

**PART 26—LIQUORS AND ARTICLES
FROM PUERTO RICO AND THE
VIRGIN ISLANDS**

Subpart A—Scope of Regulations

Sec.

- 26.1 Alcoholic products coming into the United States from Puerto Rico and the Virgin Islands.
26.2 Forms prescribed.
26.3 Delegations of the Director.

Subpart B—Definitions

- 26.11 Meaning of terms.

Subpart C [Reserved]

Subpart Ca—Rum Imported Into the United States From Areas Other Than Puerto Rico and the Virgin Islands

- 26.30 Excise taxes.
26.31 Formula.

Subpart Cb—Products Coming into the United States From Puerto Rico

- 26.35 Taxable status.
26.36 Products exempt from tax.
26.36a-26.36b [Reserved]
26.36c Shipments of bulk distilled spirits to the United States without payment of tax.
26.37 United States Bureau of Alcohol, Tobacco and Firearms officers.
26.38 Containers of distilled spirits.
26.39 Labels.
26.40 Marking containers of distilled spirits.
26.41 Destruction of marks and brands.
26.43 Samples.

SPECIAL (OCCUPATIONAL) TAXES

- 26.44 Liquor dealer's special taxes.
26.45 Warehouse receipts covering distilled spirits.
26.46 Distilled spirits plant proprietor's special (occupational) tax.
26.47 Specially denatured spirits user's and dealer's special (occupational) taxes.

Subpart D—Formulas for Products From Puerto Rico

- 26.50 Formulas for liquors.
26.50a Verification of eligible flavors.
26.51 Formulas for articles, eligible articles, and products manufactured with denatured spirits.
26.52 Still wines containing carbon dioxide.
26.53 Changes of formulas.
26.54 Filing and disposition of formulas.
26.55 Previously approved formulas.

Subpart E—Taxpayment of Liquors and Articles in Puerto Rico

BONDS

- 26.61 General.
26.62 Corporate surety.
26.62a Filing of powers of attorney.
26.62b Execution of powers of attorney.
26.63 Deposit of securities in lieu of corporate surety.
26.64 Consents of surety.
26.65 Authority to approve bonds and consents of surety.
26.66 Bond, ATF Form 5110.50—Distilled spirits.
26.67 Bond, Form 2897—Wine.
26.68 Bond, Form 2898—Beer.
26.68a Bond account.
26.69 Strengthening bonds.
26.70 New or superseding bonds.
26.70a Notice of approval of bonds.

TERMINATION OF BONDS

- 26.71 Termination of bonds.
26.72 Application of surety for relief from bond.
26.73 Relief of surety from bond.
26.74 Release of pledged securities.
26.75 Form 1490, Notice of Termination of Bond.

PERMITS REQUIRED

- 26.76 Insular permits.

DISTILLED SPIRITS

- 26.77 Subject to tax.
26.78 Application and permit, ATF Form 5110.51.
26.79 Inspection or gauge and computation of tax.
26.79a Computation of effective tax rate.
26.80 Deferred payment of tax—release of spirits.
26.81 Prepayment of tax and release of spirits.
26.82 Permit to ship.

PACKAGES OF DISTILLED SPIRITS

- 26.86 Authority for shipment.
26.87 Evidence of taxpayment.

WINE

- 26.92 Subject to tax.
26.93 Application and permit, Form 2900.
26.94 Computation of tax.
26.95 Deferred payment of tax—release of wine.
26.96 Prepayment of tax—release of wine.
26.96a [Reserved]
26.96b Permit to ship.
26.97 Marking containers of wine.

BEER

- 26.101 Subject to tax.
26.102 Application and permit, Form 2900.

Alcohol and Tobacco Tax and Trade Bureau, Treasury

Pt. 26

- 26.103 Computation of tax.
- 26.104 Deferred payment of tax—release of beer.
- 26.105 Prepayment of tax—release of beer.
- 26.105a Permit to ship.
- 26.106 Marking containers of beer.

ARTICLES

- 26.107 Taxable status.
- 26.108 Application for permit, ATF Form 5110.51 and/or Form 2900.
- 26.109 Taxpayment.
- 26.110 Release of articles or liquors.

PAYMENT OF TAX BY RETURN

- 26.111 General.
- 26.112 Returns for semimonthly periods.
- 26.112a Payment of tax by electronic fund transfer.
- 26.113 Returns for prepayment of taxes.

PERMIT TO SHIP LIQUORS AND ARTICLES

- 26.114 Permit to ship required.
- 26.115 Application, Form 487B.
- 26.116 Issuance of permit, Form 487B, and customs inspection.

PROCEDURE AT PORT OF ARRIVAL

- 26.117 Action by carrier.
- 26.118 Inspection by district director of customs at port of arrival.
- 26.119 Disposition of forms by district director of customs.

Subpart F—Liquors and Articles Purchased by Tourists in Puerto Rico

- 26.125 Taxable.
- 26.126 Taxpayment in Puerto Rico.
- 26.128 Taxpayment at port of arrival.

Subpart G—Closures for Distilled Spirits From Puerto Rico

- 26.135 Containers of distilled spirits to bear closures.
- 26.136 Affixing closures.

Subpart H—Records and Reports of Liquors From Puerto Rico

- 26.163 General requirements.
- 26.164 Proprietors of taxpaid premises.
- 26.164a Package gauge record.
- 26.165 Certificate of effective tax rate computation.

Subpart I—Claims for Drawback on Eligible Articles From Puerto Rico

- 26.170 Drawback of tax.
- 26.171 Special tax.
- 26.172 Bonds.
- 26.173 Claims for drawback.

- 26.174 Records.

Subpart Ia—Shipment of Denatured Spirits and Products Made With Denatured Spirits to the United States From Puerto Rico

- 26.191 Notice of shipment.
- 26.192 Samples and analysis.
- 26.193 Notification of tax liability.
- 26.194 Detention of articles.

Subpart Ib—Shipment of Bulk Distilled Spirits From Puerto Rico, Without Payment of Tax, for Transfer From Customs Custody to Internal Revenue Bond

- 26.196 General.
- 26.197 Furnishing formula to consignee.
- 26.198 [Reserved]
- 26.199 Application and permit to ship, ATF Form 5110.31.
- 26.199a Action by revenue agent.
- 26.199b Issuance and disposition of permit.
- 26.199c Action by carrier.
- 26.199d Customs inspection and release.
- 26.199e [Reserved]
- 26.199f Consignee premises.

Subpart J—Products Coming Into the United States From the Virgin Islands

- 26.200 Taxable status.
- 26.201 Products exempt from tax.
- 26.201a Production in the Virgin Islands for tax-free shipment to the United States.
- 26.201b [Reserved]
- 26.201c Shipments of bulk distilled spirits to the United States without payment of tax.
- 26.202 Requirements of the Federal Alcohol Administration Act.
- 26.203 Containers of 1 gallon (3.785 liters) or less.
- 26.203a Containers in excess of 1 gallon (3.785 liters).
- 26.204 Regauge.
- 26.204a Verification of eligible wines and eligible flavors.
- 26.205 Certificate.
- 26.206 Marking packages and cases.
- 26.207 Destruction of marks and brands.
- 26.209 Samples.

SPECIAL (OCCUPATIONAL) TAXES

- 26.210 Liquor dealer's special taxes.
- 26.211 Warehouse receipts covering distilled spirits.

Subpart K—Formulas for Products From the Virgin Islands

- 26.220 Formulas for liquors.
- 26.221 Formulas for articles, eligible articles, and products manufactured with denatured spirits.
- 26.222 Still wines containing carbon dioxide.
- 26.223 Changes of formulas.

§ 26.1

27 CFR Ch. I (4-1-04 Edition)

- 26.224 Filing and disposition of formulas.
- 26.225 Previously approved formulas.

Subpart L—Closures for Distilled Spirits From the Virgin Islands

GENERAL

- 26.230 Containers of distilled spirits to bear closures.
- 26.231 Affixing closures.

Subpart M—Procedure at Port of Entry From the Virgin Islands

- 26.260 Certificate.
- 26.261 Action by district director of customs.
- 26.262 Determination of tax on distilled spirits.
- 26.262a Computation of effective tax rate.
- 26.263 Determination of tax on beer.
- 26.264 Determination of tax on wine.
- 26.265 Determination of tax on articles.
- 26.266 Tax payment.
- 26.267 Payment of tax by electronic fund transfer.

Subpart N—Records and Reports of Liquors From the Virgin Islands

RECORD AND REPORT OF LIQUORS BROUGHT INTO THE UNITED STATES

- 26.272 General requirements.
- 26.273 Proprietors of taxpaid premises.
- 26.273a Transfer record.
- 26.273b Package gauge record.

FILING AND RETENTION OF RECORDS AND REPORTS

- 26.275 Filing.
- 26.276 Retention.
- 26.277 [Reserved]

Subpart O—Tax-Free Shipments to the United States From the Virgin Islands

- 26.291 General.

SHIPMENT OF INDUSTRIAL SPIRITS AND SPECIALLY DENATURED SPIRITS

- 26.292 Copy of consignee's permit under part 20 or 22.
- 26.293 Marks on containers.
- 26.294 Record of shipment.

SHIPMENT OF COMPLETELY DENATURED ALCOHOL AND PRODUCTS MADE WITH DENATURED SPIRITS

- 26.295 Marks on containers.
- 26.296 Record of shipment.

ARRIVAL IN THE UNITED STATES

- 26.297 General.

Subpart Oa—Shipment of Bulk Distilled Spirits From the Virgin Islands, Without Payment of Tax, for Transfer From Customs Custody to Internal Revenue Bond

- 26.300 General.
- 26.301 Preparation of transfer record.
- 26.302 Gauge and certification.
- 26.303 Customs inspection and release.
- 26.304 Bulk conveyances to be sealed.
- 26.305 Receipt by consignee.

Subpart Ob—Claims for Drawback on Eligible Articles From the Virgin Islands

- 26.306 Drawback of tax.
- 26.307 Special tax.
- 26.308 Bonds.
- 26.309 Claims for drawback.
- 26.310 Records.

Subpart P—Requirements for Liquor Bottles

- 26.311 Scope of subpart.
- 26.312 Standards of fill.
- 26.314 Distinctive liquor bottles.
- 26.315 [Reserved]
- 26.316 Bottles not constituting approved containers.
- 26.317 Bottles to be used for display purposes.
- 26.318 Liquor bottles denied entry.
- 26.319 Used liquor bottles.

Subpart Q—Miscellaneous Provisions

- 26.331 Alternate methods or procedures.

AUTHORITY: 19 U.S.C. 81c; 26 U.S.C. 5001, 5007, 5008, 5010, 5041, 5051, 5061, 5081, 5111, 5112, 5114, 5121, 5122, 5124, 5131-5134, 5141, 5146, 5207, 5232, 5271, 5276, 5301, 5314, 5555, 6001, 6301, 6302, 6804, 7101, 7102, 7651, 7652, 7805; 27 U.S.C. 203, 205; 31 U.S.C. 9301, 9303, 9304, 9306.

SOURCE: 20 FR 6077, Aug. 20, 1955, unless otherwise noted. Redesignated at 40 FR 16835, Apr. 15, 1975, and further redesignated by T.D. ATF-459, 66 FR 38550, July 25, 2001.

EDITORIAL NOTE: Nomenclature changes to part 26 appear at 66 FR 21668, 21669, May 1, 2001.

Subpart A—Scope of Regulations

§ 26.1 Alcoholic products coming into the United States from Puerto Rico and the Virgin Islands.

This part, "Liquors and Articles from Puerto Rico and the Virgin Islands," relates to:

(a) The production, bonded warehousing, and withdrawal of distilled spirits and denatured spirits, and the manufacture of articles in Puerto Rico and the Virgin Islands to be brought into the United States free of tax;

(b) The collection of internal revenue taxes on taxable alcoholic products coming into the United States from Puerto Rico and the Virgin Islands;

(c) The transfer, without payment of tax, of Puerto Rican and Virgin Islands spirits in bulk containers or by pipeline from customs custody to the bonded premises of a distilled spirits plant qualified under part 19 of this chapter;

(d) The deposit of the distilled spirits excise taxes, limited to the lesser of \$10.50 or the rate in section 5001(a)(1) per proof gallon, into the Treasuries of Puerto Rico and the Virgin Islands on all articles containing distilled spirits as defined in section 7652, produced by those two U.S. possessions, and transported into the United States (less certain amounts); and

(e) The deposit of the distilled spirits excise taxes, limited to the lesser of \$10.50 or the rate in section 5001(a)(1) per proof gallon, into the Treasuries of Puerto Rico and the Virgin Islands on all rum imported into the United States (including rum from possessions other than Puerto Rico and the Virgin Islands), less certain amounts.

(Approved by the Office of Management and Budget under control number 1512-0277)

(Sec. 221, Pub. L. 98-67, 97 Stat. 369 (26 U.S.C. 7652))

[T.D. ATF-175, 49 FR 20803, May 16, 1984, as amended by T.D. ATF-203, 50 FR 15887, Apr. 23, 1985]

§ 26.2 Forms prescribed.

(a) The appropriate ATF officer is authorized to prescribe all forms required by this part, including applications, reports, returns, and records. All of the information called for in each form shall be furnished as indicated by the headings on the form and the instructions on or pertaining to the form. In addition, information called for in each form shall be furnished as required by this part. The form will be filed in accordance with the instructions for the form.

(b) Forms may be requested from the ATF Distribution Center, P.O. Box 5950, Springfield, Virginia 22150-5950, or by accessing the ATF web site (<http://www.atf.treas.gov>).

(5 U.S.C. 552(a) (80 Stat. 383, as amended))

[T.D. ATF-92, 46 FR 46920, Sept. 23, 1981, as amended by T.D. ATF-249, 52 FR 5963, Feb. 27, 1987; T.D. ATF-372, 41 FR 20725, May 8, 1996; T.D. ATF-451, 66 FR 21668, May 1, 2001]

§ 26.3 Delegations of the Director.

All of the regulatory authorities of the Director contained in this part 26 are delegated to appropriate ATF officers. These ATF officers are specified in ATF Order 1130.29, Delegation Order—Delegation of the Director's Authorities in 27 CFR part 26, Liquors and Articles from Puerto Rico and the Virgin Islands. ATF delegation orders, such as ATF Order 1130.29, are available to any interested person by mailing a request to the ATF Distribution Center, P.O. Box 5950, Springfield, Virginia 22150-5950, or by accessing the ATF web site (<http://www.atf.treas.gov>).

[T.D. ATF-451, 66 FR 21668, May 1, 2001. Re-designated and amended by T.D. ATF-459, 66 FR 38550, July 25, 2001]

Subpart B—Definitions

§ 26.11 Meaning of terms.

When used in this part and in forms prescribed under this part, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, terms shall have the meaning ascribed in this section. Words in the plural form shall include the singular and vice versa, and words importing the masculine gender shall include the feminine. The terms "includes" and "including" do not exclude things not enumerated which are in the same general class.

Appropriate ATF Officer. An officer or employee of the Bureau of Alcohol, Tobacco and Firearms (ATF) authorized to perform any functions relating to the administration or enforcement of this part by ATF Order 1130.29, Delegation Order—Delegation of the Director's Authorities in 27 CFR Part 26, Liquors and Articles from Puerto Rico and the Virgin Islands.