TTB published numerous guidance materials about the program addressing many of the specific questions raised by the commenters; these materials included walkthroughs (user guides) of each component of the system and frequently asked questions. TTB's CBMA importer refund claims program guidance is available at *https://www.ttb.gov/regulated-commodities/beverage-alcohol/cbma/cbma-imports*.

Regarding situations in which an importer does not receive a CBMA tax benefit assignment until after an entry summary is filed, the temporary regulations generally require that importers provide CBMA tax benefit assignment information in the entry summary, either in the initial filing or in a post-summary correction. If an assignment is received after entry summary but before entry liquidation, the importer is required to submit the assignment information via a post-summary correction. Information submitted via post-summary correction is then typically available in the TTB CBMA importer refund claims system within 48 hours. For situations in which an entry has already liquidated before the importer receives the CBMA tax benefit assignment (and as a result the importer cannot provide the required data in ACE via post-summary correction), TTB has published guidance on an alternate claims procedure for specific circumstances in which it is not possible for an importer to provide required information in ACE. See Industry Circular 2023–1, ''Alternate Procedure for Submission of CBMA Importer Claims,'' available at *https://www.ttb.gov/public-information/industry-circulars/ttb-industry-circular-2023-1*.

Regarding situations where an importer files a post-summary correction or a protest with CBP on an entry after submitting a refund claim to TTB and/or after TTB has already paid a refund on a claim, TTB notes that importers are responsible for ensuring that the data that they have filed in ACE is accurate before submitting their claims through myTTB. As a result, it should be uncommon for changes to be made to the information forming the basis of the claim after the claim has been submitted. If an importer makes such a change, the importer may ultimately need to resubmit their claim or file an additional claim to reflect the appropriate entry information. This may include filing an additional claim under the procedures established in Industry Circular 2023–1, referenced above. TTB will assist importers individually as needed to address situations where an entry is modified by a post-summary correction or protest after a claim on that entry has already been filed with TTB.

C. Comments Regarding Foreign Producers' Interactions With the CBMA Importer Refunds Program

Six commenters raised questions or concerns regarding foreign producers' interactions with TTB's CBMA importer refunds program. Specifically,

commenters posed questions about certain data elements in either the foreign producer registration or CBMA tax benefit assignment. Commenters also sought clarification on the appropriate entity to submit CBMA tax benefit assignments and related rules governing third parties acting on behalf of foreign producers. Commenters also posed questions about the practicalities of submitting assignments. Finally, one commenter sought clarification of the application of controlled group rules to foreign producers.

In general, the commenters sought clarification of the practical application of the temporary regulations, raising questions that TTB has since responded to through comprehensive guidance published on its CBMA Import Resources page at *https://www.ttb.gov/alcohol/cbma-imports*. Guidance featured on the CBMA Import Resources page includes program overviews for importers and foreign producers, step-by-step walkthroughs of all aspects of the myTTB CBMA system in the form of both user guides and recorded webinars, and answers to over 40 frequently asked questions (FAQs). TTB has also addressed these and similar questions on a case-by-case basis in direct individual interactions with industry members through the TTB Call Center and Contact Forms.

TTB's responses to specific areas of concern are provided below.

1. Foreign Producer Registrations and Ownership Information

Two trade associations—the French Wine and Spirits Exporters Association and the National Association of Beverage Importers—submitted questions regarding the data elements in either the foreign producer registration or CBMA tax benefit assignment, expressing concerns over the collection and protection of foreign producers' ownership information. The National Association of Beverage Importers questioned the requirement in the temporary regulations that foreign producers submit information for persons holding a 10 percent or more ownership interest in the registering foreign producer and asked whether this collection of information was consistent with what is required of domestic taxpayers. The French Wine and Spirits Exporters Association requested assurance that the foreign producer's ownership information will not be accessible to importers or other third parties either on TTB's website or through a Freedom of Information Act request.

TTB Response

Regarding the collection of foreign producers' ownership information, as explained in the temporary rule, these requirements are necessary to implement the statutory controlled group rules, which limit eligibility for tax benefits when there is common ownership with other producers. Specifically, the IRC provides that the quantity limitations for the CBMA tax benefits are applied to the entire controlled group and shall be apportioned among the members of the controlled group. See 26 U.S.C. 5001(c)(3)(C), 5041(c)(3), and 5051(a)(5)(B).

While it is the foreign producer's ultimate responsibility to ensure that it does not assign tax benefits in excess of the quantities allowed, the temporary regulations at 27 CFR 27.256 require foreign producers who are under common ownership with other foreign or U.S. alcohol producers also claiming CBMA tax benefits to provide basic identifying information for any individual or entity that owns 10 percent or more of the foreign producer. This level of information is consistent with what TTB collects in applications for domestic producer permits and registrations. See 27 CFR 19.93(b), 24.110(c), and 25.66(b). As TTB stated in the temporary rule, TTB believes that this is the minimum amount of ownership information that is reasonably capable of identifying and validating the existence of controlled groups, and therefore necessary for enforcing the statutory controlled group rules that limit tax benefit assignments when there is common ownership. Regarding the disclosure of foreign producers' ownership information, all information collected as part of the foreign producer registration is taxpayer information protected from unauthorized disclosure as provided at 26 U.S.C. 6103.

2. Foreign Producer Registration and Food Facility Registration Numbers (FDA IDs)

Both the French Wine and Spirits Exporters Association and the National Association of Beverage Importers addressed the requirement that foreign producers provide in their TTB registration their Food Facility Registration number(s) (FDA IDs) obtained from the U.S. Food and Drug Administration. They requested clarification on what to submit in situations where the foreign producer has multiple facilities with FDA IDs and/or uses third party bottling facilities that have their own FDA IDs.

TTB Response

Under the temporary regulations, in the foreign producer registration, the foreign producer must provide ''The Food Facility Registration number(s) obtained from the U.S. Food and Drug Administration (FDA) under 21 CFR 1.225 that may be reported to FDA under 21 CFR 1.281(a)(6)(ii) for the purposes of importing into the United States the foreign producer's alcohol products.'' Accordingly, the foreign producer should report in its registration the same FDA ID(s) that it expects to be reported to FDA in connection with the importation of its products into the United States. TTB has also addressed this question on its CBMA Import Resources web page in FAQ FP–2 (*https://www.ttb.gov/alcohol/cbma-imports*).

3. CBMA Assignments and Expressing Quantities

The French Wine and Spirits Exporters Association addressed the requirement in the temporary regulations that foreign producers submit their assignment quantities in myTTB using wine gallons or proof gallons, expressing the concern that most foreign producers operate in the metric system, and it could be difficult for them to accurately convert their intended assignment quantities to wine gallons or proof gallons when making their assignments.

TTB Response

The Federal excise tax and the CBMA tax refund and credit provisions are set forth in the law in quantities expressed as wine gallons and proof gallons. To assist foreign producers in making this conversion, TTB has published metric conversion factors on its CBMA Importer Resources web page in FAQ CB–C6 (*https://www.ttb.gov/alcohol/cbma-imports*).

4. CBMA Assignments and Third Parties

Four trade organizations sought clarification on how the rules for making CBMA tax benefit assignments apply to third parties who act on behalf of foreign producers. These commenters were the Beer Institute, New Zealand Winegrowers, the National Association of Beverage Importers, and the French Wine and Spirits Exporters Association. The French Wine and Spirits Exporters Association and the National Association of Beverage Importers both pointed to the negociant model in France as a situation where it may be unclear who can or should submit assignments of CBMA tax benefits. Under that model, as explained by the comments, while the negociant is not

the producer of wine, negociants may bottle bulk wine and are primarily responsible for arranging the distribution of that wine to foreign countries. As a result, only the negociant has direct knowledge of the quantities of wine being exported through each U.S. importer. The commenters suggested that producers be able to authorize negociants to submit to TTB CBMA tax benefit assignments relating to the producers' products. Similarly, New Zealand Winegrowers expressed a concern that the temporary regulations did not adequately capture contract winemaking, where the winery producing the wine does not necessarily own the wine and may not know where the wine is distributed. Instead, in contract winemaking situations, the comment suggests that the brand owner will have direct knowledge of the importers to whom wine will be shipped. The comment states that, in this situation, the brand owner may be the more appropriate entity to submit CBMA tax benefit assignments to TTB.

Regarding third parties acting on behalf of foreign producers, the Beer Institute requested confirmation that a U.S. importer could be authorized to register a foreign producer and submit that producer's assignments in the CBMA foreign producer registration and assignment system. The French Wine and Spirits Exporters Association asked whether it would be possible for a foreign producer to authorize multiple third parties to act on its behalf in TTB's system, and for those third parties to submit assignments to different importers. The French Wine and Spirits Exporters Association and the National Association of Beverage Importers both asked whether foreign producers would be held liable for erroneous or fraudulent information submitted to TTB by the foreign producer's agent. The National Association of Beverage Importers also asked, conversely, whether TTB would consider taking action against an importer's permit if the importer, acting as agent for a foreign producer, submitted erroneous or fraudulent information in the CBMA foreign producer registration and assignment system on the foreign producer's behalf.

TTB Response

As noted above, several commenters sought clarification on what party can submit CBMA tax benefit assignments and related rules governing third parties acting on behalf of foreign producers in the CBMA foreign producer registration system. In Notice No. 215, TTB proposed regulatory text, consistent with the statute, to clarify that only the entity that produces the distilled spirits, wine, or beer may assign the CBMA tax benefits on the products produced. In this document, TTB is finalizing that provision, updating 27 CFR 27.262 to include in paragraph (c)(1) the statement that a foreign producer may not assign CBMA tax benefits on distilled spirits, wine, or beer unless it produces the product. As explained in Notice No. 215, in the case of wine or beer produced outside the United States and imported into the United States, CBMA allows the person who produced the wine to assign the tax benefit, 26 U.S.C. 5041(c)(6)(A), and allows the brewer (*i.e.,* the producer) to assign the tax benefit, 26 U.S.C. 5051(a)(4)(A), 5052(d) (definition of brewer). For distilled spirits produced outside the United States and imported into the United States, CBMA allows a ''distilled spirits operation'' to assign tax benefits. 26 U.S.C. 5001(c)(3). Although the definition of ''distilled spirits operation'' includes activities that do not constitute production, see 26 U.S.C. 5002(a)(2), and 5171(a), CBMA also states that the assignment of tax benefits for distilled spirits cannot exceed quantities *produced* by such foreign distilled spirits operation. See 26 U.S.C. 5001(c)(3)(B)(i)(I). TTB interprets this limitation to mean that a foreign distilled spirits operation cannot assign tax benefits on distilled spirits unless such operation has produced the distilled spirits. This interpretation is consistent with the same limitations imposed on foreign producers of wine and beer. See 26 U.S.C. 5041(c)(6)(A) & (B)(i)(I) and 5051(a)(4)(A) & (B)(i)(I).

Further, regulatory provisions allow foreign producers to authorize third parties to act on their behalf. The temporary regulations, finalized in this document, provide procedures at 27 CFR 27.260 for foreign producers to authorize additional persons (agents) to act on their behalf within the CBMA foreign producer registration and assignment system. The authorized agents must maintain adequate proof of authorization and provide it to TTB upon request. TTB has published guidance specifying what serves as adequate proof of authorization on its CBMA Import Resources web page under FAQ FP–6 (*https://www.ttb.gov/alcohol/cbma-imports*).

In response to concerns about whether a foreign producer could allow certain types of third parties, such as a U.S. importer or a negociant, to submit CBMA tax benefit assignments on its behalf, TTB does not place any limitations on who a foreign producer may authorize as its agent, or how many agents a foreign producer can authorize to act on its behalf. As a result, a foreign producer could authorize these persons to submit its foreign producer registration and CBMA tax benefit assignments on its behalf, and it could authorize multiple agents to manage assignments for different products. However, when entering registration or assignment information into TTB's system, those entries are deemed to be made solely as the foreign producer's agent, and not on behalf of the importer.[16] As a result, the foreign producer and their agents (including any agents who are also importers) are responsible for ensuring that information entered in TTB's system is accurate and consistent with the foreign producer's intent.

3. Practicalities of Submitting CBMA Assignments

Regarding practicalities of submitting assignments of CBMA tax benefits, the French Wine and Spirits Exporters Association asked whether assignments can be increased during the year, in case foreign producers may want to make smaller assignments throughout the calendar year. An anonymous commenter suggested that some foreign producers may prefer to submit CBMA tax assignments after the end of the calendar year for inventory calculation or other reasons and requested that TTB extend the time period for submitting assignments through February of the next year. The commenter also urged TTB to find a simple way to associate an importer's entry with a specific foreign producer's assignment.

TTB Response

First, in response to the question about whether a foreign producer may increase the quantity of an assignment during the year, TTB confirms that a foreign producer may increase the quantity of an assignment during the year, up to the limits set by law. TTB has published guidance on the process for doing so on its CBMA Import Resources web page under FAQ TB–9 (*https://www.ttb.gov/alcohol/cbma-imports*).

Second, one commenter requested that TTB extend the timeframe for submitting CBMA tax benefit assignments to TTB. The temporary regulations provided that assignments of CBMA tax benefits must be submitted on or before December 31 of the calendar year for which the CBMA tax

[16] Specifically, an individual authorized as an agent for a foreign producer who also works for a U.S. importer would be acting solely as agent for the foreign producer when interacting with the CBMA foreign producer registration and assignment system for that foreign producer.

benefits are assigned. See 27 CFR 27.262. As explained in the temporary rule, TTB believed requiring the foreign producer to make its assignments for that year within the calendar year to which the assignment applied was necessary to effectively administer the provisions. For example, TTB explained that it may be impossible to adequately determine or verify a foreign producer's controlled group status beyond the applicable year, and any change in controlled group assignments could affect other assignments among members of the controlled group. In addition, any effect on a foreign producer's assignments to one importer could affect the foreign producer's assignments to other importers, compounding these complications when applying assignments over prior years. While TTB continues to believe that a firm deadline within close proximity to the end of the calendar year is necessary for these reasons, TTB also recognizes that some foreseeable circumstances require additional flexibility. Specifically, because the claims filing period for the final calendar quarter generally does not open until January 1 of the subsequent calendar year, it is possible that an importer may only discover a problem with one of its assignments after the December 31 deadline has passed. As a result, in this final rule, TTB is extending the timeframe for submitting CBMA tax benefit assignments through March 31 of the calendar year following the calendar year for which the CBMA tax benefits are assigned.

4. Controlled Groups

Finally, one anonymous commenter sought clarification of the controlled group limitations on the CBMA tax benefits, and specifically how those limitations may apply differently to foreign versus domestic producers. The commenter explained their understanding that, domestically, controlled group limitations on CBMA tax benefit quantities apply to both producers and ''brand owners,'' and accordingly an owner of multiple brands would be limited to a single quantity of CBMA tax benefits for all of the brands combined even if the brand owner contracted out the production of their various brands to multiple unrelated producers. Conversely, the comment suggests, controlled group limitations for foreign producers apply only to producers and not brand owners.

TTB Response

TTB first notes that the statutory controlled group limitations apply equally to both foreign and domestic producers. That is, the IRC provides that the quantity limitations for the CBMA tax benefits are applied to the entire controlled group and shall be apportioned among the members of the controlled group (regardless of whether those members are foreign producers, domestic producers, or both). See 26 U.S.C. 5001(c)(3)(C), 5041(c)(3), and 5051(a)(5)(B).

However, TTB notes that there are other, different limitations applicable to domestic producers and foreign producers. For example, TTB understands the limitations described by the commenter concerning ''brand owners'' who are not producers to be referencing the CBMA ''single taxpayer'' provisions. See 26 U.S.C. 5001(c)(2)(D), 5041(c)(3), and 5051(a)(5)(C). These provisions operate similarly to the controlled group limitations, but apply only to domestic production and generally provide that two or more entities are treated as a ''single taxpayer'' when they produce beer, wine, or distilled spirits ''under a license, franchise, or other arrangement,'' even if those entities are not under common control.

Because these single taxpayer provisions apply only to domestic production, the commenter suggests that the playing field favors foreign production. TTB notes that there are different statutory limitations on CBMA tax benefits applicable only to imported products. For example, foreign producers do not directly realize CBMA tax benefits but must assign them to U.S. importers and negotiate any compensation for the assignment with the importer. Additionally, under the law, domestic producers are able to claim their CBMA tax benefits at the time of initial taxpayment, while importers must pay the full rate of tax and subsequently file a refund claim. TTB does not have authority to alter any of these statutory limitations through regulation.

III. Adoption of Final Rule

Based on the foregoing, TTB has determined that the temporary regulations published in T.D. TTB–186 should be adopted as a final rule, with the following changes discussed above:

- In § 27.262(c), which addresses limitations to assignments, TTB is adding the statement in paragraph (c)(1) that a foreign producer may not assign CBMA tax benefits on distilled spirits, wine, or beer unless it produces the product.
- In § 27.262(d), which concerns timing of CBMA tax benefits assignments, TTB is extending the timeframe for submitting an assignment, from December 31 to March 31 of the calendar year following the calendar year for which the CBMA tax benefits are assigned.

IV. Regulatory Analyses and Notices

A. Regulatory Flexibility Act

In accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), TTB has analyzed the potential economic effects of this action on small entities. In lieu of the final regulatory flexibility analysis required to accompany final rules under 5 U.S.C. 604, section 605 allows the head of an agency to certify that a rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. TTB certifies that this final rule will not have a significant economic impact on a substantial number of small entities. This final rule finalizes regulations initially set forth in the temporary rule T.D. TTB–186, ''Implementation of Refund Procedures for Craft Beverage Modernization Act Federal Excise Tax Benefits Applicable to Imported Alcohol,'' and the accompanying notice of proposed rulemaking, Notice No. 215, of the same name.

Pursuant to 26 U.S.C. 7805(f), TTB submitted T.D. TTB–186 and Notice No. 215 to the Chief Counsel for Advocacy of the Small Business Administration (SBA) for comment on the impact of the regulations on small businesses. The SBA Office of Advocacy submitted a public comment stating that the proposed rules lacked the substantive information necessary to establish a factual basis for certification under the Regulatory Flexibility Act. In particular, the Office of Advocacy stated that the certification statement did not identify the small entities affected by the rules, and did not adequately describe the costs of the rules to those small entities.

The following analysis provides the factual basis for TTB's certification under section 605.

i. Impact on Small Entities

While TTB believes the majority of businesses subject to the regulations are small businesses, the regulations in this document will not have a significant impact on those small entities. Under the North American Industry Classification System (NAICS), the small entities affected by the final regulations are beverage alcohol importers falling under NAICS 424810 (''Beer and Ale Merchant Wholesalers'') and NAICS 424820 (Wine and Distilled Alcoholic Beverage Merchant Wholesalers).

From these entities, TTB is requiring the minimum information necessary to administer the statutory requirements of The Tax Relief Act of 2020 concerning the CBMA tax benefits for imported alcohol. To the extent that any burden exists, such burden flows from the statute itself and the shift to the refund method of obtaining CBMA tax benefits. The electronic systems established by TTB have not posed a significant burden because the majority of the foreign producers and importers already filed electronically with FDA and CBP, respectively, and TTB's systems are not substantially different or more burdensome than those established by FDA and CBP. Furthermore, TTB has taken extensive steps through the publication of guidance to ensure that industry members were able to easily acclimate to the new system.

TTB has published and maintained comprehensive guidance about its CBMA importer refund program to help industry members successfully take advantage of their tax benefits. TTB's CBMA Import Resources page (*https://www.ttb.gov/alcohol/cbma-imports*) includes program overviews for importers and foreign producers, step-by-step walkthroughs of all aspects of the myTTB CBMA system in the form of both user guides and recorded webinars, and answers to over 40 frequently asked questions (FAQs). TTB also works directly with industry members to ensure their claims are successfully submitted and processed.

Importers and foreign producers have been operating under TTB's temporary regulations for nearly three years. In that time, over 23,000 foreign producer registrations have been submitted to TTB from 129 countries. Foreign producers have submitted over 70,000 assignments of CBMA tax benefits to over 2,200 importers. Since the initial myTTB launch of TTB's CBMA importer refund claims system in April 2023, over 20,000 valid claims have been submitted by U.S. importers and as of August 2025, TTB has paid over $679 million in refunds on those claims. As of August 2025, the median processing time for claims over the life of the program has been 16 days, with approximately 24 percent of system submitted claims processed using automated validation, leading to claim payments to importers in typically under a week. Processing times have declined as the program has matured. In fiscal year 2025 TTB has achieved an automated validation rate of 66 percent, with over 77 percent of claims processed within 15 days and over 99 percent of claims processed within 45 days.

As noted above, TTB provides direct assistance to industry members on their claims. Data on the assistance sought by industry members demonstrates that industry has, in general, quickly adapted to TTB's CBMA importer refund program. For example, TTB's call center data has shown a steady decrease in questions on CBMA claims even while the volume of claims processed has increased.

For the reasons described above, and in accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), TTB certifies that the regulations will not have a significant economic impact on a substantial number of small entities. The rule will not impose, or otherwise cause, a significant increase in reporting, recordkeeping, or other compliance burdens on a substantial number of small entities. TTB expects that the regulations will not have significant secondary or incidental effects on a substantial number of small entities. Accordingly, a regulatory flexibility analysis is not required.

B. Executive Order 12866

It has been determined that this rule is not a significant regulatory action as defined by Executive Order 12866. Therefore, a regulatory impact assessment is not required.

C. Paperwork Reduction Act

Regulations addressed in this final rule contain current collections of information that have been previously reviewed and approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3507). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

The collection of information associated with the regulations adopted in T.D. TTB–186 is assigned control number 1513–0142. Revisions to this collection and their connections to the regulatory amendments in T.D. TTB–186 are described in detail in that document, which also solicited comment regarding the revisions. TTB received no comments on the revisions. In cases where TTB revised the collections, these revisions were submitted to and approved by OMB.

D. Effective Date

This document finalizes temporary regulations that were effective on October 24, 2022, to implement changes made to the IRC by the Tax Relief Act of 2020. These regulations implemented statutory provisions that applied to foreign production removed after December 31, 2022. *See e.g.,* 26 U.S.C. 5001(c)(4). Because industry members have been operating for almost three years under not only this statutory framework but also the temporary regulations finalized in this document, and to avoid any risk of disruption of the provision of tax refunds to which industry members are entitled, TTB finds good cause under 5 U.S.C. 553(d)(3) to dispense with the effective date limitation in 5 U.S.C. 553(d). This final rule will be effective on September 22, 2025.

List of Subjects

27 CFR Part 26

Alcohol and alcoholic beverages, Beer, Excise taxes, Imports, Liquors, Notice requirements, Reporting and recordkeeping requirements, Wine.

27 CFR Part 27

Alcohol and alcoholic beverages, Beer, Excise taxes, Imports, Liquors, Notice requirements, Reporting and recordkeeping requirements, Wine.

Amendments to the Regulations

For the reasons discussed in the preamble, the temporary regulations published in the **Federal Register** on September 23, 2022, at 87 FR 58021, as T.D. TTB–186, are adopted as final, with the changes as discussed above and set forth below:

PART 27—IMPORTATION OF DISTILLED SPIRITS, WINES, AND BEER

■ 1. The authority citation for part 27 continues to read as follows:

Authority: 5 U.S.C. 552(a), 19 U.S.C. 81c, 1202; 26 U.S.C. 5001, 5007, 5008, 5010, 5041, 5051, 5054, 5061, 5121, 5122–5124, 5201, 5205, 5207, 5232, 5273, 5301, 5313, 5382, 5555, 6038E, 6065, 6109, 6302, 7805.

■ 2. Section 27.262 is amended by revising paragraphs (c)(1) and (d) to read as follows:

§ 27.262 Foreign producer's assignment of CBMA tax benefits.

* * * * *

(c) * * *

(1) *General.* A foreign producer may not assign CBMA tax benefits on distilled spirits, wine, or beer unless it produced the product. The foreign producer may assign quantities that are limited to the number of proof gallons, wine gallons, and beer barrels in paragraph (b)(4) of this section, and also cannot exceed the quantities of the foreign producer's distilled spirits, wine, and beer that are reasonably projected to be imported into the United

States during the specified calendar year by the importer receiving the assignment.

* * * * *

(d) *Timing.* Assignments of CBMA tax benefits may be submitted to TTB beginning no earlier than October 1st of the calendar year prior to the year for which the CBMA tax benefits are to be assigned. Assignments of CBMA tax benefits must be submitted on or before March 31 of the calendar year following the calendar year for which the CBMA tax benefits are assigned.

* * * * *

Signed: September 18, 2025.

Mary G. Ryan,

Administrator.

Approved: September 18, 2025.

Kenneth J. Kies,

Assistant Secretary for Tax Policy.

[FR Doc. 2025–18281 Filed 9–19–25; 8:45 am]

BILLING CODE 4810–10–P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket Number USCG–2025–0776]

RIN 1625–AA00

Safety Zone; Atlantic Ocean, Wrightsville Beach, NC

AGENCY: Coast Guard, DHS.

ACTION: Temporary final rule.

SUMMARY: The Coast Guard is establishing a temporary safety zone for certain waters of the Atlantic Ocean near the Wrightsville Beach, NC waterfront. This action is necessary to provide for the safety of life on these navigable waters during an air show, consisting of civilian and military aircraft flyovers, on October 02, 2025. This rule prohibits persons and vessels from being in the safety zone unless authorized by the Captain of the Port, Sector North Carolina or a designated representative.

DATES: This rule is effective from 4:30 p.m. to 6:30 p.m. on October 2, 2025.

ADDRESSES: To view available documents go to *https://www.regulations.gov* and search for USCG–2025–0776.

FOR FURTHER INFORMATION CONTACT: If you have questions about this rulemaking, call or email Lieutenant Shay Hutchings, Waterways Management Division Chief, U.S. Coast Guard Sector North Carolina; telephone 571–610–0084, email *shay.p.hutchings@uscg.mil.*

SUPPLEMENTARY INFORMATION:

I. Table of Abbreviations

CFR Code of Federal Regulations
DHS Department of Homeland Security
COTP Captain of the Port, Sector North Carolina
FR Federal Register
NPRM Notice of proposed rulemaking
§ Section
U.S.C. United States Code

II. Background, Purpose, and Legal Basis

The Coast Guard has received notice that an air show near Wrightsville Beach, NC, consisting of civilian and military aircraft flyovers, will take place from 4:30 p.m. to 6:30 p.m. on October 02, 2025. Because air shows include high speed and low-level aircraft aerobatics, potential hazards associated with the aircraft flyovers pose a safety concern to anyone beneath the performing aircraft. The Captain of the Port, Sector North Carolina (COTP) is therefore establishing a safety zone consisting of a 5,000 foot by 2,500 foot aerobatic box, over the waterfront area of Wrightsville Beach, NC to ensure the safety of vessels and the navigable waters within the designated safety zone before, during, and after the scheduled event. The Coast Guard is issuing this rule under authority in 46 U.S.C. 70034.

The Coast Guard is issuing this rule without prior notice and comment. As is authorized by 5 U.S.C. 553(b)(B), the Coast Guard finds that good cause exists for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule because it is impracticable to do so. There is insufficient time to solicit and respond to comments if the rule is to be in place by Oct. 2.

In addition, as there are less than 30 days between publication of this rule and Oct. 2, it is impracticable to delay the effective date of the rule by 30 days. Therefore, the Coast Guard also finds that under 5 U.S.C. 553(d)(3), good cause exists for making this rule effective less than 30 days after publication in the FR.

III. Discussion of the Rule

The COTP is establishing a safety zone from 4:30 p.m. to 6:30 p.m. on October 02, 2025. The safety zone would cover all navigable waters within a 5,000 foot by 2,500 foot aerobatic box located near the waterfront area of Wrightsville Beach, NC. The duration of the zone is intended to ensure the safety of vessels and these navigable waters before, during, and after the scheduled 4:30 p.m. to 6:30 p.m. air show display. No vessel or person will be permitted to enter the safety zone without obtaining permission from the COTP or a designated representative. To seek permission to enter, contact the COTP or the COTP's representative by calling the Sector North Carolina Command Center at phone number 833–732–8628. The regulatory text of the rule appears at the end of this document.

IV. Regulatory Analyses

We developed this rule after considering numerous statutes and Executive orders related to rulemaking. Below we summarize our analyses based on a number of these statutes and Executive orders.

A. Impact on Small Entities

The regulatory flexibility analysis provisions of the Regulatory Flexibility Act of 1980, 5 U.S.C. 601–612, do not apply to rules that are not subject to notice and comment. Because the Coast Guard has, for good cause, waived the notice and comment requirement that would otherwise apply to this rulemaking, the Regulatory Flexibility Act's flexibility analysis provisions do not apply here.

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this rule. If the rule would affect your small business, organization, or governmental jurisdiction and you have questions concerning its provisions or options for compliance, please call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

Small businesses may send comments to the Small Business and Agriculture Regulatory Enforcement Ombudsman and the Regional Small Business Regulatory Fairness Boards by calling 1–888–REG–FAIR (1–888–734–3247). The Coast Guard will not retaliate against small entities that question or complain about this rule or any policy or action of the Coast Guard.

B. Collection of Information

This rule would not call for a new collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520).

C. Federalism and Indian Tribal Governments

A rule has implications for federalism under Executive Order 13132 (Federalism), if it has a substantial direct effect on the States, on the relationship between the National Government and the States, or on the distribution of power and