

§ 19.245

27 CFR Ch. I (4-1-08 Edition)

in lieu of which it is given. For the purpose of this section, a controlled subsidiary is a corporation where more than 50 percent of the voting power is controlled by the parent corporation. The unit bond shall show as to each plant covered by the bond the part of the total sum which represents the penal sum (computed in accordance with §19.245) for operations at and withdrawals from each plant. If the penal sum of the bond covering a plant, or the penal sum allocated to any plant (if the bond covers more than one plant), is in an amount less than the maximum prescribed in §19.245, operations at and/or withdrawals from such

plant shall not exceed the quantity permissible as reflected by the penal sum in the bond for such plant. The unit bond shall be conditioned that the total amount of the bond shall be available for satisfaction of any liability incurred under the terms and conditions of such bond.

(Sec. 805(c), Pub. L. 96-39, 93 Stat. 276 (26 U.S.C. 5173))

§ 19.245 Bonds and penal sums of bonds.

The bonds, and the penal sums thereof, required by this subpart, are as follows:

PENAL SUM

Type of bond	Basis	Minimum	Maximum
(a) Operations bond:			
(1) One plant bond—			
(i) Distiller	The amount of tax on spirits produced during a period of 15 days.	\$5,000	\$100,000
(ii) Warehouseman:			
(A) General	The amount of tax on spirits and wines deposited in, stored on, and in transit to bonded premises.	5,000	200,000
(B) Limited to storage of spirits in packages to a total of not over 50,000 proof gallons.do	5,000	50,000
(iii) Distiller and warehouseman.	The amount of tax on spirits produced during a period of 15 days, and the amount of tax on spirits and wines deposited, in stored on, and in transit to bonded premises.	10,000	200,000
(iv) Distiller and processor.	The amount of tax on spirits produced during a period of 15 days, and the amount of tax on spirits, denatured spirits, articles, and wines deposited in, stored on, and in transit to bonded premises.	10,000	200,000
(v) Warehouseman and processor:			
(A) General	The amount of tax on spirits, denatured spirits, articles, and wines deposited in, stored on, and in transit to bonded premises.	10,000	250,000
(B) Limited to storage of spirits or denatured spirits in packages to a total of not over 50,000 proof gallons, and processing of spirits or denatured spirits so stored.do	10,000	50,000
(vi) Distiller, warehouseman, and processor.	The amount of tax on spirits produced during a period of 15 days, and the amount of tax on spirits, denatured spirits, articles, and wines deposited in, stored on, and in transit to bonded premises.	15,000	250,000
(2) Adjacent bonded wine cellars—			
(i) Distiller and bonded wine cellar.	The sum of the amount of tax calculated in (a)(1)(i) and with respect to bonded wine cellar operations, the amount of tax on wines and wine spirits possessed and in transit.	6,000	150,000
(ii) Distiller, warehouseman and bonded wine cellar.	The sum of the amount of tax calculated in (a)(1)(iii) and with respect to bonded wine cellar operations, the amount of tax on wines and wine spirits possessed and in transit.	11,000	250,000

PENAL SUM—Continued

Type of bond	Basis	Minimum	Maximum
(iii) Distiller, processor and bonded wine cellar.	The sum of the amount of tax calculated in (a)(1)(iv) and with respect to bonded wine cellar operations, the amount of tax on wines and wine spirits possessed and in transit.	11,000	250,000
(iv) Distiller, warehouseman, processor and bonded wine cellar.	The sum of the amount of tax calculated in (a)(1)(vi) and with respect to bonded wine cellar operations, the amount of tax on wines and wine spirits possessed and in transit.	16,000	300,000
(b) Area operations bond:	The penal sum shall be calculated in accordance with the following table:		
Total penal sums as determined under (a)	Requirements for penal sum of area operations bond		
Not over \$300,000	100 percent.		
Over \$300,000 but not over \$600,000.	\$300,000 plus 70 percent of excess over \$300,000.		
Over \$600,000 but not over \$1,000,000.	\$510,000 plus 50 percent of excess over \$600,000.		
Over \$1,000,000 but not over \$2,000,000.	\$710,000 plus 35 percent of excess over \$1,000,000.		
Over \$2,000,000	\$1,060,000 plus 25 percent of excess over \$2,000,000.		
(c) Withdrawal bond:			
(1) One plant qualified for distilled spirits operations.	The amount of tax which, at any one time, is chargeable against such bond but has not been paid.	1,000	1,000,000
(2) Two or more plants in a region qualified for distilled spirits operations.	Sum of the penal sums for each plant calculated in (c)(1) of this section.	(¹)	(²)
(d) Unit bond:			
(1) Both operations at a distilled spirits plant (and any adjacent bonded wine cellar) and withdrawals from the bonded premises of the same distilled spirits plant.	Total penal sums of (a) and (c)(1) of this section	6,000	1,300,000
(2) Both operations at two or more distilled spirits plants (and any adjacent bonded wine cellar) within the same region and withdrawals from the bonded premises of the same distilled spirits plants.	Total penal sums of (b) and (c)(2) of this section in lieu of which given.	(³)	(⁴)

¹ Sum of the minimum penal sums required for each plant covered by the bond.
² Sum of the maximum penal sums required for each plant covered by the bond. (The maximum penal sum for one plant is \$1,000,000.)
³ Sum of the minimum penal sums for operations and withdrawal bonds required for each plant covered by the bond.
⁴ Sum of the maximum penal sums for area operations bonds and withdrawal bonds required for the plants covered by the unit bond.

(Sec. 805(c), Pub. L. 96-39, 93 Stat. 276 (26 U.S.C. 5173))

[T.D. ATF-198, 50 FR 8464, Mar. 1, 1985; 50 FR 23410, June 4, 1985]

§ 19.246 Strengthening bonds.

In all cases when the penal sum of any bond becomes insufficient, the principal shall either give a strengthening bond with the same surety to attain a sufficient penal sum, or give a new bond to cover the entire liability. Strengthening bonds will not be approved where any notation is made thereon which is intended, or which may be construed, as a release of any

former bond, or as limiting the amount of any bond to less than its full penal sum. Strengthening bonds shall show the current date of execution and the effective date.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1394, as amended (26 U.S.C. 5551); sec. 805(c), Pub. L. 96-39, 93 Stat. 276 (26 U.S.C. 5173))