

§ 26.192

the Treasury of Puerto Rico of the intent to ship.

(Approved by the Office of Management and Budget under control number 1512-0336)

[T.D. ATF-199, 50 FR 9198, Mar. 1, 1985, T.D. ATF-199, 50 FR 20099, May 14, 1985]

§ 26.192 Samples and analysis.

The chemist of the Treasury of Puerto Rico may take samples of the product to be shipped in order to determine that it is eligible for tax-free status.

§ 26.193 Notification of tax liability.

(a) If the chemist of the Treasury of Puerto Rico finds that denatured spirits or products made with denatured spirits are not eligible for tax-free shipment, before the shipment is made, the chemist will immediately notify the shipper that the article is subject to tax, payable in accordance with §§ 26.107 through 26.110.

(b) If the chemist of the Treasury of Puerto Rico finds that denatured spirits or products made with denatured spirits are not eligible for tax-free shipment, after the shipment is made, the chemist will immediately notify the shipper that the tax shall be paid immediately in accordance with § 26.113. The chemist will also notify the appropriate TTB officer.

[T.D. ATF-199, 50 FR 9198, Mar. 1, 1985, as amended by T.D. ATF-451, 66 FR 21670, May 1, 2001. Redesignated and amended by T.D. ATF-459, 66 FR 38550, 38552, July 25, 2001]

§ 26.194 Detention of articles.

(a) Upon receiving a notification in accordance with § 26.193(b), the appropriate TTB officer will detain the article in accordance with part 20 of this chapter or seize the article in accordance with part 72 of this chapter.

(b) After the shipper furnishes proof that the tax was paid in accordance with § 26.113, the appropriate TTB officer will release the article to the consignee.

[T.D. ATF-199, 50 FR 9198, Mar. 1, 1985. Redesignated and amended by T.D. ATF-459, 66 FR 38550, 38552, July 25, 2001]

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

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

AUTHORITY: Sec. 3, Pub. L. 90-630, 82 Stat. 1328, as amended (26 U.S.C. 5232).

SOURCE: T.D. ATF-62, 44 FR 71714, Dec. 11, 1979, unless otherwise noted.

§ 26.196 General.

Under the provisions of this subpart and § 26.86, distilled spirits brought into the United States from Puerto Rico in bulk containers may be withdrawn by the proprietor of a distilled spirits plant from customs custody and transferred in such bulk containers or by pipeline to the bonded premises of his plant, without payment of the internal revenue tax, if any, imposed on such spirits by 26 U.S.C. 7652. Such spirits so withdrawn and transferred to a distilled spirits plant (a) may be redistilled or denatured only if of 185 degrees or more of proof; and (b) may be withdrawn from internal revenue bond for any purpose authorized by 26 U.S.C. chapter 51, in the same manner as domestic distilled spirits. Spirits transferred from customs custody to the bonded premises of a distilled spirits plant under the provisions of this subpart shall be received and stored thereat, and withdrawn or transferred therefrom, subject to applicable provisions of part 19 of this chapter. The person operating the bonded premises of the distilled spirits plant to which spirits are transferred under the provisions of this subpart shall become liable for the tax on distilled spirits withdrawn from customs custody under 26 U.S.C. 5232, upon release of the spirits from customs custody and the person bringing the spirits into the United States shall thereupon be relieved of liability for the tax.

[T.D. ATF-62, 44 FR 71714, Dec. 11, 1979. Redesignated and amended by T.D. ATF-459, 66 FR 38550, 38552, July 25, 2001]

§ 26.197 Furnishing formula to consignee.

Prior to the first shipment, the person shipping the spirits to the United

States shall furnish a reproduced copy of the approved formula covering such spirits to the appropriate TTB officer, and to the proprietor of each distilled spirits plant to receive the spirits.

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[T.D. ATF-198, 50 FR 8551, Mar. 1, 1985, as amended by T.D. ATF-451, 66 FR 21670, May 1, 2001]

§ 26.198 [Reserved]

§ 26.199 Application and permit to ship, TTB Form 5110.31.

Before spirits of Puerto Rican manufacture may be shipped to the United States without payment of tax for withdrawal from customs custody and transfer to internal revenue bond, an application by the consignor on TTB Form 5110.31 for permit to ship must be approved by the Secretary. All copies of the application (original and five copies) shall be delivered to the revenue agent.

§ 26.199a Action by revenue agent.

(a) *Gauge.* Puerto Rican spirits to be withdrawn for shipment to the United States as provided in this subpart shall be gauged by the revenue agent prior to withdrawal from the consignor premises. The revenue agent shall record the quantity and proof of the spirits gauged on TTB Form 5110.31. If the spirits are in packages, the revenue agent shall prepare in sextuplicate a package gauge record according to § 26.164a, attach the package gauge record to TTB Form 5110.31, and dispose of the form (and any attachments) according to the instructions thereon.

(b) *Sealing bulk conveyances.* When a shipment is made in a tank, van, or other bulk conveyance (other than barrels, drums, or similar packages that are not containerized), all openings affording access to the spirits shall be sealed by the Puerto Rican revenue agent in such manner as will prevent unauthorized removal of spirits without detection.

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[T.D. ATF-198, 50 FR 8551, Mar. 1, 1985. Re-designated and amended by T.D. ATF-459, 66 FR 38550, 38551, July 25, 2001]

§ 26.199b Issuance and disposition of permit.

When the Secretary receives an application on TTB Form 5110.31 and he finds that the applicant is in compliance with law and regulations, he will execute the permit to ship on all copies of TTB Form 5110.31, retain one copy, and any accompanying package gauge record as provided in § 26.164a, and return the remaining copies to the consignor who shall distribute them in accordance with the instructions on TTB Form 5110.31.

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[T.D. ATF-198, 50 FR 8552, Mar. 1, 1985. Re-designated and amended by T.D. ATF-459, 66 FR 38550, 38551, July 25, 2001]

§ 26.199c Action by carrier.

The carrier of the spirits specified on the TTB Form 5110.31 shall, at the time of unloading at the port of arrival in the United States, segregate and arrange the containers of spirits of convenient customs examination and shall assume any expense incurred in connection therewith.

§ 26.199d Customs inspection and release.

On receipt of a properly executed TTB Form 5110.31 from the consignor, the customs officer at the port of arrival in the United States shall inspect the corresponding shipment of spirits:

(a) If a shipment is in a bulk conveyance, and:

(1) The seals are intact, he shall release the shipment; or

(2) If the seals are broken, he shall, before release of the spirits, affix customs seals.

(b) If a shipment in packages does not arrive in a sealed conveyance, the packages shall be inspected, and if it appears that any package has sustained a loss, the package shall be weighed and its new gross weight shall be entered in contrasting color on the package gauge record attached to the related TTB Form 5110.31. The serial numbers of any seals affixed by the customs officers shall be reported on TTB Form 5110.31 under remarks with an explanation and description of any evidence of loss. After completing his