

**§ 19.764**

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

(ii) Wine gallons of each eligible wine, multiplied by the tax rate which would be imposed on the wine under 26 U.S.C. 5041(b)(1), (2), or (3) but for its removal to bonded premises; and

(iii) Proof gallons of all distilled spirits derived from eligible flavors to the extent that such distilled spirits exceed 2½% of the proof gallons in the product, multiplied by the tax rate prescribed in 26 U.S.C. 5001.

(b) At the end of each month during which the product is manufactured, the proprietor shall determine the—

(1) Total proof gallons and total tax liabilities for each summary record prescribed by paragraph (a) of this section;

(2) Add the sums from paragraph (b)(1) of this section to the like sums determined for each of the preceding five months; and

(3) Divide the total tax liabilities by the total proof gallons.

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

**§ 19.764 Inventory reserve records.**

(a) *General.* The proprietor shall establish an inventory reserve account, as provided in this section, for each eligible distilled spirits product to be tax determined in accordance with § 19.38.

(b) *Deposit records.* For each batch of the product bottled or packaged, the proprietor shall enter into the inventory reserve account a deposit record, which may be combined with the bottling and packaging record required by § 19.749 showing the:

- (1) Name of the product;
- (2) Bottling and packaging record serial number;
- (3) Date the bottling or packaging was completed;
- (4) Total proof gallons bottled and packaged; and
- (5) Effective tax rate of the product computed in accordance with § 19.34.

(c) *Depletions.* The inventory reserve account for each product will be depleted in the same order in which the deposit records were entered into such account. A depletion will be recorded for each disposition (e.g., a taxable removal, an exportation, an inventory shortage or breakage) by entering on the deposit record the:

- (1) Transaction date,

- (2) Transaction record serial number,
- (3) Proof gallons disposed of, and

(4) Proof gallons remaining. If any depletion exceeds the quantity of product remaining on the deposit record, the remaining quantity will be depleted, the deposit record closed, and the remainder of the transaction depleted from the next deposit record.

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

**§ 19.765 Standard effective tax rates.**

For each product to be tax determined using a standard effective tax rate in accordance with § 19.36, the proprietor shall prepare a record of the standard effective tax rate computation showing, for one proof gallon of the finished product, the following information:

- (a) The name of the product;
- (b) The least quantity of each eligible flavor which will be used in the product, in proof gallons, or 0.025 proof gallon, whichever is less;
- (c) The least quantity of each eligible wine which will be used in the product, in proof gallons;
- (d) The greatest effective tax rate applicable to the product, calculated in accordance with § 19.34 with the values indicated in paragraphs (a) and (b) of this section; and
- (e) The date on which the use of the standard effective tax rate commenced.

**OTHER RECORDS**

**§ 19.766 Record of samples.**

(a) *Requirement.* The proprietor shall maintain records of all samples taken pursuant to subpart V of this part.

(b) *Schedule.* (1) When the proprietor takes samples pursuant to an established schedule, such schedule may be maintained as the required record if it contains that information required by paragraphs (c)(2) through (c)(8).

(2) When unanticipated samples are taken, the schedule shall be appropriately supplemented.

- (c) *Detail.* Sample records shall show:
  - (1) Date samples were taken;
  - (2) Type and identification of container from which taken;
  - (3) Account from which taken;
  - (4) Purpose for which taken;
  - (5) Size and number of samples taken;

- (6) Kind of spirits;
- (7) Disposition of the sample (e.g., destroyed, returned to containers or the distilling system, retained for library purposes); and
- (8) Name and address of the person to whom samples were sent when the samples are to be analyzed or tested elsewhere than at the plant where secured.

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

**§ 19.767 Record of destruction.**

The proprietor shall record details of the voluntary destruction of spirits, denatured spirits, articles, or wines as follows:

- (a) Identification of the spirits, denatured spirits, articles, or wines to include, as applicable, kind, quantity, elements of gauge, name and permit number of the producer, warehouseman or processor, and identification and type of container.
- (b) The date, time, place and manner of the destruction;
- (c) A statement of whether or not the spirits had previously been withdrawn and returned to bond; and
- (d) The name and title of the proprietor's representative who accomplished or supervised the destruction.

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

**§ 19.768 Gauge record.**

When gauges are required to be made by this part or by the appropriate TTB officer, the proprietor shall prepare a gauge record to show:

- (a) Serial number, commencing with "1" at the start of each calendar or fiscal year;
- (b) Reason for making the gauge:
  - (1) Production gauge and entry for deposit in the storage or processing account at the plant where produced;
  - (2) Packaging of spirits or wine filled from a tank in the storage account at the same plant;
  - (3) Transfer from the processing or storage account to the production account for redistillation;
  - (4) Repackaging of spirits of 190 degrees or more of proof; or
  - (5) Gauge on return to bond in the production or processing account of spirits, denatured spirits, recovered

spirits, recovered denatured spirits, articles, recovered articles, or spirits residues.

- (c) Date of gauge;
- (d) Related form or record (identification, serial number and date);
- (e) Kind of spirits or formula number of denatured spirits;
- (f) Proof of distillation (not required for denatured spirits, spirits for redistillation, or spirits of 190 degrees or more of proof);
- (g) When containers are to be filled, the type and number of containers;
- (h) Age of spirits;
- (i) Name and plant number of the producer or warehouseman; and
- (j) Gauge data:
  - (1) Package identification, tank number, volumetric or weight gauge details, proof, and wine gallons;
  - (2) Cooperage identification ("C" for charred, "REC" for recharred, "P" for plain, "PAR" for paraffined, "G" for glued, or "R" for reused);
  - (3) Entry proof for whiskey;
  - (4) Proof gallons per filled package; and
  - (5) Total proof gallons of spirits or wine gallons of denatured spirits, recovered denatured spirits, articles, spirits residues, or wine.

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

**§ 19.769 Package gauge record.**

When required by this part and Part 28, a record shall be prepared to document the gauge of packages of spirits and to convey information on package gauges. The following information shall be recorded:

- (a) Date prepared;
- (b) Identification of the related transaction form or record, and its serial number;
- (c) The name and plant number of the producer or processor (For blended rums or brandies enter name(s) and plant number of blending warehouseman. For spirits of 190 degrees or more of proof, name and plant number of the producer or warehouseman, as appropriate; where the packages have already been marked, the name and plant number marked thereon. For imported spirits, the name of the warehouseman who received the spirits from customs