

## § 17.181

§17.170 shall be kept at the premises where distilled spirits are used in the manufacture or production of nonbeverage products and shall be readily available during the manufacturer's regular business hours for examination and copying by the appropriate TTB officers. At the same time, any other books, papers, records or memoranda in the possession of the manufacturer, which have a bearing upon the matters required to be alleged in a claim for drawback, shall be available for inspection by appropriate TTB officers.

(26 U.S.C. 5113, 5123)

[T.D. ATF-379, 61 FR 31412, June 20, 1996, as amended by T.D. TTB-79, 74 FR 37402, July 28, 2009]

### Subpart I—Miscellaneous Provisions

#### § 17.181 Exportation of medicinal preparations and flavoring extracts.

Medicinal preparations and flavoring extracts, approved for drawback under the provisions of this part, may be exported subject to 19 U.S.C. 1313(d), which authorizes export drawback equal to the entire amount of internal revenue tax found to have been paid on the domestic alcohol used in the manufacture of such products. (Note: Export drawback is not allowed for imported alcohol under this provision of customs law.) Claims for such export drawback shall be filed in accordance with the applicable regulations of U.S. Customs and Border Protection. Such claims may cover either the full rate of tax which has been paid on the alcohol, if no nonbeverage drawback has been claimed thereon, or else the remainder of the tax if nonbeverage drawback under 26 U.S.C. 5114 has been or will be claimed.

[T.D. ATF-379, 61 FR 31412, June 20, 1996, as amended by T.D. TTB-79, 74 FR 37402, July 28, 2009; T.D. TTB-196 89 FR 87937, Nov. 6, 2024]

#### § 17.182 Drawback claims by druggists.

Drawback of tax under 26 U.S.C. 5114 is allowable on taxpaid distilled spirits used by druggists in compounding prescriptions. The prescriptions so compounded shall be shown in the supporting data by listing the first and

## 27 CFR Ch. I (4–1–25 Edition)

last serial numbers thereof. The amount of taxpaid spirits used in each prescription need not be shown, but such prescriptions shall be made available for examination by appropriate TTB officers. If refills have been made of prescriptions received in a previous claim period, their serial numbers shall be recorded separately. Druggists claiming drawback as authorized by this section are subject to all the applicable requirements of this part, except those requiring the filing of quantitative formulas.

[T.D. ATF-379, 61 FR 31412, June 20, 1996, as amended by T.D. TTB-79, 74 FR 37402, July 28, 2009]

#### § 17.183 Disposition of recovered alcohol and material from which alcohol can be recovered.

(a) *Recovered alcohol.* Manufacturers of nonbeverage products shall not sell or transfer recovered spirits to any other premises without TTB authorization under §17.3. If recovered spirits are stored pending reuse, storage facilities shall be adequate to protect the revenue. If recovered spirits are destroyed, the record required by §17.168(c) must be kept. Spirits recovered from intermediate products may be destroyed without notice to TTB. Spirits recovered from nonbeverage products may be destroyed pursuant to a notice filed with the appropriate TTB officer at least 12 days prior to the date of destruction. The notice shall state the reason for the destruction, the intended date of destruction, and the approximate quantity involved. The appropriate TTB officer may impose specific conditions, including requiring that the destruction be witnessed by an appropriate TTB officer. Unless the manufacturer is otherwise advised by the appropriate TTB officer before the date specified in the notice, the destruction may proceed as planned.

(b) *By-product material (general).* By-product material from which alcohol can be recovered shall not be sold or transferred unless the alcohol has been removed or an approved substance has been added to prevent recovery of residual alcohol. Material from which alcohol can be recovered may also be destroyed on the manufacturer's premises by a suitable method. Except as