

## § 19.396

countries to which such product is to be exported.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended, 1374, as amended (26 U.S.C. 5201, 5301))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF-237, 51 FR 36395, Oct. 10, 1986; T.D. ATF-283, 54 FR 11704, Mar. 22, 1989]

### § 19.396 Spirits removed for shipment to Puerto Rico.

Spirits removed for shipment to Puerto Rico with benefit of drawback or without payment of tax under the provisions of 27 CFR part 28 are subject to the provisions of 27 CFR part 5 in respect to labeling requirements and standards of fill for bottles.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended, (26 U.S.C. 5201))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. TTB-8, 69 FR 3829, Jan. 27, 2004]

### § 19.397 Spirits not originally intended for export.

Spirits manufactured, produced, bottled in bottles, packed in containers, or which are packaged in casks or other bulk containers in the United States, originally intended for domestic use may be exported with benefit of drawback or without payment of tax if the cases or bulk containers are marked as required by 27 CFR part 28. The proprietor may relabel the spirits to show any of the information provided for in § 19.395. When the proprietor desires to file a claim for drawback on spirits prepared for export under this section, the provisions of 27 CFR 28.195b shall be followed. When the proprietor desires to withdraw spirits without payment of tax, he shall file a notice in accordance with 27 CFR 28.92.

(Approved by the Office of Management and Budget under control number 1512-0189)

(Sec. 201, Pub. L. 85-859, 72 Stat. 1336, as amended, 1358, as amended, 1362, as amended (26 U.S.C. 5062, 5205, 5214))

[T.D. ATF-206, 50 FR 23951, June 7, 1985, as amended by T.D. TTB-8, 69 FR 3829, Jan. 27, 2004]

### § 19.398 Alcohol.

(a) *Containers.* Subject to the provisions of subpart R of this part, alcohol

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for industrial use may be put in bottles, packages, or other containers. Proprietors shall comply with the provisions in subpart S of this part when alcohol for nonindustrial domestic use is bottled.

(b) *Closures.* Closures or other devices shall be affixed to containers of alcohol as provided in subpart T of this part.

(c) *Bottle labels.* All bottles of alcohol for industrial use shall have affixed thereto a label showing "Alcohol" and the name and plant number of the bottler. The bottler may place on the label additional information, if it is not inconsistent with the required information.

(d) *Case marks.* Each case of bottled alcohol shall bear the marks prescribed therefor in subpart R of this part.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended, 1369, as amended (26 U.S.C. 5201, 5206, 5235, 5301))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985, as amended by T.D. ATF-206, 50 FR 23952, June 7, 1985]

## RECORDS

### § 19.400 Daily summary record of spirits bottled or packaged.

The proprietor shall maintain a separate daily summary record of spirits bottled or packaged as provided in § 19.751.

(Sec. 807, Pub. L. 96-39, 93 Stat. 284 (26 U.S.C. 5207))

## INVENTORIES

### § 19.401 Inventories of wines and bulk spirits (except in packages) in processing account.

Each proprietor shall take a physical inventory of wines and bulk spirits (except in packages) in the processing account at the close of each calendar quarter, and at such other time as the regional director (compliance) may require. The results of the inventory shall be recorded in accordance with subpart W of this part.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

### § 19.402 Inventories of bottled and packaged spirits.

(a) *Physical inventories.* (1) Physical inventories of bottled and packaged

spirits in the processing account shall be taken for the return periods ending June 30 and December 31 of each year, and for other return periods as may be required by the regional director (compliance).

(2) Physical inventories may be taken within a period of a few days before or after June 30 or December 31 (or other dates approved by the regional director (compliance)), if:

(i) Such period does not include more than one complete weekend; and

(ii) Necessary adjustments are made to reflect pertinent transactions, so that the recorded inventories will agree with the actual quantities of bottled or packaged spirits on hand in processing at the prescribed times.

(3) On approval of an application filed with the regional director (compliance), required physical inventories may be taken on dates other than June 30 and December 31 if the dates established for taking such inventories:

(i) Coincide with the end of a return period, and

(ii) Are approximately six months apart.

(4) On approval of the application, the designated inventory dates shall take effect with the first inventory scheduled to be taken within six months of the previous June 30 or December 31 inventory.

(b) *Waiver of physical inventory.* (1) The regional director (compliance), on receipt of an application, may relieve a proprietor of the requirement of taking the June 30 or December 31 physical inventory, (or other date approved under paragraph (a) of this section) if he finds that only one such inventory during any 24 consecutive return periods is necessary.

(2) The regional director (compliance) may reimpose the requirement for the waived inventory if he finds that it is necessary for law enforcement or protection of the revenue.

(c) *Notification of physical inventory.* Whenever a physical inventory of bottled or packaged spirits is to be taken, the proprietor shall, at least 5 business days in advance, notify the area supervisor of the date and time he will take such inventory.

(d) *Supervision of physical inventories.* Physical inventories required under

the provisions of this section shall be taken under such supervision, or verified in such manner, as the regional director (compliance) may require.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1356, as amended (26 U.S.C. 5201))

## Subpart N—Denaturing Operations and Manufacture of Articles

### § 19.451 General.

Authorized proprietors who are qualified as processors may conduct denaturing operations or manufacture articles pursuant to the provisions of this part. Proprietors shall not conduct denaturing operations or manufacture articles except as provided in this part. Records of denaturing operations and the manufacture of articles shall be maintained in accordance with § 19.752 and § 19.753.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1353, as amended (26 U.S.C. 5178); sec. 807(a), Pub. L. 96-39, 93 Stat. 286 (26 U.S.C. 5241))

### DENATURATION

### § 19.452 Formulas.

Spirits shall be denatured in accordance with formulas as authorized in 27 CFR part 21 or their alternatives. Denaturing materials shall be thoroughly mixed with the spirits being denatured.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1369, as amended (26 U.S.C. 5242); sec. 807, Pub. L. 96-39, 93 Stat. 286 (26 U.S.C. 5241))

### § 19.453 Testing of denaturants.

(a) *Testing.* Proprietors shall ensure that the materials they receive for use in denaturing conform to the specifications prescribed in 27 CFR part 21. The regional director (compliance) may require the testing of denaturants at any time.

(b) *Samples.* Samples of denaturants shall be taken in such manner as to represent a true composite of the total lot being sampled. When samples are tested by persons other than a proprietor, a copy of the analysis or a statement, signed by the chemist performing the test, shall be secured and filed by the proprietor for each test. Samples of denaturants may be taken