Public Law 91-673

AN ACT

January 12, 1971
[H. R. 6562]

To amend certain provisions of the Internal Revenue Code of 1954 relating to beer, and for other purposes.

Taxes.
Beer.
72 Stat. 1335.
26 USC 5056.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5056 of the Internal Revenue Code of 1954 (relating to refund and credit of tax, or relief from liability) is amended to read as follows:

"SEC. 5056. REFUND AND CREDIT OF TAX, OR RELIEF FROM LIABILITY.

"(a) BEER RETURNED OR VOLUNTARILY DESTROYED.—Any tax paid by any brewer on beer produced in the United States may be refunded or credited to the brewer, without interest, or if the tax has not been paid, the brewer may be relieved of liability therefor, under such regulations as the Secretary or his delegate may prescribe, if such beer is returned to any brewery of the brewer or is destroyed under the supervision required by such regulations. In determining the amount of tax due on beer removed on any day, the quantity of beer returned to the same brewery from which removed shall be allowed, under such regulations as the Secretary or his delegate may prescribe, as an offset against or deduction from the total quantity of beer removed from that brewery on the day of such return.

"(b) BEER LOST BY FIRE, THEFT, CASUALTY, OR ACT OF GOD.—Subject to regulations prescribed by the Secretary or his delegate, the tax paid by any brewer on beer produced in the United States may be refunded or credited to the brewer, without interest, or if the tax has not been paid, the brewer may be relieved of liability therefor, if such beer is lost, whether by theft or otherwise, or is destroyed or otherwise rendered unmerchantable by fire, casualty, or act of God before the transfer of title thereto to any other person. In any case in which beer is lost or destroyed, whether by theft or otherwise, the Secretary or his delegate may require the brewer to file a claim for relief from the tax and submit proof as to the cause of such loss. In every case where it appears that the loss was by theft, the first sentence shall not apply unless the brewer establishes to the satisfaction of the Secretary or his delegate that such theft occurred before removal from the brewery and occurred without connivance, collusion, fraud, or negligence on the part of the brewer, consignor, consignee, bailee, or carrier, or the employees or agents of any of them.

"(c) LIMITATIONS.—No claim under this section shall be allowed (1) unless filed within 6 months after the date of the return, loss, destruction, or rendering unmerchantable or (2) if the claimant was indemnified by insurance or otherwise in respect of the tax."

(b) Section 5052(c)(2) of such Code (relating to definition of removed for consumption or sale) is amended to read as follows:

"(2) REMOVALS.—Any removal of beer from the brewery."

Exemptions.

SEC. 2. Section 5053 of the Internal Revenue Code of 1954 (relating to exemptions from imposition of tax on beer) is amended by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection:

"(d) REMOVALS FOR RESEARCH, DEVELOPMENT, OR TESTING.—Under such conditions and regulations as the Secretary or his delegate may prescribe, beer may be removed from the brewery without payment of tax for use in research, development, or testing (other than consumer testing or other market analysis) of processes, systems, materials, or equipment relating to beer or brewery operations."

Revenue bonds.
72 Stat. 1388.

SEC. 3. (a) Section 5401(b) of the Internal Revenue Code of 1954 (relating to bonds) is amended by striking out the last sentence and

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

inserting in lieu thereof the following: "Once in every 4 years, or whenever required so to do by the Secretary or his delegate, the brewer shall execute a new bond or a continuation certificate, in the penal sum prescribed in pursuance of this section, and conditioned as above provided, which bond or continuation certificate shall be in lieu of any former bond or bonds, or former continuation certificate or certificates, of such brewer in respect to all liabilities accruing after its approval. If the contract of surety between the brewer and the surety on an expiring bond or continuation certificate is continued in force between the parties for a succeeding period of not less than 4 years, the brewer may submit, in lieu of a new bond, a certificate executed, under penalties of perjury, by the brewer and the surety attesting to continuation of the bond, which certificate shall constitute a bond subject to all provisions of law applicable to bonds given pursuant to this section."

(b) Section 5402(a) of such Code (relating to definition of brewery) is amended to read as follows: 72 Stat. 1389. 26 USC 5402.

"(a) BREWERY.—The brewery shall consist of the land and buildings described in the brewer's notice. The continuity of the brewery must be unbroken except where separated by public passageways, streets, highways, waterways, or carrier rights-of-way, or partitions; and if parts of the brewery are so separated they must abut on the dividing medium and be adjacent to each other. Notwithstanding the preceding sentence, facilities under the control of the brewer for case packing, loading, or storing which are located within reasonable proximity to the brewery packaging facilities may be approved by the Secretary or his delegate as a part of the brewery if the revenue will not be jeopardized thereby."

(c) Section 5411 of such Code (relating to use of brewery) is amended to read as follows:

"SEC. 5411. USE OF BREWERY.

"The brewery shall be used under regulations prescribed by the Secretary or his delegate only for the purpose of producing, packaging, and storing beer, cereal beverages containing less than one-half of 1 percent of alcohol by volume, vitamins, ice, malt, malt sirup, and other byproducts and of soft drinks; for the purpose of processing spent grain, carbon dioxide, and yeast; and for such other purposes as the Secretary or his delegate by regulation may find will not jeopardize the revenue."

(d) Section 5412 of such Code (relating to removal of beer in containers, etc.) is amended by striking out "barrels, kegs, bottles," and inserting "packages,".

"(e) Section 5416 of such Code (relating to definitions of bottle and bottling) is amended to read as follows:

"SEC. 5416. DEFINITIONS OF PACKAGE AND PACKAGING.

"For purposes of this subchapter, the term 'package' means a bottle, can, keg, barrel, or other original consumer container, and the term 'packaging' means the filling of any package."

SEC. 4. (a) Part II of subchapter G of chapter 51 of the Internal Revenue Code of 1954 (relating to operations) is amended by adding at the end thereof the following new section: 26 USC 5411.

"SEC. 5417. PILOT BREWING PLANTS.

"Under such regulations as the Secretary or his delegate may prescribe, and on the filing of such bonds and applications as he may require, pilot brewing plants may, at the discretion of the Secretary or his delegate, be established and operated off the brewery premises for research, analytical, experimental, or development purposes with regard to beer or brewery operations. Nothing in this section shall be

construed as authority to waive the filing of any bond or the payment of any tax provided for in this chapter."

(b) The table of sections for part II of subchapter G of chapter 51 of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 5416. Definitions of package and packaging.
"Sec. 5417. Pilot brewing plants."

Effective date.

SEC. 5. The amendments made by the first four sections of this Act shall take effect on the first day of the first calendar month which begins more than 90 days after the date of the enactment of this Act.

Approved January 12, 1971.

Public Law 91-674

AN ACT

January 12, 1971
[H. R. 7626]

To amend the Tariff Schedules of the United States with respect to the tariff classification of certain sugars, sirups, and molasses, and for other purposes.

Certain sugars, sirups, molasses. Tariff classification. 77A Stat. 56.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the article description for item 155.40 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended to read as follows: "Sugars, sirups, molasses, and mixtures thereof; all the foregoing derived from sugar cane or sugar beets and containing soluble nonsugar solids (excluding any foreign substance that may have been added or developed in the product) equal to over 6% by weight of the total soluble solids, if imported for use other than (a) the commercial extraction of sugar, or (b) human consumption".

Effective date.

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act. Upon request therefor filed with the customs officer concerned on or before the one hundred and twentieth day after the date of enactment of this Act, entries and withdrawals of articles described in item 155.40 of the Tariff Schedules of the United States (as amended by the first section of this Act) which were made after August 30, 1963, and before the date of enactment of this Act shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entries or withdrawals had been made on the date of the enactment of this Act.

Ante, p. 284.

SEC. 3. Upon request therefor, filed with the Customs Officer concerned on or before the 30th day after the date of enactment of this Act, warehouse entries made in the period February 1967 to May 1967, inclusive, shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated with the assessment of duty at the rate of 0.012 cent per pound of total sugars with respect to sugar products withdrawn from warehouse for consumption after manipulation in accordance with section 562 of the Tariff Act, upon the furnishing of appropriate evidence that such sugar products were actually used for purposes other than (a) human consumption or (b) the commercial extraction of sugar.

46 Stat. 745. 19 USC 1562.

Approved January 12, 1971.