

EFFECTIVE DATE

Pub. L. 105-34, title XIV, §1422(c), Aug. 5, 1997, 111 Stat. 1050, provided that: “The amendments made by this section [enacting this section] shall take effect on the 1st day of the 1st calendar quarter that begins at least 180 days after the date of the enactment of this Act [Aug. 5, 1997].”

§ 5365. Segregation of operations

The Secretary may require by regulations such segregation of operations within the premises, by partitions or otherwise, as may be necessary to prevent jeopardy to the revenue, to prevent confusion between untaxpaid wine operations and such other operations as are authorized in this subchapter, to prevent substitution with respect to the several methods of producing effervescent wines, and to prevent the commingling of standard wines with other than standard wines.

(Added Pub. L. 85-859, title II, §201, Sept. 2, 1958, 72 Stat. 1381; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 96-39, title VIII, §807(a)(47), July 26, 1979, 93 Stat. 287.)

Editorial Notes

PRIOR PROVISIONS

A prior section 5365, act Aug. 16, 1954, ch. 736, 68A Stat. 665, consisted of provisions similar to those comprising this section, prior to the general revision of this chapter by Pub. L. 85-859.

AMENDMENTS

1979—Pub. L. 96-39 authorized segregation of operations to prevent the commingling of standard wines with other than standard wines.

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-39 effective Jan. 1, 1980, see section 810 of Pub. L. 96-39, set out as a note under section 5001 of this title.

§ 5366. Supervision

The Secretary may by regulations require that operations at a bonded wine cellar or taxpaid wine bottling house be supervised by an internal revenue officer where necessary for the protection of the revenue or for the proper enforcement of this subchapter.

(Added Pub. L. 85-859, title II, §201, Sept. 2, 1958, 72 Stat. 1381; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

Editorial Notes

PRIOR PROVISIONS

A prior section 5366, act Aug. 16, 1954, ch. 736, 68A Stat. 666, consisted of provisions similar to those comprising this section, prior to the general revision of this chapter by Pub. L. 85-859.

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

§ 5367. Records

The proprietor of a bonded wine cellar or a tax-paid wine bottling house shall keep such

records and file such returns, in such form and containing such information, as the Secretary may by regulations provide.

(Added Pub. L. 85-859, title II, §201, Sept. 2, 1958, 72 Stat. 1381; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

Editorial Notes

PRIOR PROVISIONS

A prior section 5367, act Aug. 16, 1954, ch. 736, 68A Stat. 666, consisted of provisions similar to those comprising this section, prior to the general revision of this chapter by Pub. L. 85-859.

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

§ 5368. Gauging and marking**(a) Gauging and marking**

All wine or wine spirits shall be locked, sealed, and gauged, and shall be marked, branded, labeled, or otherwise identified, in such manner as the Secretary may by regulations prescribe.

(b) Marking

Wines shall be removed in such containers (including vessels, vehicles, and pipelines) bearing such marks and labels evidencing compliance with this chapter, as the Secretary may by regulations prescribe.

(Added Pub. L. 85-859, title II, §201, Sept. 2, 1958, 72 Stat. 1381; amended Pub. L. 94-455, title XIX, §§1905(a)(20), 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1820, 1834.)

Editorial Notes

PRIOR PROVISIONS

A prior section 5368, act Aug. 16, 1954, ch. 736, 68A Stat. 666, consisted of provisions similar to those comprising this section, prior to the general revision of this chapter by Pub. L. 85-859.

AMENDMENTS

1976—Pub. L. 94-455 substituted “Gauging and marking” for “Gauging, marking, and stamping” in section catchline, substituted “Marking” for “Stamping” in heading for subsec. (b), and, in text of subsec. (b), substituted “marks and labels” for “marks, labels, and stamps” and struck out “or his delegate” after “Secretary” wherever appearing.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1905(a)(20) of Pub. L. 94-455 effective on first day of first month which begins more than 90 days after Oct. 4, 1976, see section 1905(d) of Pub. L. 94-455, set out as a note under section 5005 of this title.

§ 5369. Inventories

Each proprietor of premises subject to the provisions of this subchapter shall take and report such inventories as the Secretary may by regulations prescribe.

(Added Pub. L. 85-859, title II, §201, Sept. 2, 1958, 72 Stat. 1381; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

Editorial Notes

PRIOR PROVISIONS

A prior section 5369, act Aug. 16, 1954, ch. 736, 68A Stat. 666, consisted of provisions similar to those comprising this section, prior to the general revision of this chapter by Pub. L. 85-859.

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

§ 5370. Losses**(a) General**

No tax shall be collected in respect of any wines lost or destroyed while in bond, except that tax shall be collected—

(1) Theft

In the case of loss by theft, unless the Secretary shall find that the theft occurred without connivance, collusion, fraud, or negligence on the part of the proprietor or other person responsible for the tax, or the owner, consignor, consignee, bailee, or carrier, or the agents or employees of any of them; and

(2) Voluntary destruction

In the case of voluntary destruction, unless the wine was destroyed under Government supervision, or on such adequate notice to, and approval by, the Secretary as regulations shall provide.

(b) Proof of loss

In any case in which the wine is lost or destroyed, whether by theft or otherwise, the Secretary may require by regulations the proprietor of the bonded wine cellar or other person liable for the tax 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 burden shall be on the proprietor or other person liable for the tax to establish to the satisfaction of the Secretary, that such loss did not occur as the result of connivance, collusion, fraud, or negligence on the part of the proprietor, owner, consignor, consignee, bailee, or carrier, or the agents or employees of any of them.

(Added Pub. L. 85-859, title II, §201, Sept. 2, 1958, 72 Stat. 1381; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

Editorial Notes

PRIOR PROVISIONS

A prior section 5370, act Aug. 16, 1954, ch. 736, 68A Stat. 666, consisted of provisions similar to those comprising this section, prior to the general revision of this chapter by Pub. L. 85-859.

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

§ 5371. Insurance coverage, etc.

Any remission, abatement, refund, or credit of, or other relief from, taxes on wines or wine spirits authorized by law shall be allowed only to the extent that the claimant is not indemnified or recompensed for the tax.

(Added Pub. L. 85-859, title II, §201, Sept. 2, 1958, 72 Stat. 1382.)

Editorial Notes

PRIOR PROVISIONS

A prior section 5371, act Aug. 16, 1954, ch. 736, 68A Stat. 667, consisted of provisions similar to those comprising this section, prior to the general revision of this chapter by Pub. L. 85-859.

§ 5372. Sampling

Under regulations prescribed by the Secretary, wine may be utilized in any bonded wine cellar for testing, tasting, or sampling, free of tax.

(Added Pub. L. 85-859, title II, §201, Sept. 2, 1958, 72 Stat. 1382; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

Editorial Notes

PRIOR PROVISIONS

A prior section 5372, act Aug. 16, 1954, ch. 736, 68A Stat. 667, consisted of provisions similar to those comprising this section, prior to the general revision of this chapter by Pub. L. 85-859.

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

§ 5373. Wine spirits**(a) In general**

The wine spirits authorized to be used in wine production shall be brandy or wine spirits produced in a distilled spirits plant (with or without the use of water to facilitate extraction and distillation) exclusively from—

(1) fresh or dried fruit, or their residues,

(2) the wine or wine residues, therefrom, or

(3) special natural wine under such conditions as the Secretary may by regulations prescribe;

except that where, in the production of natural wine or special natural wine, sugar has been used, the wine or the residuum thereof may not be used if the unfermented sugars therein have been refermented. Such wine spirits shall not be reduced with water from distillation proof, nor be distilled, unless regulations otherwise provide, at less than 140 degrees of proof (except that commercial brandy aged in wood for a period of not less than 2 years, and barreled at not less than 100 degrees of proof, shall be deemed wine spirits for the purpose of this subsection).

(b) Withdrawal of wine spirits

(1) The proprietor of any bonded wine cellar may withdraw and receive wine spirits without payment of tax from the bonded premises of any distilled spirits plant, or from any bonded wine cellar as provided in paragraph (2), for use in the production of natural wine, for addition to concentrated or unconcentrated juice for use in wine production, or for such other uses as may be authorized in this subchapter.

(2) Wine spirits so withdrawn, and not used in wine production or as otherwise authorized in this subchapter, may, as provided by regulations prescribed by the Secretary, be transferred to the bonded premises of any distilled spirits