



Department of the Treasury  
Alcohol and Tobacco Tax and Trade Bureau  
California Field Office - Trade Investigations Division

# 2007 TTB Compliance Seminar for Bonded Wine Premises



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*Contents of this packet are not to be used for commercial purposes ~ thank you.*

## TTB CONTACT LIST

**Alcohol and Tobacco Tax and Trade Bureau** (202) 927-5000  
1310 "G" St., NW; Washington, DC 20220

**Advertising, Labeling and Formulation Division** (202) 927-8140  
Toll Free: (866) 927-ALFD (2533)

Applications for Label ("COLA") and Formula Approvals should be sent to ALFD at the address shown above in Washington, D.C.

Registration information for COLAs ON-LINE: (866) 927-ALFD (2533)

**Regulations & Rulings Division** (202) 927-8210

**International Trade Division** (202) 927-8110

### TTB National Revenue Center (NRC)

Federal Office Building  
550 Main Street, Room 8002  
Cincinnati, OH 45202-3263  
Telephone: (513) 684-3334 Toll Free: (877) 882-3277

Applications, Correspondence and Operations Reports from Distilled Spirits Plants, Breweries, Wineries, Tobacco Products Manufacturers, Wholesalers and Importers should be sent to the NRC.

Registration information for PAY.GOV: (877) 882-3277

Excise Tax Returns should be sent to:

TTB – Excise Tax  
P.O. Box 360958  
Pittsburgh, PA 15251-6958

Questions regarding laboratory matters should be directed to:

**Compliance Laboratory, Walnut Creek, CA**  
Telephone: (925) 280-3642 Fax: (925) 280-3651

**Wine Technical Advisor** Mari Kirrane

E-mail [mari.kirrane@ttb.gov](mailto:mari.kirrane@ttb.gov)

Telephone (415) 625-5793

**Wine Industry Analyst** Perky Ramroth

E-mail [persis.ramroth@ttb.gov](mailto:persis.ramroth@ttb.gov)

Telephone (415) 625-5789

**TTB WEBSITE: [www.ttb.gov](http://www.ttb.gov)**

## TTB California Field Office (Investigations)

Dave Royalty, District Director  
650 Capitol Mall, Suite 6-700  
Sacramento, CA 95814  
(916) 930-5600  
Office e-mail : [California@ttb.gov](mailto:California@ttb.gov)

### California TTB Investigators

Bravo, Rob	(213) 534-7190
Brennan, Vickie	(916) 478-2702
Chacon, Sandra	(707) 523-3542
Coldwell, Ted	(916) 774-1673
Gardella, Terri	(916) 688-0259
Jaramillo, Roxanne	(213) 534-7190
Lloyd, J.D.	(310) 305-1959
Loehrer, Eric	(707) 523-3542
Marin, Doreen	(916) 967-3544
Pederson, Allen	(530) 795-1979
Petersen, Carolyn	(707) 535-2000
Sales, Carmen	(415) 585-5064

## Federal Laws

Internal Revenue Code: Title 26 United States Code, Chapter 51

Federal Alcohol Administration Act: Title 27 United States Code, Chapters 6 and 8

 The federal laws pertaining to the wine industry are found on TTB's website and may be down-loaded without cost:

<http://www.ttb.gov/foia/err.shtml#statutes>

## Federal Regulations

### Title 27 – ALCOHOL, TOBACCO PRODUCTS AND FIREARMS

The wine industry is governed by numerous Federal Regulations. Members of the wine industry need to be familiar with the regulations which govern their industry.

The regulations are found in Title 27 of the Code of Federal Regulations. The primary parts which pertain to the wine industry are listed here:

Part 1	Basic permit requirements
Part 4	Labeling and advertising of wine
Part 6	Tied House
Part 8	Exclusive Outlets
Part 9	American Viticultural Areas
Part 10	Commercial Bribery
Part 11	Consignment Sales
Part 12	Foreign Nongeneric Names of Geographic Significance
Part 13	Labeling Proceedings
Part 16	Alcoholic beverage health warning statement
Part 24	Wine
Part 27	Importation of Distilled Spirits, Wine and Beer
Part 28	Exportation of Alcohol

 The Federal Regulations related to the Wine Industry are found on TTB's website and may be down-loaded without cost:

[http://www.ttb.gov/wine/wine\\_regs.shtml](http://www.ttb.gov/wine/wine_regs.shtml)



A bound copy of Title 27 may be purchased from the Government Printing Office:

<http://bookstore.gpo.gov/>  
Toll-Free: 1-866-512-1800

We encourage you to familiarize yourself with the primary parts of the Federal Regulations that pertain to the Wine Industry.

### **Wine – 27 CFR Part 24**

Subpart A	Scope
Subpart B	Definitions
Subpart C	Administrative and Miscellaneous Provisions
Subpart D	Establishment and Operations
Subpart E	Construction and Equipment
Subpart F	Production of Wine
Subpart G	Production of Effervescent Wine
Subpart H	Production of Special Natural Wine
Subpart I	Production of Agricultural Wine
Subpart J	Production of Other than Standard Wine
Subpart K	Spirits
Subpart L	Storage, Treatment and Finishing of Wine
Subpart M	Losses of Wine
Subpart N	Removal, Return and Receipt of Wine
Subpart O	Records and Reports

### **Basic Permit Requirements under the Federal Alcohol Administration Act – 27 CFR Part 1**

Subpart A	Scope
Subpart B	Definitions
Subpart C	Basic Permits
Subpart D	Nonindustrial Use of Distilled Spirits and Wine
Subpart E	Bulk Sales and Bottling of Distilled Spirits

### **Labeling and Advertising of Wine – 27 CFR Part 4**

Subpart A	Scope
Subpart B	Definitions
Subpart C	Standards of Identity for Wine
Subpart D	Labeling Requirements for Wine
Subpart E	Requirements for Withdrawal of Wine from Customs Custody
Subpart F	Requir. for Approval of Labels of Wine Domestically Bottled or Packed
Subpart G	Advertising of Wine
Subpart H	Standards of Fill for Wine
Subpart I	General Provisions
Subpart J	American Grape Variety Names
Subpart K	Use of the Term "Organic"

## Changes to Report to TTB

After starting business as a bonded winery or bonded wine cellar, you may need to notify TTB about changes among the people who own your company, or about the business you conduct, or changes you wish to make at the wine premises. The forms you will need to submit and the regulations pertaining to each type of change are listed below.



27 CFR Part 1 ; 27 CFR Part 24

### Personnel Changes

#### **Change of Proprietorship**

New owner files all "Original Qualification" documents.  
Old owner files all "Termination" documents, listed below.

#### **Original Qualification**

Application to Establish and Operate Wine Premises Form 5120.25  
Application for Basic Permit Form 5100.24 (not required for storage only)  
Wine Bond Form 5120.36  
Environmental Forms 5000.29 and 5000.30  
Evidence of Signature Authority, if necessary  
Statement that trade names were registered  
Special Occupation Tax Form 5630.5 when business begins  
Application for EIN, SS-4, if necessary  
Organizational Documents, if necessary

#### **Change of Corporate Officers and Directors**

Permittees: Immediate filing of Form 5100.18 and Amended Form 5120.25.  
Non-Permittees: Amended Form 5120.25 and Form 5000.9 within 30 days of change.  
Filing requirement for non-permittees may be waived by TTB for change of certain officers not directly involved in winery operations. See 27 CFR 24.124.

**Partnership Changes:** Change of General Partners - Same as Original Qualification

**Limited Partnerships:** Change of General Partners – Same as Original Qualification;  
Change of Limited Partners – Form 5100.18 and amended Form 5120.25, +10% interest is held

**Limited Liability Companies:** Changes in Manager - contact the NRC for guidance  
Change in Member – Form 5100.18 and amended Form 5120.25 +10% interest is held

#### **Change of Stockholders** holding more than 10% of voting stock

Permittees: Immediate filing of Form 5100.18 and amended Form 5120.25  
Non-Permittees: Amended Form 5120.25 with 30 days of change or letter notice annually on May 1 per 27 CFR 24.123; Form 5000.9

**Change of Stock Control**

Letter notice, filed immediately; Current Permit, surrendered for termination; Application Forms 5100.24 and 5120.25 within 30 days of change

**Changes at the Premises****Change in Location**

Amended Form 5120.25  
Form 5100.18 to amend permit  
Superseding Bond Form 5120.36  
or Consent of Surety Form 5000.18

Current Permit Surrendered  
Current Special Tax Stamp Surrendered  
Amended Special Tax Return 5630.5  
Environmental Forms 5000.29 and 5000.30

**Change of Address by the Post Office**

Amended Form 5120.25  
Form 5100.18 to amend permit  
Current Permit Surrendered

Current Special Tax Stamp Surrendered  
Amended Special Tax Return 5630.5

**Change in Construction or Use of Buildings, including Ext./Curt. Of Premises**

Letter to Chief, National Revenue Center  
Amended (updated) Form 5120.25 when next required for some other purpose

**Non-Contiguous Extension of Premises**

Amended Form 5120.25  
Superseding Bond Form or Consent of Surety Form 5000.18  
Environmental Forms 5000.29 and 5000.30  
Additional Special Occupational Tax registration may be required in certain circumstances

**Alternation of Premises**

Application Form 5120.25 with description of new operations  
Consent of Surety Form 5000.18  
Original Brewery, Distilled Spirits Plant, and/or Taxpaid Wine Bottling House application  
Diagram

**Alternation of Proprietors**

Amended Form 5120.25 from Host to depict alternation with Alternating Proprietor  
Complete qualification for new company to operate  
Diagrams from Host and Alternating Proprietor  
Copy of contract between Host and Alternating Proprietor may be requested

**Name Changes****Addition of Trade Name**

Letter Application or  
Form 5100.18 with statement re: name of account  
and registration  
Form 5120.25 if not a permittee

**Deletion of Trade Name**

Letter Application or  
Form 5100.18  
Form 5120.25 if not a permittee

**Change of Operating Name**

Letter or Form 5100.18 and Current Permit surrendered for amendment; amended Form 5120.25

**Other Changes****Signature Authority**

Sole owners: Form 5000.8 for employees

Partnerships: Form 5000.8 for each partner and for employees, as necessary

Corporations: Officers may be authorized as given in corporate minutes, resolutions, or on Form 5100.1; Form 5000.8 for employees, as necessary

**Special Applications**

Alternate method or procedure: Letter request

Modified form: Letter with sample of form

**Change of Bond Amount**

Strengthening or Superseding Bond Form 5120.36

**Change of Bonding Company**

Superseding Bond Form 5120.36

See List of Approved Sureties: <http://www.fms.treas.gov/c570/index.html>

**Termination**

Letter; current permit; Final Report Form 5120.17; final tax return Form 5000.24, as necessary; all exports have been cleared

**Who should I notify if I have any of these changes?**

Please write or call your TTB Specialist at the National Revenue Center:

Alcohol and Tobacco Tax and Trade Bureau  
550 Main Street, Room 8002, Attn: Wine Unit  
Cincinnati, OH 45202

Telephone: (513) 684-6882

Toll Free: (877) TTB-FAQS

E-Mail: [ttbwine@ttb.gov](mailto:ttbwine@ttb.gov)

Fax: (513) 684-2226

**Can I obtain the forms from the TTB website?**

You can find all of the TTB forms listed above on our website:

<http://www.ttb.gov/wine/forms.shtml>

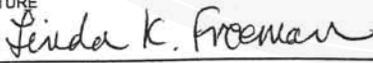
# Notes



# Application to Establish and Operate Wine Premises

## Form 5120.25

This Internal Revenue Code application describes the physical layout of the bonded wine premises and the wine operations that will be conducted. Most of the questions about the premises and operations are listed on the back of the form, and should be answered on separate paper. All bonded wine premises must have an up-to-date Application Form 5120.25 on file with TTB.

DEPARTMENT OF THE TREASURY ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB) <b>APPLICATION TO ESTABLISH AND OPERATE WINE PREMISES</b> <i>(See instructions on next page)</i>		1. SERIAL NUMBER 1
		2. DATE 1/13/07
		3. REGISTRY NUMBER
4. TO: DIRECTOR, NATIONAL REVENUE CENTER ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB) 550 Main St, Ste 8002 Cincinnati, OH 45202-5215	5. APPLICATION IS MADE TO OPERATE <i>(Check one only)</i> <input checked="" type="checkbox"/> BONDED WINERY <input type="checkbox"/> BONDED WINE CELLAR <input type="checkbox"/> TAX PAID WINE BOTTLING HOUSE	
6. NAME AND PRINCIPAL BUSINESS ADDRESS OF APPLICANT <i>(Name and street, city, county, State, and ZIP Code)</i> Linda K. Freeman and Frederick M. Johnstone Hazelnut Springs Winery 1191 Outlook Road Hazelnut Springs, CA 9xxxx	7. ADDRESS <i>(If different from address in Item 6)</i> (same)	
PHONE # (xxx) 555-1000    EIN# 93-999999x	PHONE #	
8. PURPOSE FOR WHICH FILED <i>(Such as original establishment, trade name change, alteration of premises)</i> Original Establishment		
9. APPLICATION FORM AND ATTACHED DOCUMENTS This application includes: (1) this form; (2) the papers and documents which are being submitted for the first time, and which are listed in Items 9A and 9B; (3) the current papers and documents of the latest approved TTB F 5120.25 Serial No. _____, which are listed in Items 9A-1 and 9B-1; and (4) the supporting organizational documents filed in connection with another establishment but incorporated in this application by reference, and listed below in Item 9C.		
9A. PAGES ATTACHED TO THIS FORM NUMBERS 1,2	9A-1. PAGES FROM CURRENT APPROVED TTB F 5120.25 NUMBERS n/a	
9B. ORGANIZATIONAL DOCUMENTS ATTACHED TO THIS FORM <i>(List each document)</i> Partnership Agreement	9B-1. ORGANIZATIONAL DOCUMENTS FILED WITH PRIOR APPROVED TTB F 5120.25 <i>(List each document)</i>	
9C. ORGANIZATIONAL DOCUMENTS FILED IN CONNECTION WITH ANOTHER ESTABLISHMENT BUT INCORPORATED IN THIS APPLICATION BY REFERENCE <i>(List each document, and show the name or plant number under which filed)</i>		
10. IF NOT APPLYING AS A BONDED WINERY, WOULD YOU AGREE TO HAVE YOUR NAME LISTED IN A TTB PUBLICATION? <input type="checkbox"/> YES <input type="checkbox"/> NO		
UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE EXAMINED THIS APPLICATION AND, TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS TRUE, CORRECT, AND COMPLETE.		
11. SIGNATURE 	12. TITLE Partner	
FOR TTB USE ONLY		
APPLICATION IS <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED	EFFECTIVE DATE	
SIGNATURE AND TITLE OF TTB OFFICIAL, ALCOHOL AND TOBACCO TAX AND TRADE BUREAU	DATE	

TTB F 5120.25 (4/2007)

TTB Wine Industry Seminar ~ California Field Office (Trade Investigations) ~ 2007

Application Form 5120.25, continued: Answer the "Attached Statements and Documents" questions on a separate piece of paper (use as many as necessary). Number the pages, and attach the pages to the Application.

## GENERAL INSTRUCTIONS

- Each person desiring to conduct the operations of a bonded wine cellar, a bonded winery, or a taxpaid wine bottling house must file this application, in duplicate, with the Director, National Revenue Center, Alcohol and Tobacco Tax and Trade Bureau (TTB), at the address in Item 4.
- The application information required will be on letter-sized paper with each attached page identified with the name of the applicant, the serial number of the application and the number of the page.
- The proprietor is responsible for keeping information of an approved application current and complete. When required by 27 CFR Part 24, the proprietor must submit an amended application with supplemental or replacement pages or other documents necessary to update the previously approved application. Replacement pages must be numbered to correspond to the pages being replaced.
- If this application is for a taxpaid wine bottling house, paragraphs 7 through 9 of the specific instructions are not applicable.
- Applications which are not submitted in accordance with the instructions on this form and in 27 CFR Part 24 or which do not otherwise contain required information must be returned to the applicant for correction.
- No wine may be produced or received until the premises and operations are approved by the Director, National Revenue Center.
- DISCLOSURE.** If this application is not for a bonded wine premises in which production operations will be conducted and, thus a Federal Alcohol Administration Act basic permit is not required, would you agree to the listing of your name in a TTB publication which may be distributed to the general public upon request? A "no" response will have no effect on the consideration of this application. Under 26 U.S.C. 6103, you have a legal right not to give this release.
- TRADE NAME.** List each trade name to be used in connection with the wine operations. If State or local law requires registration, certify that each trade name is registered. State the operating name if other than the name in Item 6. If a trade name is listed in any basic permit issued, such trade name is not required to be included in this application.
- SPIRITS OPERATIONS.** Describe any operation which will involve the use of spirits.
- BONDS AND PERMITS.** With respect to this application, list all basic permits and bonds (including those filed with this application) showing the name and the surety for each bond.
- VOLATILE FRUIT-FLAVOR CONCENTRATE OPERATIONS.** For volatile fruit-flavor concentrate producers, submit a step-by-step description of the production process, commencing with obtaining the juice through each step of the process to removal of the concentrate from the system. For production of high-proof concentrate (more than 24 percent alcohol), indicate any step in the process at which the spirits are potable. Include the maximum quantity in gallons of fruit and volatile fruit-flavor concentrate produced in 24 hours; the maximum and minimum fold; and the maximum percent of alcohol in the concentrate for each kind of fruit used.
- OTHER OPERATIONS.** Describe any other operations not specifically authorized by Part 24 that are to be conducted on the wine premises. This must include a list of the premises and any major equipment used, and a statement as to the relationship, if any, of the operation to the wine operations. These other operations need not be restricted to alcohol-related businesses.

## SPECIFIC INSTRUCTIONS

- Item 1. **SERIAL NUMBER.** Applications on this form must be serially numbered, commencing with serial number 1 for original establishment, and continuing in sequence for each subsequent application. Applications for a taxpaid wine bottling house will be filed separately and likewise begin with serial number 1.
- Item 6. **NAME AND ADDRESS.** The address must be stated as explicitly as possible with a ZIP Code. If located in a city, the numbered street address and the name of the city will be given. If a rural address, give the name of the county and nearest post office, with the approximate distance and direction there from, including the name or number of the road or highway on which situated.

## ATTACHED STATEMENTS AND DOCUMENTS

- BUSINESS ORGANIZATION.** If already on file with TTB for another premises, only reference that premises (§ 24.109(k)). If not, attach a statement of the type of business organization, e.g., sole owner, partnership, corporation, and of the persons having an interest in the business, supported by the following:

## For corporations:

- Corporate charter or certificate of corporate existence or incorporation.
- Names and addresses of officers and directors.
- Certified extracts of minutes authorizing certain individuals to sign.
- Statement showing the number of shares of each class of stock, authorized and outstanding, and the voting rights of the respective owners or holders.
- Statement of interest: Names and addresses of the 10 persons having the largest ownership or other interest in each class of stock, and nature and amount of the stockholding or other interest of each, whether the interest appears in the name of the interested party or in the name of another party. The Director, National Revenue Center may request the names of interested persons if the applicant corporation is wholly owned or controlled by another corporation.

## For partnerships:

- True copies of articles of partnership, if any, and of the certificate of partnership where required to be filed by local authority.
- WINE PREMISES.** Describe each tract of land comprising the wine premises. Description must be by directions and distances, in feet and inches, with sufficient particularity to enable ready examination of the boundary of the wine premises. Describe the means employed to afford security of the wine premises. Describe any taxpaid wine premises at the wine premises and the means used to segregate and identify taxpaid wine from untaxpaid wine. Describe any alternating areas. Each wine premises building must be described as to size, construction, and use. Buildings not used for the wine operations must be described only as to size and use. If wine premises consists of a partial building, rooms or floors, each must be described separately. Means of ingress and egress from the wine premises to adjoining portions must be described.

## PRIVACY ACT INFORMATION

The following information is provided pursuant to Section 3 of the Privacy Act of 1974 (5 U.S.C. § 552a(e)(3)):

- AUTHORITY.** Solicitation of this information is made pursuant to 26 U.S.C. §5172. Disclosure of this information by the applicant is mandatory if the applicant wishes to obtain authorization for operating a bonded wine cellar, a bonded winery, or a taxpaid wine bottling house.
- PURPOSE.** To identify the applicant, to identify the nature, location, and the extent of the premises, the specific type or types of operations to be conducted on the premises, and to determine the eligibility of the applicant to register the wine premises.
- ROUTINE USES.** The information will be used by TTB to make determinations set forth in paragraph 2. In addition, the information may be disclosed to other Federal, State, foreign, and local law enforcement and regulatory agency personnel to verify information on the form where such disclosure is not prohibited by law. The information may further be disclosed to the Justice Department if it appears that the furnishing of false information may constitute a violation of Federal law. Finally, the information may be disclosed to members of the public in order to verify the information on the form where such disclosure is not prohibited by law.
- EFFECTS OF NOT SUPPLYING REQUESTED INFORMATION.** Failure to supply complete information will delay processing and may result in the denial of the application.

## PAPERWORK REDUCTION ACT NOTICE

This request is in accordance with the Paperwork Reduction Act of 1995. This information collection is used by TTB to determine if the applicant is eligible to receive a wine premises permit. The information is required to obtain a benefit.

The estimated average burden associated with this collection of information is 15 minutes per respondent or recordkeeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to Reports Management Officer, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, Washington, DC 20220.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current, valid OMB control number.

TTB F 5120.25 (4/2007)

Here is an example of how the "Attached Statements and Documents" questions on Form 5120.25 can be answered:

**Hazelnut Springs Winery - 1191 Outlook Road, Hazelnut Springs, CA 9xxxx  
TTB Form 5120.25, S/N 1**

**1. Business Organization:** This winery is a partnership, Linda K. Freeman and Frederick M. Johnstone, 50% - 50% partners.

**2. Wine Premises:** The wine premises is to be located on 30 acres of vineyard property owned by the partnership. The address is 1191 Outlook Road, Hazelnut Springs, CA 9xxxx. The property is approximately 4 miles north of the Hazelnut Springs Post Office, off Hwy. 2. The wine premises is at the end of the driveway; the point of commencement of the wine premises is the southeast corner of the building.

From the point of commencement, proceed west 90' to the southwest corner of the building, thence 180' north, thence 90' east, thence 180' south to the point of commencement. The entire building will be used for winery operations. There are no adjoining buildings.

One other building on the property is used for storage of agriculture equipment. It measures 110' by 70'. There is also the 1850 sf private residence of one of the partners.

The wine premises is a one-story building of wood construction with concrete floors. It is used for the production, bottling and storage of wine. There are two personnel door, one near the southwest corner of the building, and one near the center of the north side of the building. There are six windows. All doors and windows are equipped for locking, and an alarm system is activated when the property is unoccupied.

With this application, we elect to establish the entire winery as Taxpaid Wine Premises. We will segregate taxpaid wine from un taxpaid wine, and will identify the taxpaid wine by affixing a sign on the cases or pallets which prominently read, "TAXPAID."

We do not plan to alternate any parts of the premises at this time.

3. Disclosure: Yes.

4. Trade Names: Additional trade names are listed on our application for a Basic Permit. They were registered with the County Clerk.

5. Spirit Operations: None.

6. Bonds and Permits: FAA Basic Permit is being applied for. Bond is TTB Form 5120.36, effective date 5/1/05 in the amount of \$2,000.00. Surety is EverSafe Surety.

7. Volatile Fruit-Flavor Concentrate Operations: None.

8. Other Operations: None.

When the information given on a previous application Form 5120.25 needs to be changed, you should submit a new cover sheet with the next serial number, and the attachment page(s) with the updated information. Here is an example of an amended application and attachment sheet:

DEPARTMENT OF THE TREASURY ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB) APPLICATION TO ESTABLISH AND OPERATE WINE PREMISES <i>(See instructions on next page)</i>		OMB No. 1513-0009 (10/30/2009)
		1. SERIAL NUMBER 2
		2. DATE 11/23/07
		3. REGISTRY NUMBER BWN-CA-151xx
4. TO: DIRECTOR, NATIONAL REVENUE CENTER ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB) 550 Main St, Ste 8002 Cincinnati, OH 45202-5215	5. APPLICATION IS MADE TO OPERATE <i>(Check one only)</i> <input checked="" type="checkbox"/> BONDED WINERY <input type="checkbox"/> BONDED WINE CELLAR <input type="checkbox"/> TAX PAID WINE BOTTLING HOUSE	
6. NAME AND PRINCIPAL BUSINESS ADDRESS OF APPLICANT <i>(Name and street, city, county, State, and ZIP Code)</i> Linda K. Freeman and Frederick M. Johnstone Hazelnut Springs Winery 1191 Outlook Road Hazelnut Springs, CA 9xxxx	7. ADDRESS <i>(If different from address in Item 6)</i>  (same)	
PHONE # (xxx) 555-1000    EIN# 93-999999x	PHONE #	
8. PURPOSE FOR WHICH FILED <i>(Such as original establishment, trade name change, alteration of premises)</i>  Non-contiguous extension of premises to 63 Middle Park Road, Hazelnut Springs, CA 9xxxx		
9. APPLICATION FORM AND ATTACHED DOCUMENTS This application includes: (1) this form; (2) the papers and documents which are being submitted for the first time, and which are listed in Items 9A and 9B; (3) the current papers and documents of the latest approved TTB F 5120.25 Serial No. _____, which are listed in Items 9A-1 and 9B-1; and (4) the supporting organizational documents filed in connection with another establishment but incorporated in this application by reference, and listed below in Item 9C.		
9A. PAGES ATTACHED TO THIS FORM  NUMBERS Page 2	9A-1. PAGES FROM CURRENT APPROVED TTB F 5120.25  NUMBERS Page 1	
9B. ORGANIZATIONAL DOCUMENTS ATTACHED TO THIS FORM <i>(List each document)</i>	9B-1. ORGANIZATIONAL DOCUMENTS FILED WITH PRIOR APPROVED TTB F 5120.25 <i>(List each document)</i>  Partnership Agreement	
9C. ORGANIZATIONAL DOCUMENTS FILED IN CONNECTION WITH ANOTHER ESTABLISHMENT BUT INCORPORATED IN THIS APPLICATION BY REFERENCE <i>(List each document, and show the name or plant number under which filed)</i>		
10. IF NOT APPLYING AS A BONDED WINERY, WOULD YOU AGREE TO HAVE YOUR NAME LISTED IN A TTB PUBLICATION? <input type="checkbox"/> YES <input type="checkbox"/> NO		
UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE EXAMINED THIS APPLICATION AND, TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT IS TRUE, CORRECT, AND COMPLETE.		
11. SIGNATURE 	12. TITLE Partner	
FOR TTB USE ONLY		
APPLICATION IS <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED	EFFECTIVE DATE	
SIGNATURE AND TITLE OF TTB OFFICIAL, ALCOHOL AND TOBACCO TAX AND TRADE BUREAU	DATE	
TTB F 5120.25 (4/2007)		

**Hazelnut Springs Winery - 1191 Outlook Road, Hazelnut Springs, CA 9xxxx  
TTB Form 5120.25, S/N 2**

2. Wine Premises (continued):

We are establishing with this application a non-contiguous extension of the bonded premises for barrel storage at 63 Middle Park Road, Hazelnut Springs, CA 9xxxx. The wine will return to the main winery for bottling. It is 1-½ miles from of the original wine premises and is owned by the partnership. The building measures 110' by 70'. It has one large sliding door and two windows, all of which are equipped for locking.

(new)

We do not plan to alternate any parts of the premises at this time.

3. Disclosure: Yes.

4. Trade Names: Additional trade names are listed on our application for a Basic Permit. They were registered with the County Clerk.

5. Spirits Operations: None.

6. Bonds and Permits: FAA Basic Permit Number is CA-W-15xxx. A superseding bond Form 5120.36, effective date 11/1/07 in the amount of \$25,000 and a Consent of Surety to extend the terms of the bond to the non-contiguous warehouse are also being filed with this application. Surety is EverSafe Surety.

(Changed)

7. Volatile Fruit-Flavor Concentrate Operations: None.

8. Other Operations: None.

# Application for Basic Permit Under the FAA Act Form 5100.24

Companies that produce and/or blend wine are required to obtain a Basic Permit under the Federal Alcohol Administration Act by submitting TTB Form 5100.24. Bonded wine premises which are established to store untaxed wine, but not produce or blend wine, are not required to obtain a Basic Permit.

OMB NO. 1513-0018 (07/31/2008)

**DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)**

**APPLICATION FOR BASIC PERMIT UNDER THE FEDERAL ALCOHOL ADMINISTRATION ACT**

<p>1. FULL NAME AND PREMISES ADDRESS Linda K. Freeman &amp; Frederick M. Johnstone 1191 Outlook Road Hazelnut Springs, CA 9999x</p> <p>TELEPHONE NUMBER 9xx-555-1000 State in which organized for Corporations and Limited Liability Companies (LLC):</p>	<p>3. EMPLOYER IDENTIFICATION NUMBER (EIN) <i>(Social Security number is not acceptable)</i> 93-999999x</p> <p>4. OPERATING NAME (DBA), if any Hazelnut Springs Winery</p> <p>5. LABELING TRADE NAME(S), if any Hazelnut Cellars Nocciola Vineyards</p>
<p>2. MAILING ADDRESS <i>(If different from premises address)</i> Same</p>	

6. BUSINESS(ES) TO BE CONDUCTED AT PREMISES ADDRESS *(Check applicable boxes)*

<p>a. <input type="checkbox"/> DISTILLED SPIRITS PLANT <i>(BEVERAGE)</i></p> <p style="margin-left: 20px;"><input type="checkbox"/> DISTILLING <input type="checkbox"/> WAREHOUSING AND BOTTLING DISTILLED SPIRITS <input type="checkbox"/> PROCESSING <i>(RECTIFYING)</i> DISTILLED SPIRITS AND WINE</p>	<p>c. <input type="checkbox"/> IMPORTING INTO THE UNITED STATES</p> <p style="margin-left: 20px;"><input type="checkbox"/> DISTILLED SPIRITS <input type="checkbox"/> WINE <input type="checkbox"/> MALT BEVERAGES</p>
<p>b. <input checked="" type="checkbox"/> BONDED WINE PREMISES</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> PRODUCING AND BLENDING WINE <input type="checkbox"/> BLENDING WINE</p>	<p>d. <input type="checkbox"/> PURCHASING FOR RESALE AT WHOLESALE</p> <p style="margin-left: 20px;"><input type="checkbox"/> DISTILLED SPIRITS <input type="checkbox"/> WINE <input type="checkbox"/> MALT BEVERAGES</p>

or while so engaged, sell, offer, or deliver for sale, contract to sell, or ship in interstate or foreign commerce the alcoholic beverages so distilled produced, rectified, blended or bottled, warehoused and bottled, imported or purchased for resale at wholesale.

7. REASON FOR THE APPLICATION

<p>a. <input checked="" type="checkbox"/> NEW BUSINESS Anticipated start date <u>4/1/07</u></p>	<p>c. <input type="checkbox"/> CHANGE IN OWNERSHIP Date of Change _____ Name, address and permit number(s) of predecessor _____</p>
<p>b. <input type="checkbox"/> CHANGE IN CONTROL <i>(Actual or legal)</i> <input type="checkbox"/> Submit Basic Permit(s) with this application. Date of Change _____</p>	

8. OWNER INFORMATION *(List sole owner, all general parties, LLC members/managers, corporate officers and directors, and shareholders with more than 10% voting stock. Each listed person must also furnish the information in Item 9.)*

NAME	TITLE	% VOTING/STOCK/INTEREST <i>(If applicable)</i>	INVESTMENT IN BUSINESS <i>(Item 6)</i>	SOURCE OF FUNDS INVESTED <i>(savings, loans, gift or specify other)</i>
Linda K. Freeman	Partner	50%	\$15,000	Savings
Frederick M. Johnstone	Partner	50%	\$15,000	Sale of Stock

IF APPLICANT IS ACTUALLY OR LEGALLY CONTROLLED BY PERSONS OR BUSINESSES NOT IDENTIFIED ABOVE, PROVIDE ON A SEPARATE SHEET INFORMATION *(as specified for Item 9)* FOR EACH PERSON OR BUSINESS AND STATE THE EXTENT AND MANNER OF THE CONTROL. BUSINESSES SHOULD INCLUDE THEIR EIN.

9. COMPLETE FOR EACH PERSON LISTED IN ITEM 8.

<p>a. FULL GIVEN NAME Linda Kaye Freeman</p>	<p>b. DATE AND PLACE OF BIRTH 5/9/65</p>	<p>c. SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER 054-36-123x</p>	<p>d. ARE YOU A U.S. CITIZEN? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p>
--	--	---	---

e.  MALE  FEMALE  n/a

f. OTHER NAMES USED *(Maiden name, nicknames, etc.)*

g. RESIDENCE(S) OVER THE LAST FIVE YEARS  
5/98 to present: 1191 Outlook Road, Hazelnut Springs, CA 9999x

TTB F 5100.24 (5/2005)

a. FULL GIVEN NAME Frederick Marlin Johnstone	b. DATE AND PLACE OF BIRTH 3/5/70 Oakland, CA	c. SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER 552-61-949x	d. ARE YOU A U.S. CITIZEN? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
--	--	---	---

e. <input checked="" type="checkbox"/> MALE <input type="checkbox"/> FEMALE	f. OTHER NAMES USED (Maiden name, nicknames, etc.) Marty Johnstone
--	---

g. RESIDENCE(S) OVER THE LAST FIVE YEARS  
7/99 to present: 2126 S. Valley View Road, Hazelnut Springs, CA 9999x

a. FULL GIVEN NAME	b. DATE AND PLACE OF BIRTH	c. SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER	d. ARE YOU A U.S. CITIZEN? <input type="checkbox"/> YES <input type="checkbox"/> NO
--------------------	----------------------------	--	--

e. <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	f. OTHER NAMES USED (Maiden name, nicknames, etc.)
---	--

g. RESIDENCE(S) OVER THE LAST FIVE YEARS

a. FULL GIVEN NAME	b. DATE AND PLACE OF BIRTH	c. SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER	d. ARE YOU A U.S. CITIZEN? <input type="checkbox"/> YES <input type="checkbox"/> NO
--------------------	----------------------------	--	--

e. <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	f. OTHER NAMES USED (Maiden name, nicknames, etc.)
---	--

g. RESIDENCE(S) OVER THE LAST FIVE YEARS

a. FULL GIVEN NAME	b. DATE AND PLACE OF BIRTH	c. SOCIAL SECURITY OR EMPLOYER IDENTIFICATION NUMBER	d. ARE YOU A U.S. CITIZEN? <input type="checkbox"/> YES <input type="checkbox"/> NO
--------------------	----------------------------	--	--

e. <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	f. OTHER NAMES USED (Maiden name, nicknames, etc.)
---	--

g. RESIDENCE(S) OVER THE LAST FIVE YEARS

10. HAS THE APPLICANT OR ANY PERSON LISTED FOR ITEMS 8 OR 9 EVER BEEN DENIED A PERMIT, LICENSE OR OTHER AUTHORIZATION TO ENGAGE IN ANY BUSINESS TO MANUFACTURE, DISTRIBUTE, IMPORT, SELL OR USE ALCOHOL PRODUCTS (beverage or nonbeverage) BY ANY GOVERNMENT AGENCY (Federal, State, local or foreign) OR HAD SUCH PERMIT, LICENSE OR OTHER AUTHORIZATION REVOKED, SUSPENDED OR OTHERWISE TERMINATED?  
 YES. State details of each event on a separate sheet.  NO

11. HAS THE APPLICANT OR ANY PERSON LISTED FOR ITEMS 8 OR 9 EVER BEEN ARRESTED FOR, CHARGED WITH, OR CONVICTED OF ANY CRIME UNDER FEDERAL, STATE OR FOREIGN LAWS other than traffic violations or convictions that are not felonies under Federal or State law.  
 YES. State details of each event on a separate sheet.  NO

**TTB MAY REQUIRE additional information to process this application.** If you are applying for a basic permit to operate a distilled spirits plant or bonded wine premises, you must also file additional forms and information required under the Internal Revenue Code. **OPERATION WITHOUT A PERMIT.** Criminal and administrative actions may be taken against persons engaged in a business listed in Item 6 of this form if it is not conducted pursuant to an FAA Act basic permit.

**APPLICANT'S AFFIRMATION.** Under penalties of perjury, I declare that I have examined this application, including accompanying statements, and to the best of my knowledge and belief, it is true, correct and complete. The applicant will immediately notify the TTB official with whom this application is filed of any change in ownership, management, or control of the applicant (in the case of a corporation, any change in the officers, directors, or persons holding 10 percent or more of the corporate stock). The business for which this application is made does not violate the law of the State in which the business will be conducted. In addition, if this application is approved, the applicant will conduct operations within a reasonable period of time and maintain such operations in conformity with Federal law.

12. APPLICANT'S SIGNATURE (Sole owner, partner, corporate officer, LLC member or manager, or if designated agent, submit TTB F 5000.8) <i>Linda K. Freeman</i>	13. TITLE OF PERSON SIGNING Partner	14. DATE 1-13-07
---	--	---------------------

15. E-MAIL (INTERNET) ADDRESS (optional):  
LindaKaye@.com

## INSTRUCTIONS

1. GENERAL. You must file this application if you want a permit under the Federal Alcohol Administration Act (FAA Act) to engage in the business of:

- Producing or processing distilled spirits or wine includes for nonindustrial use.
- Importing into the United States, or wholesaling, alcoholic beverages.

Nonindustrial use of distilled spirits or wines includes all beverage purposes or uses in preparing foods or drinks. Wholesaling under the FAA Act means purchasing alcoholic beverages for resale at wholesale. The FAA Act defines alcoholic beverages as distilled spirits, wine, or malt beverages including any fermented cereal beverages which have an alcohol content of not less than 1/2 percent.

2. COMPLETING AND FILING THIS APPLICATION.

- Please type or print and complete all items.
- Write "not applicable" in any item requesting information that does not apply to your business.
- Items 8 through 11: If this information is on file with TTB, state "On file under (name and TTB permit or registry number or type of pending application)."
- If you need additional room, use a separate sheet.
- If your producing or processing operations will be in Puerto Rico, contact the Director, Puerto Rico Operations, for additional requirements.
- Send this form in duplicate to the appropriate TTB (Alcohol and Tobacco Tax and Trade Bureau ) office.

Location of  
Business

PUERTO RICO

ALL OTHER STATES

Send to:  
TTB

Ste 310 Torre Chardon, 350 787-766-5584  
Carlos Chardon Ave, San Juan, PR 00918 -21244

550 Main Street, Suite 8002 1-877-882-3277  
Cincinnati, OH 45202

3. LABEL APPROVALS FOR BOTTLED ALCOHOLIC BEVERAGES. Bottlers, packagers, and importers should have TTB approved label certificates (TTB F 5100.31). A label approval is required to sell, ship or deliver for sale or shipment, or to otherwise introduce in interstate or foreign commerce, alcoholic beverages. Also, a label approval allows importers to release specific imported alcoholic beverages from Customs' custody. For label approvals contact TTB, Washington, DC 20220, (202-927-8140). TTB does not approve certificates until you have the appropriate FAA Act basic permit. You can submit draft labels (*for example, mockups*) to TTB for review before printing the labels. Trade name approval on your FAA Act basic permit does not constitute approval as a brand name for labeling purposes.
4. SPECIAL TAX. If you operate a distilled spirits plant or bonded wine premises or deal in beer, wine or distilled spirits, file TTB F 5630.5, Special Tax Registration and Return, and pay an annual tax. File TTB F 5630.5 and pay this tax when you start selling, or offer for sale, alcoholic beverages. You do not file this form or pay special tax when your business only involves the importation or sale of fermented cereal beverages which have an alcoholic content of less than 1/2 percent or where your business is only in Puerto Rico.
5. EMPLOYER IDENTIFICATION NUMBER. You need to have this number for your business even if you do not have any employees. To obtain an EIN, file Form SS-4 with the Internal Revenue Service.

## PRIVACY ACT INFORMATION

1. AUTHORITY. Solicitation of information on TTB F 5100.24 is made pursuant to 27 U.S.C. Section 204(c). Disclosure of this information by the applicant is mandatory if the applicant wishes to obtain a basic permit under the Federal Alcohol Administration Act.
2. PURPOSES. To identify the applicant; the location of the premises; and to determine the eligibility of the applicant to obtain a basic permit.
3. ROUTINE USES. The information will be used by TTB to make determinations set forth in paragraph 2 above. Where such disclosure is not prohibited, TTB officers may disclose this information to other Federal, State foreign and local law enforcement and regulatory agency personnel to verify information on the application and for enforcement of the laws of such other agency. The information may be disclosed to the Justice Department if the application appears to be false or misleading. TTB officers may disclose the information to individuals to verify information on the application where such disclosure is not prohibited.
4. EFFECTS OF NOT SUPPLYING INFORMATION REQUESTED. TTB may delay or deny the issuance of the FAA Act basic permit where information is not complete or missing.
5. DISCLOSURE OF EMPLOYER IDENTIFICATION NUMBER AND SOCIAL SECURITY NUMBER. You do not have to supply these numbers. These numbers are used to identify an individual or business. If you do not supply the numbers, your application may be delayed.

## PAPERWORK REDUCTION ACT NOTICE

This request is in accordance with the Paperwork Reduction of 1995. The information collection is used to determine the eligibility of the applicant to engage in certain operations, to determine the location and extent of operations, and to determine whether the operations will be in conformity with Federal laws and regulations. The information requested is required to obtain or retain a benefit and is mandatory by statute (27 U.S.C. 203 and 204 (c)).

The estimated average burden associated with this collection of information is 1 hour and 45 minutes per respondent depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to Reports Management Officer, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, Washington, DC 20220.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

# Application for Amended Basic Permit under the FAA Act Form 5100.18

If the information originally submitted on Form 5100.24 needs to be corrected or changed, Form 5100.18 is submitted to the National Revenue Center for processing, along with the basic permit which needs correction.

OMB No. 1513-0019 (07/31/2008)

DEPARTMENT OF THE TREASURY ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB) APPLICATION FOR AMENDED BASIC PERMIT UNDER FEDERAL ALCOHOL ADMINISTRATION ACT <small>(See instructions on the reverse side)</small>			
1. NAME OF PERMITTEE Molto Bene Wines, Inc.	2. PERMIT NUMBER(S) TO BE AMENDED CA-W-1520x (BWN-CA-152xx)	3. EMPLOYER IDENTIFICATION NUMBER 93-xx123xx	
REASON FOR CHANGE			
4. CHANGE NAME ON PERMIT	TO	5. CHANGE ADDRESS ON PERMIT	TO (Number, street, route, city or town, state and ZIP Code)
6. CHANGE IN TRADE NAME(S)	ADD NEW TRADE NAME(S) <small>(State the purpose for which each trade name will be used. Use of trade name as a brand name on a label requires additional approval on TTB F 5100.31.)</small> D'Affonchio Cellars, for the account of D'Affonchio Vineyards. Name was registered with County Clerk. REMOVE TRADE NAME(S)		
7. CHANGE OPERATIONS	CHANGE OPERATIONS ON PERMIT TO		
8. CHANGE IN OFFICER, DIRECTOR, STOCKHOLDER OR INVESTOR <small>(See instruction 1)</small>	REMOVE NAME ADD a. FULL GIVEN NAME <small>(no initials)</small> b. OTHER NAMES USED <small>(include maiden and married)</small> c. <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE d. SOCIAL SECURITY NUMBER OR EMPLOYER IDENTIFICATION NUMBER      e. BIRTH DATE      f. PLACE OF BIRTH g. ARE YOU A U.S. CITIZEN? <input type="checkbox"/> YES <input type="checkbox"/> NO      h. NUMBER AND TYPE OF SHARES HELD if person holds more than 10 percent. i. TITLE WITH APPLICANT'S BUSINESS      j. INVESTMENT IN PERMITTEE'S BUSINESS if more than 10 percent of capital. k. RESIDENCES OR PRINCIPAL PLACES OF BUSINESS DURING PAST 5 YEARS      (1) NEW      (2) SOURCE OF FUNDS <small>(examples, savings, loan, gift).</small> \$		
l. HAS THIS PERSON EVER BEEN ARRESTED FOR, CHARGED WITH, OR CONVICTED OF, ANY CRIME UNDER FEDERAL, STATE OR FOREIGN LAWS <small>other than misdemeanor traffic violations or convictions that are not felonies under Federal or State law?</small> <input type="checkbox"/> YES. State details of each event on a separate sheet. <input type="checkbox"/> NO			
m. HAS THIS PERSON EVER BEEN DENIED A PERMIT, LICENSE OR OTHER AUTHORIZATION TO ENGAGE IN ANY BUSINESS TO MANUFACTURE, DISTRIBUTE, IMPORT, SELL OR USE ALCOHOL PRODUCTS <small>(beverage or nonbeverage)</small> BY ANY GOVERNMENT <small>(Federal, State, local or foreign)</small> AGENCY OR HAD SUCH PERMIT, LICENSE OR OTHER AUTHORIZATION REVOKED, SUSPENDED OR OTHERWISE TERMINATED? <input type="checkbox"/> YES <small>(State the details on a separate sheet.)</small> <input type="checkbox"/> NO			
9. ADDITIONAL INFORMATION. TTB may require additional evidence necessary to verify this application.			
10. PERMITTEE'S AFFIRMATION. Under penalties of perjury, I declare that I have examined this application, including accompanying statements, and to the best of my knowledge and belief, it is true, correct and complete. The business for which this permit is granted does not violate the law of the State in which business will be conducted.			
11. SIGNATURE OF AUTHORIZED INDIVIDUAL <i>Alexander Tudoro</i>		12. TITLE President	13. TELEPHONE NO. (650) xxx-1234
15. E-MAIL (INTERNET) ADDRESS <small>(optional)</small>		14. DATE 02/07/07	
TTB USE ONLY			17. DATE
16. SIGNATURE AND TITLE OF TTB OFFICIAL			

TTB F 5100.18 (5/2005)

## Request for Variance from Filing Certain Forms

Instead of completing Form 5100.18 each time you have a change to report, you may request permission to send a letter to TTB which describes the change. Here is an example of the letter which must be submitted and approved by TTB:

---

Name of Company  
Address  
Telephone Number

Date

Chief, National Revenue Center  
Alcohol and Tobacco Tax and Trade Bureau  
John Weld Peck Federal Bldg.  
550 Main Street, Suite 8002  
Cincinnati, OH 45202-3263

BW-XX-xxxx  
(XX-W-xxxx)

We request permission for a variance from regulations to file letterhead applications in lieu of amended notices, registrations or applications on TTB forms for routine changes such as:

Addition or deletion of trade name  
Changes in corporate officers and directors

Thank you.

Sincerely yours,

(Name and title of person with signature authority)

## Sample Trade Name Letter

Here is an example of a letter that may be submitted to TTB to report a change to the Basic Permit information, if your request for a variance from filing Form 5100.18 is approved:

---

Name of Company  
Address  
Telephone Number

Date

Chief, National Revenue Center  
Alcohol and Tobacco Tax and Trade Bureau  
John Weld Peck Federal Bldg.  
550 Main Street, Suite 8002  
Cincinnati, OH 45202-3263

BW-XX-xxxx  
(XX-W-xxxx)

Re: Trade Names

We wish to add the following trade name to our basic permit/registration:

Trade Name:

For the account of:

Registration Statement: This name was registered with the (xxxx) County Clerk's office on (date).

Permit and Registry Numbers: XX-W-xxxx; BW-XX-xxxx

We also wish to delete the trade name "xxxxx" from our permit, as we are no longer bottling with that name.

Sincerely yours,

(Name and title of person with signature authority)

# Wine Bond Form 5120.36

All bonded wine premises must maintain bond coverage on Form 5120.36 which has sufficient operating and deferral coverage for the operations conducted at each premises. The bond may be obtained through a Surety Company or by providing TTB-approved cash alternatives. Here is a key to the completion of each space:

DEPARTMENT OF THE TREASURY ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB) <b>WINE BOND</b> <i>(See instructions below)</i>			OMB No. 1513-0009 (08/31/2006) EFFECTIVE DATE 1
PRINCIPAL 2	BUSINESS ADDRESS (Number, Street, City, State, Zip Code) 3		
REGISTRY NUMBER 4			
SURETY (or Sureties) 6	PREMISES ADDRESS (If different from the above.) 5		
TYPE OF BOND (Check applicable boxes)	<input type="checkbox"/> WINE OPERATIONS BOND	<input type="checkbox"/> TAX DEFERRAL BOND	AMOUNT OF BOND (Total of operations and deferral coverage)
AMOUNT OF COVERAGE \$	8	\$ 9	\$ 10
KIND OF BOND (check applicable box)	<input type="checkbox"/> ORIGINAL	<input type="checkbox"/> STRENGTHENING	<input type="checkbox"/> SUPERSEDING
PURPOSE: The above principal has filed an application to operate, or is operating, the bonded wine cellar or bonded winery specified.			
CONDITIONS: The above principal and surety (sureties) are bound independently and jointly for payment to the United States in the above amount of lawful money of the United States. In this bond, the terms principal or surety include the heirs, executors, administrators, successors of the principal or surety. Additional wine bond coverage (If this bond covers only tax deferral, refer to instructions on the reverse side of this form.)			
(4) Pay all special occupational taxes, penalties, and interest imposed by 26 U.S.C. Chapters 51, 67, and 68 hereafter in force.			
(5)			
<div style="border: 2px solid black; padding: 10px; transform: rotate(-5deg); width: fit-content; margin: auto;"> <p><b>Note: A New Wine Bond Form 5120.36 was issued in May 2007. Please refer to instructions for completion of the new bond at <a href="http://www.ttb.gov">www.ttb.gov</a>.</b></p> </div>			
(8) As the proprietor of an adjacent wine vinegar plant, pay all taxes, now or hereafter in force (including any penalties or interest), for which the principal may become liable with respect to the operation of the wine vinegar plant, and all wine now or hereafter in transit or on the premises of the wine vinegar plant.			
Witness our hands and seals this _____ 13 day of _____ 20____.		CORPORATIONS ONLY: State in which organized: _____ 14	
Signed, sealed, and delivered in the presence of:		Impress corporate seal or check: <input type="checkbox"/> The corporation has no seal. 15	
_____ 16		_____ 17	
DIRECTOR, NATIONAL REVENUE CENTER APPROVAL: ON BEHALF OF THE UNITED STATES. I APPROVE THE FOREGOING BOND WHICH HAS BEEN EXECUTED IN DUE FORM IN COMPLIANCE WITH THE APPLICABLE LAW, REGULATIONS, AND INSTRUCTIONS.			
SIGNATURE OF AUTHORIZED OFFICIAL, ALCOHOL AND TOBACCO TAX AND TRADE BUREAU			DATE APPROVED

TTB F 5120.36 (5/2005)

**Here is a key to the spaces on the Wine Bond Form 5120.36, on the reverse:**

1. Date coverage will begin.
2. Sole owner enters his/her name and operating name, if any. Partnership enters names of all partners and operating trade name. Corporation enters corporation's name, state of incorporation, and operating trade name, if any.
3. Business or mailing address; may differ from location shown in Space 5.
4. BW/BWN/BWC-[State Abbreviation]-xxxxx.
5. Location of wine premises. May differ from business address shown in Space 3. If there is no street address, enter the physical location. Do not enter P.O. Box.
6. Name of surety company.
7. "Wine Operations" amount covers the tax on wine for transit to the premises. "Tax Deferral" amount covers tax on wine but not yet paid, on wine.
8. Operations coverage amount shown in Spaces 8 and 9.
9. Amount of the bond. Clause 3
10. The dollar amount of the bond.
11. An "Original" bond is issued only by new establishments or changes of ownership. A "Strengthening" bond increases the existing coverage. A "Superseding" bond replaces the existing coverage.
12. The bond provides either \$500 or \$1,000 deferral coverage. If more than \$1000 is needed, additional coverage is obtained in Space 9. Operations coverage in Space 8 must be at least \$2000 to be eligible for the \$1000 deferral coverage given here.
13. The date the bond was signed.
14. State of incorporation of the ownership of the wine premises, if applicable.
15. Check this box if the corporation which owns the wine premises does not have a corporate seal; two witnesses must sign in Space 16 in lieu of seal.
16. and 17. The bond must be signed as shown on "Bond Signatures" examples.

**Note: A New Wine Bond Form 5120.36 was issued in May 2007. Please refer to instructions for completion of the new bond at [www.ttb.gov](http://www.ttb.gov).**

**Evidence of Power of Attorney for Surety must be attached to each bond.**

The bond must be signed correctly by the principals of the company operating the bonded wine premises and by the Surety Company. This page shows how the bond must be signed by Sole Proprietors, Partnerships, Limited Liability Companies and Corporations.

**Sole Owners**

Witness our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.  
Signed, sealed and delivered in the presence of -

CORPORATIONS ONLY: State in which organized: \_\_\_\_\_

Impress corporate seal or check:  The corporation has no seal.

Signature of 1st Witness \_\_\_\_\_  
Signature of 2nd Witness \_\_\_\_\_

DBA Name: \_\_\_\_\_  
BY: Signature of \_\_\_\_\_  
Name \_\_\_\_\_

**Note: A New Wine Bond Form 5120.36 was issued in May 2007. Please refer to instructions for completion of the new bond at [www.ttb.gov](http://www.ttb.gov).**

Witness our hands  
Signed, sealed and delivered in the presence of -

(If no corporate seal, signature of 2 witnesses are needed)

Signature of 1st Witness \_\_\_\_\_  
Signature of 2nd Witness \_\_\_\_\_

BY: Signature of Partner with POA \_\_\_\_\_  
Name \_\_\_\_\_  
Signature of Surety Co. Representative \_\_\_\_\_  
Name and Title of Individual Signing for Surety \_\_\_\_\_

Surety's Corporate Seal

**Limited Liability Companies**

Witness our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.  
Signed, sealed and delivered in the presence of -

CORPORATIONS ONLY: State in which organized: \_\_\_\_\_

Impress corporate seal or check:  The corporation has no seal.

(If no corporate seal, signature of 2 witnesses are needed)

Signature of 1st Witness \_\_\_\_\_  
Signature of 2nd Witness \_\_\_\_\_

LLC's Name \_\_\_\_\_  
BY: Signature of Members or Person with POA \_\_\_\_\_  
Name and Title of Members \_\_\_\_\_  
Name of Surety Company \_\_\_\_\_  
BY: Signature of Surety Co. Representative \_\_\_\_\_  
Name and Title of Individual Signing for Surety \_\_\_\_\_

Corporate Seal  
Surety's Corporate Seal

**Corporations**

Witness our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.  
Signed, sealed and delivered in the presence of -

CORPORATIONS ONLY: State in which organized: \_\_\_\_\_

Impress corporate seal or check:  The corporation has no seal.

(If no corporate seal, signature of 2 witnesses are needed)

Signature of 1st Witness \_\_\_\_\_  
Signature of 2nd Witness \_\_\_\_\_

Corporate Name \_\_\_\_\_  
BY: Signature of Corporate Representative with POA \_\_\_\_\_  
Name and Title of Corporation's Representative \_\_\_\_\_  
Name of Surety Company \_\_\_\_\_  
BY: Signature of Surety Co. Representative \_\_\_\_\_  
Name and Title of Individual Signing for Surety \_\_\_\_\_

Corporate Seal  
Surety's Corporate Seal

## Alternatives to Filing a Wine Bond Form 5120.36 with a Surety Company

### Cash Collateral

- Wine Bond Form 5120.36
- Cashier's Check or Money Order for full amount of bond is held by U.S. Treasury Department as collateral
- No interest is accrued

### Treasury Note

- Wine Bond Form 5120.36
- Purchased through a bank or broker, who transfers the Treasury Note to the Federal Reserve Bank.
- Treasury Note is held by Federal Reserve Bank as collateral
- Interest is electronically deposited into the company's bank account

Contact the National Revenue Center's Wine Unit for further information:

Alcohol and Tobacco Tax and Trade Bureau  
550 Main Street, Room 8002, Attn: Wine Unit  
Cincinnati, OH 45202

Telephone: (513) 684-6882  
Toll Free: (877) TTB-FAQS  
E-Mail: [ttbwine@ttb.gov](mailto:ttbwine@ttb.gov)  
Fax: (513) 684-2226

## Worksheet for Determining Operating Bond Coverage

Tax Liability Areas	Gallons of Wine					Proof Gallons of Spirits
	Not Over 14%	More than 14% but not over 21%	More than 21% but not over 24%	Artificially Carbonated	Sparkling	
Bulk Inventory						
Bottled Inventory In Transit from other Bonded Wineries or DSPs						
Withdrawn for Export but not yet Certified						
Unaccounted For						
<b>Total Gallons</b>						
<b>Multiply by Tax Rate *</b>	<b>\$1.07 (\$ .17)</b>	<b>\$1.57 (\$ .67)</b>	<b>\$3.15 (\$2.25)</b>	<b>\$3.30 (2.40)</b>	<b>\$3.40</b>	<b>\$2.26 (\$ .17)</b>
<b>Total Tax Liability</b>						<b>\$13.50</b>

\* Use applicable tax rates. Full tax rates apply to bulk wine imported in bond.

**Grand Total of Tax Liability** \$ \_\_\_\_\_

**Case Equivalency Examples:**

a) One case of 12-750 ml bottles = 2.37753 gallons  
 2.37753 gal of -14% wine X \$1.07 tax/case = \$2.54 tax/case  
 2.37753 gal of -14% wine X \$ .17 tax/case = \$ .40 tax/case

2,500 cases of -14% wine at \$2.54/case would require \$6,350 bond  
 2,500 cases of -14% wine at \$ .40/case would require \$1,000 bond

b) 2,500 cases X 2.37753 gal/case = 5,943.8 gallons  
 5943.8 gallons X \$1.07 tax/gal = \$6,360 liability  
 5943.8 gallons X \$ .17 tax/gal = \$1,010 liability

## Operating Bond Penal Sum Requirements

If Liability is:	Operating Bond Amount is:
Less than \$50,000	\$1,000 – amount as needed
\$50,000 - \$250,000	\$50,000
\$250,000 and above	\$100,000

### Examples:

1) A small winery has 10,000 gallons of -14% alcohol wine, 7,500 gallons of 14-21% alcohol wine, and a 60 gallon drum of spirits.

The tax liability on the -14% wine for this small winery is \$.17 per gallon, and \$.67 per gallon on the 14-21% wine.

Wine/Spirits	Tax Class	Tax Rate	Tax Liability
10,000 gallons	-14%	\$.17/gallon	\$1,700.00
7,500 gallons	14-21%	\$.67/gallon	\$5,025.00
84 proof gallons	Distilled Spirits	\$13.50/proof gallons	\$1,340.00
		Total Liability:	\$8,065.00
		<b>Bond Requirement:</b>	<b>Not less than \$9,000.00</b>

2) A large winery with more wine on hand and 6,000 gallons spirits has a much higher tax liability:

Wine/Spirits	Tax Class	Tax Rate	Tax Value
100,000 gallons	-14%	\$1.07/gallon	\$107,000.00
75,000 gallons	14-21%	\$1.57/gallon	\$117,750.00
8,400 proof gallons	Distilled Spirits	\$13.50/proof gallon	\$113,400.00
		Total Liability:	\$338,150.00
		<b>Bond Requirement:</b>	<b>\$100,000.00</b>

## Determining Tax Deferral Bond Coverage

📖 27 CFR 24.146(b)

When wine is removed from the bonded wine premises for consumption or sale, and the tax has been determined but the tax has not yet been paid, the tax deferral bond coverage must be sufficient to cover the amount of tax that, at any time, has been determined but not yet paid.

**Quarterly Filings:** To determine if your tax deferral bond coverage is sufficient for Quarterly Excise Tax Returns, compare your current deferral bond coverage to the amount of excise tax you expect will be determined during the following quarterly periods in 2007.

**EXAMPLE, using 2006 taxable removals for guidance:**

Jan. 1 – March 31	Due April 14	\$2,250
April 1-14	Outstanding liability	\$ 500
	Total liability	\$2,750
April 1-June 30	Due July 14	\$5,000
July 1-14	Outstanding liability	\$ 250
	Total liability	\$5,250
July 1 – Sept. 30	Due October 13	\$5,500
October 1-13	Outstanding liability	\$1,000
	Total liability	\$6,500
Oct. 1 – Dec. 31	Due January 12	\$7,000
January 1-12	Outstanding liability	\$ 500
	Total liability	<b>\$7,500</b>

- 1) Taxable removals in October, November, December 2006 totaled \$7,000.00.
- 2) Taxable removals during January 1-12, 2007 totaled \$500.00.
- 3) Tax liability was at its highest from October 1-January 12 at \$7,500.00

You expect your removals to be similar in 2007. Your deferral bond coverage may be not less than \$7,500.00. (A \$10,000 bond deferral bond would allow for growth.)

**Annual Filings:** To determine if the \$500 or \$1,000 tax deferral coverage provided on your bond is sufficient for annual excise tax filing, estimate the amount of excise tax you expect will be due during 2007. Remember that you may only file annually if your taxes will total less than \$1,000 and you do not have additional bond coverage. If the \$500 or \$1,000 provided on the bond is not sufficient, you will need to file your tax returns either quarterly or bi-weekly.

**Bi-Weekly Filings:** To determine if your tax deferral bond coverage is sufficient, compare your current deferral bond coverage to the maximum amount of excise tax you estimate will be due during 2007. This determination requires estimating what

will be due, but not paid, during a typical semi-monthly tax period and during the 14 days that follow, until the tax is paid.

**EXAMPLE, using 2006 taxable removals for guidance:**

March 1-15	Due March 29	\$2,000	
March 16-29	Outstanding liability	\$ 500	
	Total liability March 1-29	\$2,500	
March 16-31	Due April 14	\$5,000	
April 1-14	Outstanding liability	\$ 500	
	Total liability March 16-April 14	\$5,500	
April 1-15	Due April 28	\$8,000	
April 16-28	Outstanding liability	\$2,000	
	Total liability April 1-28	<b>\$10,000</b>	<b>(High Point)</b>
April 16-30	Due May 12	\$7,500	
May 1-12	Outstanding liability	\$1,000	
	Total liability April 16-May 12	\$8,500	

Any person who signs forms that are submitted to TTB, or who will speak with TTB on behalf of the company, must have written authority on file giving that person permission to do so. The form used to give an individual Signature Authority is Form 5000.8, Power of Attorney.

OMB No. 1513-0014 (10/31/09)

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)  
**POWER OF ATTORNEY**

(Please read instructions before completing this form)

1. PRINCIPAL (Name of Partnership, Corporation, Association, Estate, or Individual) <b>Hazelnut Springs Winery</b>	2. BUSINESS IN WHICH ENGAGED <b>Bonded Winery</b>
3. ADDRESS (Number, Street, City, State, ZIP Code), TELEPHONE NUMBER, AND E-MAIL ADDRESS <b>1191 Outlook Road Hazelnut Springs, Ca 9999x</b>	
4. TAXPAYER IDENTIFICATION NUMBER (Employer Identification Number or Social Security Number) <b>93-999999x</b>	5. PERMIT NUMBER / REGISTRY NUMBER (If applicable)
6. NAME AND TELEPHONE NUMBER OF APPOINTED ATTORNEY <b>IRIS BRISTONATE</b>	
7. ADDRESS (Number, Street, City, State, and ZIP Code) <b>1191 Outlook Road, Hazelnut Springs, CA 9999x</b>	
8. The above named principal, engaged in the business shown, has appointed the above named attorney to: (See instruction 2)	

(a) Execute for him/her all applications, notices, bonds, tax returns, tax information disclosure authorizations, and other instruments, claims, offers in compromise, letters, writings, and papers, and to act for him/her in dealing with the Alcohol and Tobacco Tax and Trade Bureau (TTB) in connection with matters relating to the laws and regulations administered by it. The principal authorizes the attorney named above to receive on his/her behalf any and all notices, papers, and letters from the Alcohol and Tobacco Tax and Trade Bureau in connection with all such matters, and grants him/her full power and authority to do all that is essential in and about the premises, as duly as the principal could do if personally present, with full power of substitution and revocation. The principal hereby ratifies and confirms all that the attorney must lawfully do or cause to be by virtue of this appointment.

(b)

9. The power is to apply to the following. (If authority is restricted to a particular factory, plant, premises, etc., give name as: Distilled Spirits Plant, Tobacco Products Factory, Tobacco Export Warehouse, etc., and address and registry number; or, if a Wholesale Liquor Dealer, SDA, or Tax-Free Alcohol User; or if this Power of Attorney may be used for manufacturing or importing firearms or ammunition, etc., give permit number.)

10. SIGNATURE OF APPOINTED ATTORNEY *Iris Bristonate*

**EXECUTION** (See instruction 3)

11. SIGNATURE IF PRINCIPAL IS INDIVIDUAL (Signature of Principal)	DATE
12. SIGNATURE IF PRINCIPAL IS PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP (LLP), ESTATE, CORPORATION, LIMITED LIABILITY COMPANY (LLC), OR ASSOCIATION. Under penalties of perjury, I declare that I have the authority to execute this power of attorney on behalf of the principal.	13. Seal of Corporation, Association, or LLC (A corporation, association or LLC will impress their seal below if they have one. If there is no seal, provide a resolution by the board of directors or organizational/supporting documents that support your company not having a seal, if applicable)
Signature <i>Jenda C. Freeman</i> Title <b>Partner</b> Date <b>1/13/07</b>	
Signature <i>Frederick M. Johnston</i> Title <b>Partner</b> Date <b>1/13/07</b>	
Signature _____ Title _____ Date _____	
Signature _____ Title _____ Date _____	

14. ACKNOWLEDGMENT, WITNESSING, OR DECLARATION (Complete 14a, 14b, or 14c)

14a. ACKNOWLEDGMENT

The above-named person(s) signing as or for the principal(s) appeared before me today and acknowledged this power of attorney as his/her/their voluntary act and deed. The notarial seal must be affixed unless a seal is not required under the laws of the state where the power of attorney is executed.

NOTARIAL SEAL  
(If required)

Signature of Notary or Other Officer  
Date  
Title

14b. WITNESSING

This power of attorney was signed by or for the principal(s) by a person or persons known to, and in the presence of, the two disinterested witnesses whose signatures appear below:

Signature of Witness *Diana Wetzel* Date 1/13/07  
Signature of Witness *Harman Wassenaar* Date 1/13/07

14c. DECLARATION by attorney, certified public accountant, or enrolled practitioner who is granted the power of attorney by this form.

I declare that I am aware of the regulations of 31 CFR Part 8, that I am not currently under suspension or disbarment from practice before the Alcohol and Tobacco Tax and Trade Bureau, and that I am currently: (Check applicable box)

- A member in good standing of the bar of the highest court of<sup>1</sup> \_\_\_\_\_
- Qualified to practice as a certified public accountant in<sup>1</sup> \_\_\_\_\_

Printed Name

Signature

<sup>1</sup>Insert Name of State, Possession, or District of Columbia

FOR TTB USE ONLY

DATE RECEIVED FOR FILING	DISTRICT	RECEIVED BY (Signature and Title)
DATE RECEIVED FOR FILING	TTB OFFICE	RECEIVED BY (Signature and Title)

INSTRUCTIONS

1. GENERAL. This form is filed with each TTB office in which the appointed attorney is to represent the principal.
2. ITEM 8. A full power of attorney is granted by paragraph 8(a). The power of attorney may be limited or restricted by deleting all of paragraph 8(a) and listing the specific powers to be conferred in section 8(b).
3. EXECUTION. This form must be signed by or on behalf of the principal(s) as follows:
  - (a) INDIVIDUAL by his or her completion of item 11.
  - (b) PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP (LLP) by completion of item 12 by all partners, or one partner who attaches his/her authorization to act on behalf of all the partners unless this authorization is provided by State law.
  - (c) CORPORATION or ASSOCIATION by completion of items 12 and 13, an officer, preferably the president, vice-president, or treasurer, must sign in item 12.
  - (d) ESTATE by completion of item 12 by the executor or administrator and attaching other such documents as may be required by TTB.
  - (e) LIMITED LIABILITY COMPANY (LLC) by completion of item 12 by all members or managers, or one member or manager who attaches his/her authorization to act on behalf of the LLC.
4. FILING. This form must be completed in duplicate, unless otherwise required, and submitted to the Director, National Revenue Center, 550 Main St, Ste. 8002, Cincinnati, OH 45202-5215. The original with any attachments will be retained by the Director, National Revenue Center, and all other copies will be returned to the principal. If the power of attorney is applicable to more than one business establishment, additional copies must be submitted for each.

5. ORIGINAL OF A RULING. The Alcohol and Tobacco Tax and Trade Bureau will give to an appointed attorney the original of a ruling concerning the principal about TTB matters if a statement is made to that effect in item 8(b).
6. REVOCATION. A power of attorney remains in effect until revoked by the principal in written notice to the Director, National Revenue Center.
7. RULES. All persons representing clients before the Alcohol and Tobacco Tax and Trade Bureau must comply with the regulations governing representation (26 CFR Part 601 or those regulations as recodified in 27 CFR Part 71) and any other applicable rules and statutes.

PAPERWORK REDUCTION ACT NOTICE

This request is in accordance with the Paperwork Reduction Act of 1995. The information collection is used by TTB to ensure that only duly authorized individuals are signing documents. The information is voluntary.

The estimated average burden associated with this collection of information is 30 minutes per respondent or recordkeeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to the Reports Management Officer, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, Washington, DC 20220.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current, valid OMB control number.

A corporation may elect to use Form 5100.1, Signing Authority for Corporate Officials, to authorize the holders of certain offices or titles to sign documents and to discuss business matters with TTB.

OMB No. 1513-0036 (8/31/2007)

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)  
**SIGNING AUTHORITY FOR CORPORATE OFFICIALS**

## INSTRUCTIONS

Prepare and submit to the Director, National Revenue Center, Alcohol and Tobacco Tax and Trade Bureau, in duplicate. Each copy must be signed in ink by a corporate official and be embossed with the corporate seal. This form may be used to list the corporate officials, or employees (if any), who are authorized by the articles of incorporation, the bylaws, or the board of directors in adopted resolutions or motions, to act on behalf of the corporation or to sign its name. If the authorization to sign is granted by position title, rather than to specific individuals by name, a new authorization will not be needed each time a change of incumbent occurs. WHERE THE AUTHORIZATION IS NOT GRANTED BY THE ARTICLES OF INCORPORATION, THE BYLAWS, OR ACTION BY THE BOARD OF DIRECTORS, TTB F 5000.8, POWER OF ATTORNEY, MUST BE SUBMITTED.

## PAPERWORK REDUCTION ACT NOTICE

This request is in accordance with Paperwork Reduction Act of 1995. This information collection is used by TTB to ensure that only duly authorized individuals are signing documents. This information is voluntary.

The estimated average burden associated with this collection of information is .25 hours per respondent or recordkeeper depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to Reports Management Officer, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, Washington, DC 20220.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NAME AND COMPLETE ADDRESS OF CORPORATION Molto Delizioso, Inc., dba Molto Delizioso Vineyard and Winery 6789 Pavia Road Spinoff, CA 9876x	COMPLETE APPLICABLE INFORMATION <input type="checkbox"/> NEW APPLICANT <input checked="" type="checkbox"/> PERMIT HOLDER PERMIT NO. BWN-CA-1522x (CA-W-1543x)
BOARD MEETING <input checked="" type="checkbox"/> DIRECTORS <input type="checkbox"/> TRUSTEES <input type="checkbox"/> MANAGERS <input type="checkbox"/> GOVERNORS	DATE MEETING HELD 12/15/05

THE FOLLOWING CORPORATE OFFICIALS, EMPLOYEES, OR INCUMBENTS OF THE OFFICES LISTED ARE AUTHORIZED TO SIGN, OR TO APPOINT PERSONS AUTHORIZED TO SIGN, DOCUMENTS (Specify type of documents) SUBMITTED ON THE CORPORATION'S BEHALF TO THE ALCOHOL AND TOBACCO TAX AND TRADE BUREAU.

President

Vice-President

Secretary-Treasurer

I certify that this is true and complete and that the above authorization was granted at the cited meeting of the board.		CORPORATE SEAL
SIGNATURE E. J. Davino		
TITLE President	DATE 12/15/05	

TTB F 5100.1 (5/2005)

## **Alternation of Wine Premises as a Brewery, Distilled Spirits Plant and/or Taxpaid Wine Bottling House**

27 CFR 24.135

If you wish to alternate the use of the bonded wine premises as a brewery, distilled spirits plant or taxpaid wine bottling house, you must submit the following:

- Amended F 5120.25 with description of new operations
- Diagram of premises
- Consent of Surety F 5000.18 to cover winery premises alternation
- Original Brewery, Distilled Spirits Plant, and/or TPWBH application

## **Alternation of Wine Premises as a Distilled Spirits Plant for Alcohol Reduction of Wine**

[http://www.ttb.gov/wine/reduction\\_wine.shtml](http://www.ttb.gov/wine/reduction_wine.shtml)

When a bonded winery proprietor wishes to reduce the ethyl alcohol content of wine, certain processes are authorized by wine regulation 27 CFR 24.248, *Processes Authorized for the Treatment of Wine, Juice, and Distilling Materials*. The approved processes include Reverse Osmosis, the Spinning Cone Column and osmotic transport.

Although these processes are used to facilitate the creation of a wine product, they must be conducted on Distilled Spirits Plant (DSP) premises. The wine may be transferred in bond to a DSP for processing and returned to the winery, or the winery proprietor may wish to have the process conducted at the winery facility.

If the alcohol reduction is to take place at the winery facility, the proprietor of the bonded winery must first qualify to alternate the use of bonded wine premises as a DSP. Once qualified to alternate the premises as both a winery and DSP, the alcohol reduction may be conducted on DSP bonded premises. When the process is completed, the space and equipment can revert to winery use.

For further information and the necessary applications, please contact either the Wine Unit or the Distilled Spirits Plant Unit of the National Revenue Center at (513) 684-3334, or their toll free number, 877-TTB-FAQS (1-877-882-3277).

## Alternating Proprietors At Bonded Wine Premises Industry Circular Number 2003-7

[http://www.ttb.gov/industry\\_circulars/archives/2003/ic2003\\_07.html](http://www.ttb.gov/industry_circulars/archives/2003/ic2003_07.html)

Date: December 10, 2003

To Wine Premises Proprietors and Others Concerned:

### **What is the purpose of this circular?**

This circular announces the policy of the Alcohol and Tobacco Tax and Trade Bureau (TTB) with respect to the qualification of alternating proprietors and related issues affecting alternating proprietors, such as the small domestic producers' credit and the separation of operations.

### **Background.**

As a result of the Homeland Security Act of 2002, the revenue collection function and certain other duties of the Bureau of Alcohol, Tobacco and Firearms (ATF) were transferred to TTB. In this circular, "we" refers to TTB. Sections 7805 and 5041(c) of the Internal Revenue Code of 1986 (the IRC) authorize the Secretary of the Treasury (the Secretary) to administer the tax and qualification requirements for producing wine, including the qualification requirements for the small producers' wine tax credit. Sections 103-106 and 117 of the Federal Alcohol Administration Act (the FAA Act), 27 U.S.C. 203-206 and 211, authorize the Secretary to carry out the provisions of the FAA Act with respect to qualification of wine producers and blenders, and labeling of wine. The Secretary has delegated these functions to TTB. Regulations in 27 CFR part 4 cover the labeling requirements under the FAA Act and regulations in 27 CFR part 24 cover the production, removal, taxpayment and tax credit requirements under the IRC. In these regulations, TTB sets out qualification requirements, including those for qualifying alternating proprietorships and for qualifying for the small domestic producers' wine tax credit for which certain alternating proprietors may be eligible.

### **What is an "alternating proprietorship?"**

An "alternating proprietorship" is a term we use to describe an arrangement where two or more persons take turns using the physical premises of a winemaking facility. In most situations, the proprietor of an existing bonded wine premises (the "host" proprietor) agrees to rent space and equipment to a new ("tenant") proprietor. This allows existing wineries to use excess capacity and gives new entrants to the wine business an opportunity to begin on a small scale without investing in equipment. ATF recognized the need to formalize these arrangements after discovering that winery proprietors were allowing unqualified outside individuals to use crushing and

fermentation equipment on their premises. In the mid-1980's, ATF began approving alternate methods and procedures to allow two qualified proprietors to alternate the use of parts of a wine premises and, in 1990, ATF added §24.136 to its regulations to specify procedures for alternating proprietors.

### **Why is TTB issuing this circular?**

We are issuing this circular because we and ATF received many inquiries regarding the qualification of alternating proprietors at existing wine premises. In some cases, we or ATF denied applications to establish alternating proprietorships or approved such applications only after applicants modified their premises. Applicants and their representatives questioned these actions, which they claimed were not always consistent. This apparent inconsistency was a result of the fact that authority to approve or disapprove a premises had been delegated to local ATF Area Supervisors. As a result, it may have appeared that some ATF or TTB offices did not authorize arrangements that were acceptable in other jurisdictions.

### **What are TTB's concerns?**

As we consider applications from alternating proprietors, we have several areas of concern:

#### **Need for permit**

In some wine premises, there are numerous alternating proprietors.

Some applicants for alternating wine premises proprietorships had been "custom crush" customers of the host proprietor, meaning they provided the raw materials and possibly some instructions on the type of wine to be made to the producing winery, but did not participate in the winemaking process. The customer qualified as a wholesaler and received the finished, bottled wine to sell. In many cases, there is no change in the arrangements between the winemaker and the customer, yet the customer seeks to qualify as a tenant proprietor.

Other applicants for alternating proprietorships at an existing wine premises were wholesale customers who had even less involvement in the winemaking process.

In some of the agreements intended to establish alternating proprietorships, those seeking to become tenant proprietors agree that they will have no access to the wine premises and that all production will be done by employees of the host proprietor.

### **Eligibility of alternating proprietors for small domestic producers' wine tax credit**

This question is really separate from qualification, but some applications for alternating proprietorships appear to be efforts to split the production of one large proprietor into several smaller businesses in order to obtain the credit.

In 1990, the IRC was amended to provide a tax credit to benefit proprietors who produce less than 250,000 gallons of wine per year. The full credit of 90 cents per gallon on the first 100,000 gallons removed is available to a producer of less than 150,000 gallons of wine per year. Between 150,000 and 250,000 gallons of production, the credit is gradually phased out. The IRC gives the Secretary authority to make regulations on this credit, including rules to prevent the credit from benefiting a large producer and to assure reduction of the credit for persons who qualify as small producers but produce more than 150,000 gallons of wine per year.

Under the eligibility requirements for the tax credit, groups of producers under common control must share the credit as a single producer. TTB has the responsibility to collect all the wine excise tax that is rightfully due, and we must avoid the potential for abuse of the credit in alternating proprietorship arrangements.

### **Suitability of the premises for sharing; awareness of the importance of keeping all parties' wine separated and identified**

Our field officers have encountered difficulty in locating movable tanks assigned to alternating proprietors and have discovered instances where the host proprietor, as the designated recordkeeper of the tenant proprietor, neglects to record removals of wine on behalf of the tenant proprietor, resulting in underpayment of taxes. These and other difficulties arise from the lack of separation of physical and recordkeeping operations between the host and tenant proprietors.

### **Policy**

While we recognize the benefits of national consistency in the standards for handling applications for alternating proprietors, those standards must not compromise our mission to protect the revenue, protect the public, and promote voluntary compliance. Accordingly, we will continue to evaluate each application on its individual merits, including the physical layout of the wine premises to be shared, the compliance and business history of each applicant, and the likelihood that the alternation will take place without administrative difficulty, jeopardy to the revenue, or consumer deception. We are, however, changing our policy and procedure in a number of ways to address industry concerns about consistency and to give greater flexibility to proprietors just entering the wine business.

Previously, the ATF Area Supervisor was the deciding official on the suitability of premises under alternation agreements. Now, in TTB, the sole official authorized to

approve alternating proprietor applications is the Chief, National Revenue Center (NRC). The Chief, NRC, will use the general guidelines below and apply them uniformly in evaluating applications for alternating proprietorships. These guidelines will be used collectively (and not separately) to determine whether an applicant qualifies as an alternating proprietor:

We may require a copy of the contract between the host and tenant proprietors, a business plan, or other information in support of an application for an alternating proprietorship. We will consider the tenant proprietor's business history (is the tenant proprietor a grower, a winemaker or a retail grocery chain?), plans for development of future winery assets, and level of commitment to the business as evidenced by investment in vineyards or other permanent assets. Marketing investment will not be considered for alternating proprietor qualification.

An applicant to become a tenant proprietor must qualify as a bona fide bonded wine premises proprietor. The primary contract between the tenant and the host proprietors should be for rental of space and equipment, and not for gallons of wine produced. If the contract shows the applicant is having wine custom made, for example, with no supervision or control over the operation, we will not approve the application.

The contract between a tenant proprietor and a host proprietor may include the services of the host proprietor's cellar employees. The tenant proprietor must direct and be fully responsible for those things that are usual and customary for the production, bottling and storage of wine (as applicable) and the managing of the business. If a prospective tenant proprietor contracts to hire the host proprietor's winemaker, the application will be subject to additional scrutiny. We will look to factors of authority and control to make a determination whether the tenant proprietor will run a bona fide and independent bonded wine premises operation regardless of the sharing of equipment.

The agreement between the host proprietor and the prospective tenant proprietor must allow the tenant proprietor to have reasonable access to the premises and to the wine.

The shared premises must be set up in such a way that the bonded areas of the host and tenant proprietors are clearly defined by partitions, signs, or other means while the alternating proprietors are active, and provide sufficient protection of the revenue. The Chief, NRC may require the host and tenant proprietors to take additional steps to identify or separate the areas before approving the application.

We have reexamined our previous position that there must be a part of the premises that stays under the control of each alternating proprietor at all times. In the past, we held that a core premises had to exist for each alternating proprietor, even if the alternator anticipated no winery operations for a period of several months and had no wine to account for. This holding was based on the idea that, since the bond

remained active, it should attach to a physical location. That physical location, or core premises, would form the basis of any future extension of premises covered by the bond. We have decided that the entire bonded premises may revert to the host proprietor, if the tenant proprietor transfers or removes all wine before curtailing its premises. We must, however, be able to examine the tenant proprietor's records, even during a curtailment of the tenant's premises. The tenant proprietor may obtain approval of an alternate method or procedure to maintain records at a separate and permanent business office address (other than the host proprietor's premises) where TTB may contact the proprietor and review records during business hours.

Wineries currently qualified with other arrangements will not be asked to change their arrangements unless we encounter difficulties resulting from those arrangements. The Chief, NRC, may require more identification or separation of alternating areas in any approved operation on a finding that the approved premises do not provide adequate separation and protection of the revenue. Existing alternating proprietorships will also be subject to the same level of scrutiny as newly approved arrangements, specifically relating to tax payments and accountability.

Existing alternating proprietors who change locations within one year of the date of this circular may elect to maintain their qualification under the old criteria (including the requirement for permanent premises). They may exercise this option by filing a written statement with their application for a change in location. The statement should include the date of original qualification (prior to the date of this circular). Any application for a change in location that does not include such a statement will be evaluated under the new criteria, and all applications filed more than one year after the date of this circular will also be evaluated under the new criteria. New applications and requalifications due to changes in ownership or control will be evaluated under the new criteria.

In addition to the qualification and tax issues discussed above, we wish to remind proprietors that alternating proprietorships are conducted under an approved alternation plan that describes the area to be used by each proprietor when that proprietor is active. The host proprietor must not change the portion of the premises assigned to the tenant proprietor on an approved alternation plan without notice to the tenant proprietor and the Chief, NRC. We also wish to remind alternating proprietors of the potential label effects of certain practices common in alternating proprietor arrangements: for example, if wine is transferred in bond to another proprietor, even if the wine remains in the same physical location, the producer would not be able to make an "estate bottled" claim on the label.

In the future, we may undertake rulemaking on alternating proprietors. If we do, any final rule on the subject will supersede this circular, with appropriate transition rules.

TTB recognizes that alternating proprietor arrangements may be undertaken for many reasons. For instance, a tenant proprietor may qualify as a bonded wine premises proprietor to obtain privileges under State law that are not available to

wholesalers. As a result, a qualified alternating proprietor may or may not be a producer eligible for the small domestic producers' wine tax credit. This credit was intended to encourage small new businesses to enter the wine industry. We plan to continue to review alternating proprietor arrangements to ensure that proprietors who take the credit are entitled to it and that the facility where the wine is made is used by small and independent producers. We may instruct proprietors to adjust their taxes if we find the credit was taken in error.

QUESTIONS: If you have questions concerning this circular, contact the Chief, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, 650 Massachusetts Avenue, NW, Washington, DC 20226.\*

Arthur J. Libertucci  
Administrator

(\*NOTE: Current Address is 1310 G Street NW, Washington DC 20220)

## **TTB Wine FAQ #11: What are the Federal Requirements for “Custom Crush” Clients and Winemakers?**

<http://www.ttb.gov/wine/faq.shtml#w11>

In a typical custom crush arrangement, a grape grower or any person with winemaking materials (the “client”) enters into a contract with a bonded winery proprietor to have the grapes processed into wine. The client retains title to the grapes, and the wine is made to the client’s specifications. The finished wine is returned to the client for sale to other dealers, or the winery sometimes sells the wine on behalf of the client. TTB has received questions about the regulatory responsibilities of the custom crush client and the wine producer.

The custom crush client may be required to obtain a Federal Wholesaler’s Basic Permit from TTB. This permit allows the client to engage in the business of purchasing wine for resale at wholesale, in accordance with the Federal Alcohol Administration Act at 27 U.S.C. 203(c)(1) and 27 CFR 1.22. Although the client is specifically paying for the producer’s services, the client has purchased wine (within the broad meaning of the term) at the price set in the agreement. If the client engages in activities normally associated with wholesaling, such as setting the price for the wine, determining which dealers will be sold the wine, and controlling and paying for advertising of the product, the client must have a wholesaler’s basic permit. If, however, the client merely receives the proceeds from the sale by the winery of the resulting wine, a permit would not be required.

In addition to the basic permit requirement, the custom crush client who engages in the business of selling wine must submit the Special Occupational Tax Registration Form 5630.8R as a wholesaler if the wine is offered for sale to other dealers, or as a retailer if the wine is only offered for sale to consumers.

Bonded winery proprietors must ensure that the receipt of winemaking materials and the ensuing activities associated with the production of custom crush wine is properly recorded. TTB reminds the industry that wine produced for custom crush clients carries the same regulatory requirements for recordkeeping, reporting, labeling and taxation as wine made for the winery itself.

The bottling winery is responsible for obtaining an appropriate Certificate of Label approval, and the wine premises which releases the wine to the client is responsible for payment of federal excise tax at the rate appropriate for the producing winery. For the purposes of determining eligibility for the Small Domestic Producer’s Credit, all wine produced for clients must be included in the production and removal calculations (see 27 CFR 24.278-9).

###

# Notes



## **TTB Wine FAQ #4: What are the Federal Guidelines for Home Winemakers' Centers?**

<http://www.ttb.gov/wine/faq.shtml#w4>

The Alcohol and Tobacco Tax and Trade Bureau (TTB) has been asked if there are any Federal requirements covering operation of a Home Winemakers' Center. Home Winemakers' Centers are places where an individual pays a fee to use space and equipment to make wine for personal or family use.

Although we refer to the individual making wine for personal or family use as a "home winemaker," the wine may be made somewhere other than the individual's residence, including a Home Winemakers' Center. We find that a Home Winemakers' Center may operate without qualifying under federal rules as a bonded wine cellar or paying federal excise tax on wine produced at the Center by individuals under the following conditions:

### **Compliance with State and local law**

The ability to produce wine for personal or family use and without payment of tax under Federal law does not authorize production of wine by individuals or operation of a Home Winemakers' Center in violation of State or local law. The operator of a Home Winemakers' Center must learn and comply with any permit, license or tax requirements of State and local law and conduct operations in compliance with State and local law.

### **Use by qualified individuals**

The customers who make wine at the center must be qualified to produce wine for personal or family use under federal, State and local rules. If State and local rules impose different requirements or limitations than the federal rules noted here, the stricter rules and limits should be applied. Under Federal law, any adult may, without payment of tax, produce wine for personal or family use under regulations in 27 CFR 24.75, which provide the following:

- The individual must follow applicable State and local laws.
- The individual must be 18 years of age or the legal age to purchase wine in the locality whichever is older.
- The individual may produce, without payment of tax, per household, up to 100 gallons of wine per calendar year if there is one adult residing in the household, or 200 gallons if there are two or more adults residing in the household.
- The individual may remove wine from the place where it is made for personal or family use, including use in contests or tasting.
- The individual may not produce wine for sale or offer wine for sale.

**Non-commercial use**

The operations must never "cross the line" to commercial production or sale of wine. Proprietors and employees of Home Winemakers' Centers:

- May furnish space, equipment, ingredients, bottling supplies and advice to customers.
- May provide certain assistance to customers including:
  - Moving containers of wine between storage areas.
  - Cleaning, maintenance, and repair of equipment.
  - Climate and temperature control.
  - Disposal of wastes.
  - Quality control (including laboratory analysis and tasting of wine for quality control purposes).
- May not provide physical assistance to, or on behalf of, customers in the production, wine, add ingredients to wine, or provide other physical assistance in producing or bottling wine.
- May not provide non-tax paid wine to customers or prospective customers for sampling or other reasons.

Operation of a Home Winemakers' Center in a manner contrary to the conditions outlined may cause the facility to be considered a commercial winery, subject to all statutory and regulatory provisions relating to winery operation, including registry requirements and possible liability for back taxes.

Under some circumstances, a TTB qualified bonded wine cellar may operate a Home Winemakers' Center. All wine produced at a Home Winemakers' Center on wine premises is taxable under Federal law and is subject to other requirements.

For further information regarding qualification of a bonded wine premises or operation of a Home Winemakers' Center at bonded wine premises, contact:

The Alcohol and Tobacco Tax and Trade Bureau  
National Revenue Center  
550 Main Street, Cincinnati, OH 45202  
Telephone (toll free) 877- 882-3277

## TAXPAID REMOVALS



The regulations pertaining to taxpaid removals of wine products are found in the Internal Revenue Code at 26 U.S.C. 5041 and in the Wine Regulations, 27 CFR 24.270-.279 and 27 CFR 24.310:

- 24.270 Determination of tax.
- 24.271 Payment of tax by check, cash, or money order.
- 24.272 Payment of tax by electronic fund transfer.
- 24.273 Exception to filing semi-monthly tax returns.
- 24.274 Failure to timely pay tax or file a return.
- 24.275 Prepayment of tax.
- 24.276 Prepayment of tax; proprietor in default.
- 24.277 Date of mailing or delivering of returns.
- 24.278 Tax credit for certain small domestic producers.
- 24.279 Tax adjustments related to wine credit.
- 24.310 Taxpaid removals from bond record.



[http://www.ttb.gov/wine/wine\\_regs.shtml](http://www.ttb.gov/wine/wine_regs.shtml)

### ATTACHMENT, DETERMINATION, PAYMENT

- The tax value of the wine is attached when the wine is produced. (26 U.S.C. 5041)
- The amount to be paid is determined when wine is removed from bonded premises for consumption or sale. (27 CFR 24.270)
- Wine excise tax is paid semi-monthly, quarterly or annually. (27 CFR 24.271, .273)

### WHEN IS WINE “PRODUCED?”

In accordance with wine regulation 27 CFR 24.176(b), wine is declared produced upon completion of fermentation or removal from the fermenter. At that point the volume of wine is to be accurately determined, recorded and reported on TTB Form 5120.17, Report of Wine Premises Operations, as wine produced. An alcohol test should be conducted to accurately determine the tax class of the wine.

## Taxpaid Removals from Bond Record

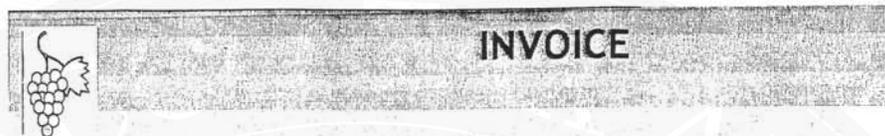
27 CFR 24.310

When wine is removed from a bonded winery or bonded wine cellar for consumption or sale, a record must be kept which contains the information listed below. The Taxpaid Removals from Bond Record may be a compilation of source documents OR a summary record.

- Date of Removal
- The name and address of the person to whom removed; however, on any individual sale of less than 80 liters, the name and address of the purchaser need not be recorded
- The volume, kind (class and type), and alcohol content of the wine
- When removing taxpaid bulk wine to another wine premises, shipping record will be prepared in accordance with 27 CFR 24.281
- Volume of wine removed taxpaid will be summarized daily by tax class in wine gallons to the nearest tenth gallon

An invoice containing the information listed above is a common removal record.

Here is an example of an individual invoice that has all of the necessary information required for the Taxpaid Removal from Bond Record. The amount removed from bond is extended to five decimal places on individual invoices. The total volume removed for the day is rounded to the nearest 10<sup>th</sup> of a gallon on the daily summary.



IVANNA B. GOUDE WINERY  
1998 Zinfandel Lane  
Picturesque, CA. 95008

INVOICE # 01823  
DATE: MARCH 9, 2007

Phone: (723) 123-4500  
FAX: (723) 123-4567

TO: Rather B. Selling  
1234 Commercial Way  
San Francisco, CA 94103  
Customer ID: 819

SHIP TO: ABC Warehouse  
2440 Stockpile Lane  
San Francisco, CA  
94103

SALESPERSON	JOB	SHIPPING METHOD	SHIPPING TERMS	DELIVERY DATE	PAYMENT TERMS	DUE DATE
I. M. Smooth	1823	GT Freight	FDB	3/11/07	30 days	4/10/07

QTY	ITEM #	DESCRIPTION	SIZE	UNIT PRICE	TOTAL
3 cases	331	2004 Dry Creek Zinfandel 13.4 % Alc.	750 ml	239.00	717.00
1 case	319	2005 California Chardonnay 12.5 % Alc.	1.5 L	89.00	89.00
1 case	289	1999 Hedy Port 18 % Alc.	750 ml	143.00	143.00

*~Sample Record~*

SUBTOTAL	\$949.00
SALES TAX	\$77.15
TOTAL	\$1,026.15

Not over 14%	9.51012 wg
14-21%	2.37753 wg
Spkg.	0 wg

Make all checks payable to IVANNA B. GOUDE WINERY  
THANK YOU FOR YOUR BUSINESS!

## Taxpaid Wine Record

 27 CFR 24.311

When a bonded winery or bonded wine cellar has wine on the bonded premises that has *been taxpaid*, a separate record must be maintained which contains the information listed below. This information is not shown on the Report of Wine Premises Operations Form 5120.17.

### Record of Receipt

- The name and address of the person or wine premises from whom received
- The registry number (if any) of the wine premises from which receive
- The date of receipt
- The kind of wine (class, type and, in the case of foreign wine, country of origin)
- Alcohol content or tax class of the wine
- The volume of wine received in liters and gallons

### Record of Removals

- The name and address of the person to whom removed; however, on any individual sale of less than 80 liters, the name and address of the purchaser need not be recorded
- The date of removal
- The kind of wine (class, type and, in the case of foreign wine or a blend of US and foreign wine, country of origin)
- The volume of wine shipped in liters or gallons

### Record of Cases or Containers Filled

- The date the cases or containers were filled
- The kind (class, type, and in the case of foreign wine or a blend of US and foreign wine, country of origin) of wine bottled or packed
- The number of the tank used to fill the bottles or other container
- The size of bottles or other containers and the number of cases or containers filled
- The serial number or date of fill marked on cases or containers filled
- The total volume of wine bottled or packed in liters or wine gallons

## UNTAXPAID REMOVALS

Wine excise tax does not have to be paid for certain removals from the bonded wine premises, if proper records are kept. These removals include the following:

- Testing on bonded premises or by an outside laboratory  
27 CFR 24.96-.97
- Tasting on Bonded Premises  
27 CFR 24.97
- Family Use by sole proprietors, partnerships, and LLCs taxed as a partnership - up to 200 wine gallons per year, per household, or 100 gallons for a single person  
27 CFR 24.75
- Destruction – submit application and obtain permission from TTB prior to destruction  
27 CFR 24.294
- Breakage  
27 CFR 24.308
- Official Use of the Government – Samples taken by TTB  
27 CFR 24.293
- Transfer in Bond  
27 CFR 24.309
- Export out of the United States  
27 CFR 24.292; 27 CFR Part 28



Please refer to the regulations listed for more information.

## Transfer in Bond Record



27 CFR 24.309

When wine is transferred in bond, a record must be kept that contains the information listed below. The record may be a compilation of source documents OR a summary record.

- The date of shipment
- The name, address, and registry number of proprietor and consignee
- The kind of wine (class and type) and alcohol content or tax class
- The number of containers larger than 4 liters and cases
- The serial numbers of cases (if any) or containers larger than 4 liters, or other marks (bulk wine)
- The volume shipped in gallons or liters
- The serial number of any seal used
- Information necessary for compliance with 27 CFR 24.314 (Label Information Record) – the varietal, vintage, appellation of origin designation or any other information which may be stated on the label
- Information as to any added substance or cellar treatment for which a label designation may be required or where limitations are prescribed (includes sulfites) and kind and quantity of acid used
- For unlabeled bottled wine, the registry number of the bottler

A bill of lading used to ship bottled or bulk wine in bond from one bonded wine premises to another can contain all of the necessary information required by the Transfer in Bond Record. Here are examples of Transfer in Bond records for the in-bond shipment of bottled wine and bulk wine:

<b>SHIPPING MEMORANDUM</b>		is an acknowledgment that a bill of Lading has been issued and is not the original Bill of Lading ...		BY TRUCK <input checked="" type="checkbox"/> FREIGHT <input type="checkbox"/>	
<p>The goods described below, in apparent good order, except as noted (contents and conditions of contents or packages unknown) marked, consigned and destined as indicated below, which said carrier agrees to carry to its usual place of delivery at said destination, if on its route otherwise to deliver to another carrier on the route to said destination and agreed as to each carrier of all or any said property overall or any portion of said route, and as to each party at any time interested in all or any of said property that every service to be performed hereunder shall be subject to all terms and conditions hereof, if this is a rail or a rail-water shipment, or (2) in the ...</p>					
FROM	Ivanna B. Goode Vnyds.	Date	5/30/01	SHIPPER'S No.	70037
AT	199B Zinfandel Lane Picturesque, CA 95009 BW-CA-9000			SALES ORDER No.	01-042
Consignee and Destination	CONSOLIDATED WINE CELLAR 200 West Main Napa, CA 95404 BW-CA-8000			CARRIER	CARRIER'S NO.
				Heavy Hauling	
				ROUTE	DELIVERING CARRIER
				DEL TS-01-S-98	
<b>TRANSFER IN BOND</b>					
CODE	QUANTITY	DESCRIPTION OF ARTICLES, SPECIAL MARKS & EXCEPTIONS	SIZE	WEIGHT	
00RVPN	10	100% 2000 100% Pinot Noir 100% Russian River Valley 13.3% Alc. by Vol. Contains Sulfites	750 ml.	360 lbs.	
<b>~Sample Record~</b>					
Total Pieces	10	The boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of Rule 41 of the Consolidated Freight Classification.		* SUBJECT TO CORRECTION	
TOTAL WEIGHT	360 LBS.	C.O.D. SHIPMENT	Subject to Section 7 of conditions of applicable of lading, ....		TOTAL WINE GALLONS
		C.O.D. Amount	The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.		23.78 GAL. -14%
		FEE	<i>D.L. Cooperage</i> (Signature of Consignor)		
		TOTAL CHARGES \$			
		SEAL #'s:			
IF DAMAGE OR LOSS TO CASE WINE OCCURS IN TRANSIT, SHIPPING WINERIES RETAIN FIRST RIGHT OF REFUSAL TO RECLAIM SALVAGED WINE.			MOVE IN INSULATED VANS ONLY. PROTECT FROM EXTREME TEMPERATURE VARIATIONS. TEMP. Min. 35 ° F Max. 70 ° F		

SHIPPING MEMORANDUM

is an acknowledgement that a bill of Lading has been issued and is not the original Bill of Lading ...

BY TRUCK  FREIGHT

The goods described below, in apparent good order, except as noted (contents and conditions of contents of packages unknown) marked, consigned and destined as indicated below, which said carrier agrees to carry to its usual place of delivery at said destination, if on its route otherwise to deliver to another carrier on the route to said destination and agreed as to each carrier of all or any said property overall or any portion of said route, and as to each party at any time interested in all or any of said property that every service to be performed hereunder shall be subject to all terms and conditions hereof, if this is a rail or a rail-water shipment, or (2) in the ...

FROM Ivanna B. Goode Vnyds.  
AT 1998 Zinfandel Lane  
Picturesque, CA 95009  
BW-CA-9000

Date 5/30/01

SHIPPER'S No. 70037  
SALES ORDER No. 01-042

Consignee and  
Destination 200 West Main  
Napa, CA 95404  
BW-CA-8000

CARRIER	CARRIER'S NO.
Heavy Hauling	
ROUTE	DELIVERING CARRIER
DEL TS-01-S-99	

TRANSFER IN BOND

CODE	QUANTITY	DESCRIPTION OF ARTICLES, SPECIAL MARKS & EXCEPTIONS	SIZE	WEIGHT
00RVPN	1	100% 2000 100% Pinot Noir 100% Russian River Valley 13.3% Alc. by Vol. Contains Sulfites	3060 gals.	24500 lbs.

**~Sample Record~**

Total Pieces 1

The articles for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of Rule 41 of the Consolidated Freight Classification. \* SUBJECT TO CORRECTION

TOTAL WEIGHT 24500 LBS.

C.O.D. SHIPMENT  
C.O.D. Amount \_\_\_\_\_  
FEE \_\_\_\_\_  
TOTAL CHARGES \$ \_\_\_\_\_

Subject to Section 7 of conditions of applicable of lading. ....  
The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.  
B.B. Cooperage  
(Signature of Consignor)

TOTAL WINE GALLONS 3060 GAL. -14%

SEAL #'s: \_\_\_\_\_

IF DAMAGE OR LOSS TO CASE WINE OCCURS IN TRANSIT, SHIPPING WINERIES RETAIN FIRST RIGHT OF REFUSAL TO RECLAIM SALVAGED WINE.

MOVE IN INSULATED VANS ONLY. PROTECT FROM EXTREME TEMPERATURE VARIATIONS. TEMP. Min. 35 ° F Max. 70 ° F

## Exporting Wine Out of the United States

- 1) Wine may be exported out of the United States:
  - Untaxpaid: Form 5100.11 and proof of export
  - Taxpaid: Forms 5120.24, 5120.20 and proof of export (tax refund/credit)
  
- 2) Industry Circular 2004-3 dated August 31, 2004, "Alcohol and Tobacco Export Documentation Procedures":
  - Lists the information that is considered acceptable proof of export
  - Gives the guidelines for requesting permission to maintain export documentation at your place of business

[http://www.ttb.gov/industry\\_circulars/archives/2004/ic2004\\_03faqs.html](http://www.ttb.gov/industry_circulars/archives/2004/ic2004_03faqs.html)
  
- 3) Industry Circulars regarding VI-1 Forms for export to the European Union, qualification as a Certified Laboratory, Export to Japan:
 

[http://www.ttb.gov/industry\\_circulars/index.shtml](http://www.ttb.gov/industry_circulars/index.shtml)

Industry Circular	Title	Date
86-2	Certification and Analysis of U.S. Wine for Export to the European Economic Community (EEC)	January 24, 1986
86-6	Certification and Analysis of U.S. Wine for Export to the European Economic Community (EEC) (amendment of #86-2)	March 17, 1986
88-1	Certification and Analysis of U.S. Wine for Export to the European Economic Community (EEC) (further amendment of #86-2)	August 18, 1988
86-3	Certification of Chemists, Enologists and Laboratories for the Analysis of Wine for Export	January 24, 1986
92-3	Information for Laboratories Analyzing Wine and Spirits for Export and for Wineries Exporting Wine to the European Economic Community (EEC)	September 1, 1992
89-5	Analysis of U.S. Wine and Spirits for Export to Japan	October 12, 1989

Further information about the VI-1 Form and exporting to the European Union:  
<http://www.ttb.gov/pdf/vi1notice.pdf>

- 4) Lists of Certified Chemists for analysis of wine and spirits for export to the European Union:

[http://www.ttb.gov/ssd/wine\\_certlist.pdf](http://www.ttb.gov/ssd/wine_certlist.pdf)  
[http://www.ttb.gov/ssd/ds\\_certlist.pdf](http://www.ttb.gov/ssd/ds_certlist.pdf)

## Current Members of the European Union

The European Union (EU), also referred to as the European Community (EC), requires that a document known as the "VI-1" (Document for the Importation of Wine, Grape Juice or Must into the European Community) be used when you export wines to the EU. If you export wine to any of the countries listed below, you must complete the VI-1 form.



Austria  
Belgium  
Cyprus  
Czech Republic  
Denmark  
Estonia  
Finland  
France  
Germany  
Greece  
Hungary  
Ireland  
Italy  
Latvia  
Lithuania  
Luxembourg  
Malta  
Poland  
Portugal  
Slovakia /Slovak Republic  
Slovenia  
Spain  
Sweden  
The Netherlands  
United Kingdom

OMB No. 1513-0037 (12/31/2008)

**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)**  
**WITHDRAWAL OF SPIRITS, SPECIALLY DENATURED SPIRITS, OR WINES FOR EXPORTATION**  
 Please read instructions after page 2 before completing this form.

1. SERIAL NO. (Begin with "1" each Jan. 1)

**PART I - APPLICATION OR NOTICE**

2. APPLICATION IS MADE TO  
 WITHDRAW SPIRITS OR WINES WITHOUT PAYMENT OF TAX

3. NOTICE IS GIVEN OF  
 WITHDRAWAL OF SPECIALLY DENATURED SPIRITS FREE OF TAX  
 WITHDRAWAL OF SPIRITS OR WINES WITHOUT PAYMENT OF TAX

4. WITHDRAWAL FROM  
 BWC NO. \_\_\_\_\_  
 DSP NO. \_\_\_\_\_

OPERATED BY \_\_\_\_\_

5. ADDRESS OF DIRECTOR, NATIONAL REVENUE CENTER, 550 MAIN ST, STE 8002, CINCINNATI, OH 45202-5215

6. PURPOSE OF WITHDRAWAL (Make applicable entries)  
 SHIPMENT FOR EXPORT TO ARMED FORCES OF THE U.S.  
 EXPORTATION TO (Name of foreign port and country) \_\_\_\_\_  
 TRANSFER TO (Number or name and location)  
 CMBW  FTZ  CBW  
 USE AS SUPPLIES ON VESSELS <sup>v</sup> AIRCRAFT <sup>v</sup>

7. CON-SIGNED TO OR IN CARE OF (Make applicable entries)  
 DIRECTOR OF CUSTOMS AT PORT OF (Specify) \_\_\_\_\_  
 TRANSPORTATION OFFICER (Name) \_\_\_\_\_ (Location) \_\_\_\_\_  
 CUSTOMS OFFICER/ WAREHOUSE PROPRIETOR OF  CMBW  FTZ  CBW \_\_\_\_\_ (Location) \_\_\_\_\_

8. NAME OF DOMESTIC CARRIER \_\_\_\_\_

9. NAME OF EXPORT CARRIER \_\_\_\_\_

10. DESCRIPTION OF SPIRITS OR DENATURED SPIRITS AND CONTAINERS (Columns a, d, e, and f only are required for denatured spirits)

KIND <sup>2</sup> (a)	<input type="checkbox"/> PRODUCED BY <input type="checkbox"/> FILLED BY		CONTAINERS			<input type="checkbox"/> PG <sup>3</sup> <input type="checkbox"/> WG (f)
	NAME (b)	DSP NO. (c)	NO. AND TYPE (d)	IDENTIFICATION (e)		

11. DESCRIPTION OF WINES AND CONTAINERS

KIND (a)	PERCENT ALCOHOL (b)	CONTAINERS		BOTTLES PER CASE (e)	SIZE OF BOTTLES (f)	WINE GALLONS (g)	TAX LIABILITY (h)
		NO. AND TYPE (c)	SERIAL NUMBER <sup>4</sup> (d)				

Under the penalties of perjury I declare that the spirits, denatured spirits, or wines described above are truly intended to be (or have been) withdrawn for the purpose indicated, in the manner prescribed in regulations, and will not be (have not been) shipped for the purpose of evading or delaying payment of any revenue tax thereon.

12. DATE \_\_\_\_\_ 13. PRINCIPAL<sup>5</sup> \_\_\_\_\_ 13a. BY (Signature and title) \_\_\_\_\_

**FORTTBUSE ONLY PART II - APPROVAL OF APPLICATION**

Application is approved with respect to the required bond \_\_\_\_\_ 14. DATE \_\_\_\_\_ 15. SIGNATURE AND TITLE OF APPROVING OFFICER \_\_\_\_\_

<sup>1</sup> State whether (a) vessel or aircraft operated by the United States; (b) vessel or aircraft engaged in foreign trade, or in trade between the United States and any of its possessions, or between Hawaii or Alaska and any other part of the United States; (c) vessel of the United States engaged in trade between Atlantic and Pacific ports of the United States; (d) vessel of war of any foreign nation; or (e) vessel employed in: (1) the fisheries; or (2) the whaling business. Show name of vessel, country of registry, and ports of call, or, if a whaling vessel, location of operations. If aircraft, show also name of airline and country of registry of aircraft.  
<sup>2</sup> Also enter formula number for special denatured spirits.  
<sup>3</sup> Enter quantity of spirits in proof gallons or quantity of denatured spirits in wine gallons and check applicable box.  
<sup>4</sup> In items 11(d) and 22 show filling date when use of that date is authorized instead of serial numbers on cases. Item 11(d) need not be completed when prior approval of application is required.  
<sup>5</sup> Show principal on bond under which withdrawal is made.

**PART III - PROPRIETOR'S REPORT OF INSPECTION AND TAX LIABILITY**

The spirits described on the front were inspected, as reported below, and have been prepared for withdrawal as required by regulations.

16. WITHDRAWAL IS FROM:  PRODUCTION ACCOUNT  STORAGE ACCOUNT  PROCESSING ACCOUNT

17.  PACKAGE GAUGE RECORD ATTACHED

QUANTITY DETERMINED BY	CONTAINERS (Leave blank if no change)		TAXABLE GALLONS (c)	TAX LIABILITY (d)
	NUMBER (a)	IDENTIFICATION (b)		
<input type="checkbox"/> GAUGE FOR WITHDRAWAL				
<input type="checkbox"/> INSPECTION				
REGAUGE AFTER REDUCTION IN PROOF				

19. DATE

20. PROPRIETOR OF DISTILLED SPIRITS PLANT

20a. BY (Signature and title)

**PART IV - CERTIFICATE OF REMOVAL OF WINE FROM BONDED WINE CELLAR (Complete only if approval of application is required)**

I certify that the wines described above were removed for the purpose stated in item 6.

21. REMOVED FROM BONDED WINE CELLAR NO.

22. SERIAL NUMBERS OF CONTAINERS

23. DATE REMOVED

24. PROPRIETOR OF BONDED WINE CELLAR

24a. BY (Signature and title)

**PART V - CUSTOMS OFFICER'S REPORT OF INSPECTION AND LADING, SHIPMENT, OR RECEIPT**

25. NOT INSPECTED (Give reason for not inspecting)

25a. INSPECTED AND FOUND TO BE AS DESCRIBED EXCEPT AS NOTED IN ITEM 31

26. RECORDS OF DELIVERING AND EXPORTING CARRIERS SHOW THAT CONTAINERS OF SIMILAR DESCRIPTION WERE RECEIVED BY THE EXPORTING CARRIER FOR DELIVERY TO THE FOREIGN PORT NAMED IN ITEM 6 AND WERE LADEN ON BOARD THE EXPORTING CONVEYANCE AS REPORTED IN THIS FORM.

27. LADEN ON (Date)

28. LADEN FOR

EXPORT  USE AS SUPPLIES

ON BOARD: VESSEL (Name) AIRCRAFT (Name, symbols, number)

RAILROAD CAR (Number) TRUCK (State license)

29. RECEIVED IN (No. or Location)

CMBW  FTZ  CBW

30. SHIPPED TO (Frontier port) SERIAL NUMBER ON SEAL USED

31. DISCREPANCY OR SHORTAGE

32. DATE

33. PORT

34. SIGNATURE AND TITLE OF CUSTOMS OFFICER/WAREHOUSE PROPRIETOR

**PART VI - CUSTOMS OFFICER'S REPORT OF THROUGH SHIPMENT AT FRONTIER PORT**

35. FRONTIER PORT

36. DATE RECEIVED

37. INSPECTION DISCLOSED  NO EVIDENCE OF TAMPERING  SEALS INTACT  SEALS BROKEN (See item 38)

38. DETAILS OF DISCREPANCIES, TRANSSHIPMENT, RESEALING, ETC.

39. THE EXPORTING CONVEYANCE IDENTIFIED IN ITEM 28, BEARING THE SHIPMENT DESCRIBED IN PART I, WITH EXCEPTIONS AS NOTED IN ITEMS 31 AND 38. CLEARED FROM THIS PORT FOR THE PORT OF Foreign Port

40. DATE

41. SIGNATURE AND TITLE OF CUSTOMS OFFICER

**PART VII - CERTIFICATE OF CLEARANCE OR USE**

42. THE EXPORTING CONVEYANCE BEARING THE SHIPMENT DESCRIBED IN PART I, WITH EXCEPTIONS AS NOTED ABOVE - CLEARED FROM PORT OF ON (Date) BOUND FOR (Foreign port)

43. THE SPIRITS OR WINES DESCRIBED HAVE BEEN USED AS SUPPLIES ON THE AIRCRAFT OR FISHING VESSEL IDENTIFIED ABOVE AND THE REQUIRED EVIDENCE OF THEIR USE HAS BEEN RECEIVED.

44. DATE

45. SIGNATURE OF DISTRICT DIRECTOR OF CUSTOMS

**PART VIII - CERTIFICATE OF RECEIPT BY ARMED FORCES OFFICER**

The distilled spirits, or wines, described in Part I, with exceptions as noted in item 47, were received for export to the Armed Forces of the United States. The spirits or wines will not be shipped for consumption or use to any place subject to application of the Internal Revenue laws of the United States.

46. DATE

47. DISCREPANCY

48. SIGNATURE

49. RANK

50. TITLE

DEPARTMENT OF THE TREASURY - BUREAU OF ALCOHOL, TOBACCO AND FIREARMS						1. SERIAL NUMBER (Begin with "J" each Jan. 1)		
<b>DRAWBACK ON WINES EXPORTED</b> (See instructions on back)								
<b>PART I - NOTICE</b>						<b>REGIONAL REGULATORY ADMINISTRATOR USE ONLY</b>		
2. TO: REGIONAL REGULATORY ADMINISTRATOR—BUREAU OF ALCOHOL, TOBACCO AND FIREARMS		LOCATED AT (Number, Street, City, State, ZIP Code)						
The undersigned gives notice of the shipment of wines manufactured bottled or packaged in the United States on which drawback of the internal revenue tax paid or determined is claimed.								
3. EXPORTER - NAME AND ADDRESS (Number, Street, City, State, ZIP Code)						NUMBER <sup>1</sup>		
EMPLOYER IDENTIFICATION NUMBER ▶								
4. PURPOSE OF SHIPMENT (Make applicable entries)	<input type="checkbox"/> SHIPMENT FOR EXPORT TO ARMED FORCES OF THE U.S.		TRANSFER TO FOREIGN-TRADE ZONE		(Number)	(Location)	AMOUNT CLAIMED \$	
	EXPORTATION TO (Name of foreign port and country)						AMOUNT REJECTED \$	
	USE AS SUPPLIES ON <input type="checkbox"/> A VESSEL <sup>3</sup> <input type="checkbox"/> AIRCRAFT <sup>3</sup>						AMOUNT APPROVED \$	
6. CON-SIGNED TO OR IN CARE OF (Make applicable entries)						6. NAME OF DOMESTIC CARRIER		
TRANSPOR-TATION OFFICER (Name)						(Location)		
CUSTOMS OFFICER IN CHARGE OF FOREIGN-TRADE ZONE (Number)						(Location)		
7. NAME OF EXPORT CARRIER						7. NAME OF EXPORT CARRIER		
8. DESCRIPTION OF WINE SHIPPED								
KIND OF WINE (a)	NUMBER OF PACKAGES (b)	CASES			SERIAL NUMBERS OF CONTAINERS OR CASES <sup>4</sup> (f)	ALCOHOL CONTENT (g)	TOTAL WINE GALLONS (h)	DRAWBACK RATE PER WINE GALLON (i)
		NUMBER (c)	BOTTLES IN CASE (d)	SIZE (e)				
<b>PART II - CLAIM</b>							9. AMOUNT CLAIMED \$	
The wines described in Part I have been removed for the purpose stated, and are not to be brought back or reloaded within the limits of the United States. The kind, quantity, and description of the wines as stated in Part I are correct, and I am justly entitled to drawback of tax in the amount claimed herein. Internal revenue tax equal to such amount has been paid or determined as provided by law and regulations. No other claim for allowance of drawback has been made under 26 U.S.C. 5062(b), or Section 309 of the Tariff Act of 1930, as amended, on these wines or any part thereof. Under penalties of perjury, I declare that I have examined Part I hereof, and this claim, and to the best of my knowledge and belief the statements herein and in Part I are true, correct, and complete.							10. I REQUEST DRAWBACK ALLOWED TO BE PAID BY <input type="checkbox"/> CHECK <input type="checkbox"/> CREDIT	
11. DATE		12. EXPORTER			12a. BY (Signature and Title)			
<sup>1</sup> Insert, as applicable, plant number of distilled spirits plant, registry number of bonded wine cellar or taxpaid wine bottling house, or number of the wholesale liquor dealer's permit issued under the Federal Alcohol Administration Act. <sup>2</sup> Complete only for consolidated claims; show serial number of last claim tabulated. <sup>3</sup> State whether (a) vessel or aircraft operated by the United States; (b) vessel or aircraft engaged in foreign trade, or in trade between the United States and any of its possessions, or between Hawaii or Alaska and any other part of the United States; (c) vessel of the United States engaged in trade between Atlantic and Pacific ports of the United States; (d) vessel of war of any foreign nation; or (e) vessel employed in (1) the fisheries, or (2) the whaling business. Show name of vessel, country of registry, and ports of call, or if a whaling vessel, location of operations. If aircraft, show also name of airline and country of registry of aircraft. <sup>4</sup> Show filing date when use of such date has been authorized in lieu of serial numbers on cases.								

ATF FORM 1582-A (5120.24) (4-82)

PART III - CUSTOMS OFFICER'S CERTIFICATION OF LADING OR DEPOSIT			
I hereby certify that the wines described in part I were found to be as described, except as noted in Item 16, and that the wines were—			
13. LADEN FOR		VESSEL (Name)	AIRCRAFT (Name, symbols, number)
<input type="checkbox"/> EXPORT	<input type="checkbox"/> USE AS SUPPLIES	RAILROAD CAR (Number)	TRUCK (State license)
ON BOARD			
14. RECEIVED IN FOREIGN-TRADE ZONE	NUMBER	15. SHIPPED TO (Frontier port)	SERIAL NUMBERS OF SEALS USED
16. INSPECTION DISCLOSED			
<input type="checkbox"/> NO EVIDENCE OF TAMPERING		<input type="checkbox"/> NO DISCREPANCY	<input type="checkbox"/> DISCREPANCIES OR SHORT SHIPMENT: AS FOLLOWS:
17. DATE	18. PORT	19. SIGNATURE AND TITLE OF CUSTOMS OFFICER	
PART IV - CUSTOMS OFFICER'S REPORT OF THROUGH SHIPMENT AT FRONTIER PORT			
20. FRONTIER PORT	21. DATE RECEIVED	22. INSPECTION DISCLOSED	
		<input type="checkbox"/> NO EVIDENCE OF TAMPERING <input type="checkbox"/> SEALS INTACT <input type="checkbox"/> SEALS BROKEN (See Item 23)	
23. NATURE AND EXTENT OF DISCREPANCIES, TRANSSHIPMENT, RESEALING, ETC.			
24. The exporting conveyance identified in Item 13, bearing the wines described in item 8, with exceptions as noted in items 16 and 23, cleared from this port for the port of			FOREIGN PORT
25. DATE	26. SIGNATURE AND TITLE OF CUSTOMS OFFICER		
PART V - CERTIFICATE OF CLEARANCE OR USE			
27. THE EXPORTING CONVEYANCE BEARING THE WINES DESCRIBED IN ITEM 8, WITH EXCEPTIONS AS NOTED ABOVE,—			
CLEARED FROM THE PORT OF		ON (Date)	BOUND FOR (Foreign port)
28. THE WINE HAS BEEN USED AS SUPPLIES ON THE FISHING VESSEL OR AIRCRAFT IDENTIFIED ABOVE, AND THE EVIDENCE OF SUCH USE HAS BEEN RECEIVED.		29. DATE	30. SIGNATURE OF DISTRICT DIRECTOR OF CUSTOMS
PART VI - CERTIFICATE OF RECEIPT BY ARMED FORCES OFFICER			
The wines described in Part I, with exceptions as noted in item 32, were received for export to the armed forces of the United States. The wines will not be shipped for consumption or use in any place subject to application of the internal revenue laws of the United States.			
31. DATE	32. DISCREPANCIES		
33. SIGNATURE	34. RANK	35. TITLE	
INSTRUCTIONS			
<p>1. <b>GENERAL.</b> Under 27 CFR 252.212 and 252.214 persons qualified as proprietors of distilled spirits plants, bonded wine cellars, or taxpaid wine bottling houses, or holding wholesale liquor dealer permits issued under the Federal Alcohol Administration Act, are authorized to file claims on Form 1582-A for allowance of drawback of internal revenue taxes.</p> <p>2. <b>NUMBER OF COPIES.</b> Prepare this form in quadruplicate, except prepare a fifth copy, marked "Consignee's Copy," where the wine is for use on aircraft.</p> <p>3. <b>INSTRUCTIONS TO EXPORTER.</b> Complete Part I, and execute Part II. If you are the proprietor of a bonded wine cellar, you may elect (item 10) to have drawback allowance paid either by check, or by credit (Form 2639) which can be claimed on a subsequent wine tax return on Form 2050; all other claimants should check the box designated "Check". On shipment of the wine, forward the original and one copy of this form to the official designated in item 5, forward one copy to the Regional Regulatory Administrator, Bureau of Alcohol, Tobacco and Firearms, and retain a copy in your files. If a "Consignee's Copy" has been prepared (see instruction 2), forward it to the airline company at the airport.</p> <p>4. <b>ACTION BY CUSTOMS.</b> (a) Shipments For Direct Exportation, or Use on Vessels Other Than Fishing Vessels. After inspection of lading, the customs officer shall execute Part III on both copies and forward them to the director of customs. On clearance of the conveyance, the director shall execute Part V, forward the original to the Regional Regulatory Administrator, Bureau of Alcohol, Tobacco and Firearms at the address shown in item 2, and retain the copy for his files.</p> <p>(b) Use on Aircraft and Fishing Vessels. After inspection of lading, the customs officer shall execute Part III on both copies and forward</p>		<p>them to the District Director of Customs. The District Director, on receipt of the required "Certificate of Use" (for aircraft) or customs Form 5125 (for fishing vessels), shall execute Part V, forward the original to the Regional Regulatory Administrator, Bureau of Alcohol Tobacco and Firearms at the address shown in item 2, and retain the copy for his files.</p> <p>(c) Lading at Interior Port For Exportation Through Frontier Port. On completion of lading, the customs officer shall affix the seals, then execute Part III on both copies and forward them to the District Director of Customs at the interior port of lading for forwarding to the Customs officer at the frontier port. That officer, when satisfied that the shipment has been exported, shall execute Part IV on both copies and return them to the District Director of Customs at the interior port. The District Director shall then execute Part V, forward the original to the Regional Regulatory Administrator, Bureau of Alcohol, Tobacco and Firearms at the address shown in item 2, and retain the copy for his files.</p> <p>(d) Receipt in Foreign-Trade Zones. On receipt of the wine, the customs officer shall execute Part III on both copies, forward the original to the Regional Regulatory Administrator, Bureau of Alcohol, Tobacco and Firearms at the address shown in item 2, and retain the copy for his files.</p> <p>5. <b>ACTION BY ARMED FORCES OFFICER.</b> On receipt of the wines, the officer to whom consigned (or other authorized supply officer) shall execute Part IV on both copies, forward the original to the Regional Regulatory Administrator, Bureau of Alcohol, Tobacco and Firearms at the address shown in item 2, and retain the copy for his records.</p>	
PAPERWORK REDUCTION ACT NOTICE			
<p>This request is in accordance with Section 3507, PL 96-511, 12/11/80. The information collection is used to obtain drawback of taxes on wine exported from the United States. This information is required to obtain benefit by 26 USC 5062.</p>			



# Notes



## Federal Excise Tax Rates per Gallon

📖 26 U.S.C. 5041(b)

There are six tax rates given in the Internal Revenue Code for wine products:

Not over 14% alcohol	\$1.07*
Over 14% but not over 21% alcohol	\$1.57*
Over 21% but not over 24% alcohol	\$3.15*
Artificially Carbonated Wine	\$3.30*
Sparkling Wine	\$3.40
Hard Cider	\$ .226*

\* A tax credit which reduces these rates by as much as \$ .90 per gallon is available to certain producers for a portion of the company's taxable removals each calendar year.

## Federal Excise Tax Periods and Due Dates

27 CFR 24.271 and 27 CFR 24.273

Tax Periods		Tax Return Due Dates*
Semi-Monthly	1 <sup>st</sup> -15 <sup>th</sup> day of each month and the 16 <sup>th</sup> day through the last day of each month	Not later than the 14 <sup>th</sup> day after the last day of the return period.
September	Special rules apply	See Tax Return Calendar.
Quarterly	Calendar Quarters	Not later than the 14 <sup>th</sup> day after the last day of the quarter.
Annual	Calendar Year	Not later than the 30 <sup>th</sup> day after the last day of the calendar year.
<p><b>*Exception:</b> If the due date falls on a Saturday, Sunday, or legal holiday, the return and remittance is due on the immediately preceding day which is not a Saturday, Sunday or legal holiday, except as noted in the special filing provisions for the month of September (see 27 CFR 24.271(c)(3)).</p>		

## Quarterly Excise Tax Payments

 27 CFR 24.271

Some wine premises may submit Excise Tax Returns and tax payment quarterly, if the following conditions are met:

1. The Excise Taxes totaled not more than \$50,000 the previous calendar year, and
2. The Excise Taxes will total not more than \$50,000 the current calendar year, and
3. Sufficient deferral coverage is provided.

If mailed, the tax return and tax must be postmarked not later than the 14<sup>th</sup> day after the close of the calendar quarter. If filed using the Pay.Gov program, ACH payment must be completed no later than 4:00 PM Eastern Time one business day prior to the due date.

If the \$50,000 limit is exceeded during the calendar year, the taxes must be paid immediately. Twice-monthly filing must resume for the rest of the calendar year, as well as during the following calendar year.

## Annual Excise Tax Payments

 27 CFR 24.273

Some wine premises may submit one Excise Tax Return and tax payment annually, if the following conditions are met:

1. If the Excise Taxes totaled less than \$1,000 the previous calendar year, and
2. The Excise Taxes will total less than \$1,000 the current calendar year, and
3. Sufficient deferral coverage is provided, and additional deferral coverage has not been given.

If mailed, the tax return and tax must be postmarked not later than the 30<sup>th</sup> day after the close of the calendar year. If filed using the Pay.Gov program, ACH payment must be completed no later than 4:00 PM Eastern Time one business day prior to the due date.

If the \$1,000 limit is reached during the calendar year, the taxes must be paid immediately. Twice-monthly or quarterly (if eligible) filing must resume for the rest of the calendar year, as well as during the following calendar year.

**Alcohol & Tobacco Due Dates  
for Semi-monthly Tax Returns  
for Revenue Producing Plants  
Calendar Year 2007**

Serial Number	Return Period	Due Date
1	January 1-15, 2007	January 29, 2007
2	January 16-31	February 14
3	February 1-15	March 1
4	February 16-28	March 14
5	March 1-15	March 29
6	March 16-31	April 13
7	April 1-15	April 27
8	April 16-30	May 14
9	May 1-15	May 29
10	May 16-31	June 14
11	June 1-15	June 29
12	June 16-30	July 13
13	July 1-15	July 27
14	July 16-31	August 14
15	August 1-15	August 29
16	August 16-31	September 14
17	September 1-15	September 28
18	September 16-25	September 28 Non-EFT*
18	September 16-26	September 28 EFT*
19	September 26-30	October 12 Non-EFT*
19	September 27-30	October 12 EFT*
20	October 1-15	October 29
21	October 16-31	November 14
22	November 1-15	November 29
23	November 16-30	December 14
24	December 1-15	December 28
25	December 16-31	January 14, 2008

The above list takes into account all federal holidays. In the event that the due date, as indicated in this schedule, falls on a statewide legal holiday in the state where the return is required to be filed, the due date is the immediately preceding date which is not a Saturday, Sunday or legal holiday for Non-EFT payers.

Statewide legal holidays would not advance the due date of EFT tax returns and payments as long as the Federal Reserve Bank of New York City remains open and accepts electronic fund transfer payments.

For Pay.gov payments: Your ACH payment must be completed no later than 4:00 PM Eastern Time one business day prior to the due date.

**Alcohol Due Dates  
for Quarterly Tax Returns  
for Revenue Producing Plants  
Calendar Year 2007**

Serial Number	Return Period	Due Date
1	January 1 – March 31, 2007	April 13, 2007
2	April 1 – June 30, 2007	July 13, 2007
3	July 1 – September 30, 2007	October 12, 2007
4	October 1 – December 31, 2007	January 14, 2008

**Calendar Year 2007**

Public Law 109-59 amended 26 USC 5061 to allow proprietors of distilled spirits plants, bonded wineries, bonded wine cellars and breweries who were liable for not more than \$50,000 distilled spirits, wine or beer excise tax in the previous calendar year, and who reasonably expect to be liable for not more than \$50,000 in such taxes in the current year to file tax returns on a quarterly basis.

NOTE: Be sure that bond coverage is sufficient before you elect to file returns on a quarterly basis. Refer to guidance posted on our web site at [www.ttb.gov](http://www.ttb.gov) concerning how to qualify for quarterly filing or call us at 1-877-882-3277.

The above list takes into account all federal holidays. In the event that the due date, as indicated in this schedule, falls on a statewide legal holiday in the state where the return is required to be filed, the due date is the immediately preceding date which is not a Saturday, Sunday or legal holiday for Non-EFT payers.

Statewide legal holidays would not advance the due date of EFT tax returns and payments as long as the Federal Reserve Bank of New York City remains open and accepts electronic fund transfer payments.

For Pay.gov payments: Your ACH payment must be completed no later than 4:00 PM Eastern Time one business day prior to the due date.

## Payment by Electronic Fund Transfer

 27 CFR 24.272

Some companies are required to pay their wine excise taxes by electronic fund transfer (EFT) rather than by check or other forms of payment.

- EFT is required if the gross amount of wine excise tax liability was \$5 million or more during the previous calendar year.
- The gross liability includes all domestic taxable removals and the tax on imported wine, before consideration of refunds, credits or drawback.
- The gross liability of all members of a controlled group are considered, and all members of a controlled group required to EFT must make tax payments by EFT.

See Procedure 91-1, "TTB Procedure for Payment of Tax by Electronic Fund Transfer," for detailed guidance on filing taxes by EFT.

 <http://www.ttb.gov/procedures/91-1.shtml>

This is an example of a properly completed Excise Tax Return:

OMB No. 1513-0083 (01/31/2006)

<b>DEPARTMENT OF THE TREASURY</b> <b>ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)</b> <b>EXCISE TAX RETURN</b> <i>(Prepare in duplicate - See instructions on back)</i>		1. SERIAL NUMBER 2006-1
2. FORM OF PAYMENT <input type="checkbox"/> CHECK <input type="checkbox"/> MONEY ORDER <input type="checkbox"/> EFT <input type="checkbox"/> OTHER (Specify)		3. AMOUNT OF PAYMENT \$ 7,620.10
4. RETURN COVERS (Check one) <input type="checkbox"/> PREPAYMENT <input checked="" type="checkbox"/> PERIOD BEGINNING Jan 1, 2006 ENDING Jan 15, 2006		NOTE: PLEASE MAKE CHECKS OR MONEY ORDERS PAYABLE TO THE ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (SHOW EMPLOYER IDENTIFICATION NUMBER ON ALL CHECKS OR MONEY ORDERS)
5. DATE PRODUCTS TO BE REMOVED (For Prepayment Returns Only)		
6. EMPLOYER IDENTIFICATION NUMBER 99-999999x	7. PLANT, REGISTRY, OR PERMIT NUMBER BWN-CA-15xxx	<b>FOR TTB USE ONLY</b>
8. NAME AND ADDRESS OF TAXPAYER (Include ZIP Code) Storall Vineyards and Winery 9717 High Street Elie, CA 9xxxx		TAX \$
		PENALTY
		INTEREST
		TOTAL \$
		EXAMINED BY:
		DATE EXAMINED:

**CALCULATION OF TAX DUE (Before making entries on lines 18 - 21, complete Schedules A and B)**

PRODUCT (a)	AMOUNT OF TAX (b)
9. DISTILLED SPIRITS	\$
10. WINE	7,620.10
11. BEER	
12. CIGARS	
13. CIGARETTES	
14. CIGARETTE PAPERS AND/OR CIGARETTE TUBES	
15. CHEWING TOBACCO AND/OR SNUFF	
16. PIPE TOBACCO AND/OR ROLL-YOUR-OWN TOBACCO	
17. TOTAL TAX LIABILITY (Total of lines 9-16)	\$ 7,620.10
18. ADJUSTMENTS INCREASING AMOUNT DUE (From line 29)	
19. GROSS AMOUNT DUE (Line 17 plus line 18)	\$ 7620.10
20. ADJUSTMENTS DECREASING AMOUNT DUE (From line 34)	
21. AMOUNT TO BE PAID WITH THIS RETURN (Line 19 minus line 20)	\$ 7620.10

Under penalties of perjury I declare that I have examined this return (including any accompanying explanations, statements, schedules, and forms) and to the best of my knowledge and belief it is true, correct, and includes all transactions and tax liabilities required by law or regulations to be reported.

22. DATE Jan 27, 2006	23. SIGNATURE <i>Ronald J. MacLutyr</i>	24. TITLE Partner
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**SCHEDULE A - ADJUSTMENTS INCREASING AMOUNT DUE**

EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS		
	(b) TAX	(c) INTEREST	(d) PENALTY
25.	\$		\$
26.			
27.			
28. SUBTOTALS OF COLUMNS (b), (c) AND (d)	\$	\$	\$
29. TOTAL ADJUSTMENTS INCREASING AMOUNT DUE (Line 28, Col (b) + (c) + (d)) Enter here and on line 18.			\$

**SCHEDULE B - ADJUSTMENTS DECREASING AMOUNT DUE**

EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS	
	(b) TAX	(c) INTEREST
30.	\$	\$
31.		
32.		
33. SUBTOTALS OF COLUMNS (b) and (c)	\$	\$
34. TOTAL ADJUSTMENTS DECREASING AMOUNT DUE (Line 33, Col (b) + (c)) Enter here and on line 20.		\$

TTB F 5000.24 (5/2005)

## Small Domestic Producer Credit

 26 U.S.C. 5041(c)

### **Who is Allowed to Use the Small Domestic Producer Credit?**

Domestic producers of not more than 250,000 wine gallons during a calendar year are allowed 90 cents per gallon on the 1<sup>st</sup> 100,000 wine gallons of wine (other than sparkling wines) which are removed during the same year for consumption or sale. The credit on hard cider is 5.6 cents per gallon, rather than 90 cents per gallon.

**When does a wine taxpayer use less than 90 cents per gallon credit?** If the amount of wine produced during the year exceeds 150,000 wine gallons, the credit is reduced by 1% for every 1,000 wine gallons of wine produced in excess of 150,000 wine gallons.

**How is the credit used by Controlled Groups?** The production and removal of wine by all members of a controlled group are added together when determining if the Small Domestic Producer Credit may be used.

**Can the credit be transferred to another tax payer?** The credit may be transferred to another tax payer as long as the transferring (sending) winery would be eligible to use the credit if it paid the tax itself, produced the wine, holds title to the wine, and provides the taxpayer with sufficient information to pay the tax correctly using the credit.

## Small Domestic Producer Credit Production Levels

📖 26 U.S.C. 5041

The amount of small domestic producer credit a company may use depends upon the amount of wine produced each calendar year:

### If Production is:

### Credit Available Per Year is:

150,000 gallons or less	=	\$ .90 per gallon on first 100,000 gallons taxably removed per calendar year (Exception: transferred credit)
Over 150,000 to 250,000	=	\$ .89 - \$ .01 per gallon on first 100,000 gallons taxably removed per calendar year. See chart on next page for the effective tax rates. (Exception: transferred credit)
More than 250,000 gallons	=	None available (Exception: transferred credit)
No Production	=	None available (Exception: transferred credit)

- The production and removals of all members of a controlled group are added together to determine how much wine was produced and removed by the company as a whole each calendar year.
- All removals beyond 100,000 gallons each year calendar year must be tax paid at the full tax rate.
- Credit is NOT available on the taxable removal of Sparkling Wine.

Production Level		Effective Tax on 1st 100,000 Gallons				Credit Amount %	Effective Tax on 1st 100,000 Gallons				Credit Amount %	Effective Tax on 1st 100,000 Gallons				
		<=14%	14-21%	21-24%	Art Carb		Hard Cider	<=14%	14-21%	21-24%		Art Carb	Hard Cider	<=14%	14-21%	21-24%
From	To	0.900	0.17	0.67	2.25	2.40	0.17	200,000	200,999.9	50%	0.450	0.620	1.120	2.700	2.850	0.198
Less than	150,999.9	0.891	0.179	0.679	2.259	2.409	0.171	201,000	201,999.9	49%	0.441	0.629	1.129	2.709	2.859	0.199
151,000 -	151,999.9	0.882	0.188	0.688	2.268	2.418	0.171	202,000	202,999.9	48%	0.432	0.638	1.138	2.718	2.868	0.199
152,000 -	152,999.9	0.873	0.197	0.697	2.277	2.427	0.172	203,000	203,999.9	47%	0.423	0.647	1.147	2.727	2.877	0.200
153,000 -	153,999.9	0.864	0.206	0.706	2.286	2.436	0.172	204,000	204,999.9	46%	0.414	0.656	1.156	2.736	2.886	0.200
154,000 -	154,999.9	0.855	0.215	0.715	2.295	2.445	0.173	205,000	205,999.9	45%	0.405	0.665	1.165	2.745	2.895	0.201
155,000 -	155,999.9	0.846	0.224	0.724	2.304	2.454	0.173	206,000	206,999.9	44%	0.396	0.674	1.174	2.754	2.904	0.201
156,000 -	156,999.9	0.837	0.233	0.733	2.313	2.463	0.174	207,000	207,999.9	43%	0.387	0.683	1.183	2.763	2.913	0.202
157,000 -	157,999.9	0.828	0.242	0.742	2.322	2.472	0.174	208,000	208,999.9	42%	0.378	0.692	1.192	2.772	2.922	0.202
158,000 -	158,999.9	0.819	0.251	0.751	2.331	2.481	0.175	209,000	209,999.9	41%	0.369	0.701	1.201	2.781	2.931	0.203
159,000 -	159,999.9	0.810	0.260	0.760	2.340	2.490	0.176	210,000	210,999.9	40%	0.360	0.710	1.210	2.790	2.940	0.204
160,000 -	160,999.9	0.801	0.269	0.769	2.349	2.499	0.176	211,000	211,999.9	39%	0.351	0.719	1.219	2.799	2.949	0.204
161,000 -	161,999.9	0.792	0.278	0.778	2.358	2.508	0.177	212,000	212,999.9	38%	0.342	0.728	1.228	2.808	2.958	0.205
162,000 -	162,999.9	0.783	0.287	0.787	2.367	2.517	0.177	213,000	213,999.9	37%	0.333	0.737	1.237	2.817	2.967	0.205
163,000 -	163,999.9	0.774	0.296	0.796	2.376	2.526	0.178	214,000	214,999.9	36%	0.324	0.746	1.246	2.826	2.976	0.206
164,000 -	164,999.9	0.765	0.305	0.805	2.385	2.535	0.178	215,000	215,999.9	35%	0.315	0.755	1.255	2.835	2.985	0.206
165,000 -	165,999.9	0.756	0.314	0.814	2.394	2.544	0.179	216,000	216,999.9	34%	0.306	0.764	1.264	2.844	2.994	0.207
166,000 -	166,999.9	0.747	0.323	0.823	2.403	2.553	0.180	217,000	217,999.9	33%	0.297	0.773	1.273	2.853	3.003	0.208
167,000 -	167,999.9	0.738	0.332	0.832	2.412	2.562	0.180	218,000	218,999.9	32%	0.288	0.782	1.282	2.862	3.012	0.208
168,000 -	168,999.9	0.729	0.341	0.841	2.421	2.571	0.181	219,000	219,999.9	31%	0.279	0.791	1.291	2.871	3.021	0.209
169,000 -	169,999.9	0.720	0.350	0.850	2.430	2.580	0.181	220,000	220,999.9	30%	0.270	0.800	1.300	2.880	3.030	0.209
170,000 -	170,999.9	0.711	0.359	0.859	2.439	2.589	0.182	221,000	221,999.9	29%	0.261	0.809	1.309	2.889	3.039	0.210
171,000 -	171,999.9	0.702	0.368	0.868	2.448	2.598	0.182	222,000	222,999.9	28%	0.252	0.818	1.318	2.898	3.048	0.210
172,000 -	172,999.9	0.693	0.377	0.877	2.457	2.607	0.183	223,000	223,999.9	27%	0.243	0.827	1.327	2.907	3.057	0.211
173,000 -	173,999.9	0.684	0.386	0.886	2.466	2.616	0.183	224,000	224,999.9	26%	0.234	0.836	1.336	2.916	3.066	0.211
174,000 -	174,999.9	0.675	0.395	0.895	2.475	2.625	0.184	225,000	225,999.9	25%	0.225	0.845	1.345	2.925	3.075	0.212
175,000 -	175,999.9	0.666	0.404	0.904	2.484	2.634	0.185	226,000	226,999.9	24%	0.216	0.854	1.354	2.934	3.084	0.213
176,000 -	176,999.9	0.657	0.413	0.913	2.493	2.643	0.185	227,000	227,999.9	23%	0.207	0.863	1.363	2.943	3.093	0.213
177,000 -	177,999.9	0.648	0.422	0.922	2.502	2.652	0.186	228,000	228,999.9	22%	0.198	0.872	1.372	2.952	3.102	0.214
178,000 -	178,999.9	0.639	0.431	0.931	2.511	2.661	0.186	229,000	229,999.9	21%	0.189	0.881	1.381	2.961	3.111	0.214
179,000 -	179,999.9	0.630	0.440	0.940	2.520	2.670	0.187	230,000	230,999.9	20%	0.180	0.890	1.390	2.970	3.120	0.215
180,000 -	180,999.9	0.621	0.449	0.949	2.529	2.679	0.187	231,000	231,999.9	19%	0.171	0.899	1.399	2.979	3.129	0.215
181,000 -	181,999.9	0.612	0.458	0.958	2.538	2.688	0.188	232,000	232,999.9	18%	0.162	0.908	1.408	2.988	3.138	0.216
182,000 -	182,999.9	0.603	0.467	0.967	2.547	2.697	0.188	233,000	233,999.9	17%	0.153	0.917	1.417	2.997	3.147	0.217
183,000 -	183,999.9	0.594	0.476	0.976	2.556	2.706	0.189	234,000	234,999.9	16%	0.144	0.926	1.426	3.006	3.156	0.217
184,000 -	184,999.9	0.585	0.485	0.985	2.565	2.715	0.190	235,000	235,999.9	15%	0.135	0.935	1.435	3.015	3.165	0.218
185,000 -	185,999.9	0.576	0.494	0.994	2.574	2.724	0.190	236,000	236,999.9	14%	0.126	0.944	1.444	3.024	3.174	0.218
186,000 -	186,999.9	0.567	0.503	1.003	2.583	2.733	0.191	237,000	237,999.9	13%	0.117	0.953	1.453	3.033	3.183	0.219
187,000 -	187,999.9	0.558	0.512	1.012	2.592	2.742	0.191	238,000	238,999.9	12%	0.108	0.962	1.462	3.042	3.192	0.219
188,000 -	188,999.9	0.549	0.521	1.021	2.601	2.751	0.192	239,000	239,999.9	11%	0.099	0.971	1.471	3.051	3.201	0.220
189,000 -	189,999.9	0.540	0.530	1.030	2.610	2.760	0.192	240,000	240,999.9	10%	0.090	0.980	1.480	3.060	3.210	0.220
190,000 -	190,999.9	0.531	0.539	1.039	2.619	2.769	0.193	241,000	241,999.9	9%	0.081	0.989	1.489	3.069	3.219	0.221
191,000 -	191,999.9	0.522	0.548	1.048	2.628	2.778	0.194	242,000	242,999.9	8%	0.072	0.998	1.498	3.078	3.228	0.222
192,000 -	192,999.9	0.513	0.557	1.057	2.637	2.787	0.194	243,000	243,999.9	7%	0.063	1.007	1.507	3.087	3.237	0.222
193,000 -	193,999.9	0.504	0.566	1.066	2.646	2.796	0.195	244,000	244,999.9	6%	0.054	1.016	1.516	3.096	3.246	0.223
194,000 -	194,999.9	0.495	0.575	1.075	2.655	2.805	0.195	245,000	245,999.9	5%	0.045	1.025	1.525	3.105	3.255	0.223
195,000 -	195,999.9	0.486	0.584	1.084	2.664	2.814	0.196	246,000	246,999.9	4%	0.036	1.034	1.534	3.114	3.264	0.224
196,000 -	196,999.9	0.477	0.593	1.093	2.673	2.823	0.196	247,000	247,999.9	3%	0.027	1.043	1.543	3.123	3.273	0.224
197,000 -	197,999.9	0.468	0.602	1.102	2.682	2.832	0.197	248,000	248,999.9	2%	0.018	1.052	1.552	3.132	3.282	0.225
198,000 -	198,999.9	0.459	0.611	1.111	2.691	2.841	0.197	249,000	249,999.9	1%	0.009	1.061	1.561	3.141	3.291	0.225
199,000 -	199,999.9	0.450	0.620	1.120	2.700	2.850	0.198	250,000	or more	0%	0.000	1.070	1.570	3.150	3.300	0.226

This is an example of a properly completed Excise Tax Return showing the use of the Small Domestic Wine Producer Credit in Schedule B:

OMB No. 1513-0083 (01/31/2006)

<b>DEPARTMENT OF THE TREASURY</b> <b>ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)</b> <b>EXCISE TAX RETURN</b> <i>(Prepare in duplicate - See instructions on back)</i>		1. SERIAL NUMBER 2006-8
2. FORM OF PAYMENT <input type="checkbox"/> CHECK <input type="checkbox"/> MONEY ORDER <input type="checkbox"/> EFT <input type="checkbox"/> OTHER (Specify)		3. AMOUNT OF PAYMENT \$ 40.41
4. RETURN COVERS (Check one) <input type="checkbox"/> PREPAYMENT <input checked="" type="checkbox"/> PERIOD		NOTE: PLEASE MAKE CHECKS OR MONEY ORDERS PAYABLE TO THE ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (SHOW EMPLOYER IDENTIFICATION NUMBER ON ALL CHECKS OR MONEY ORDERS)
BEGINNING 4/16/2006 ENDING 4/30/2006		
5. DATE PRODUCTS TO BE REMOVED (For Prepayment Returns Only)		<b>FOR TTB USE ONLY</b>
6. EMPLOYER IDENTIFICATION NUMBER 94-123456x	7. PLANT, REGISTRY, OR PERMIT NUMBER BWN-CA-15xxx	TAX \$
8. NAME AND ADDRESS OF TAXPAYER (Include ZIP Code) Feeney Vineyards and Winery 5749 Ashland Way Namby, XX 99xxx		PENALTY
		INTEREST
		TOTAL \$
		EXAMINED BY:
		DATE EXAMINED:

CALCULATION OF TAX DUE (Before making entries on lines 18 - 21, complete Schedules A and B)	
PRODUCT (a)	AMOUNT OF TAX (b)
9. DISTILLED SPIRITS	\$
10. WINE	254.34
11. BEER	
12. CIGARS	
13. CIGARETTES	
14. CIGARETTE PAPERS AND/OR CIGARETTE TUBES	
15. CHEWING TOBACCO AND/OR SNUFF	
16. PIPE TOBACCO AND/OR ROLL-YOUR-OWN TOBACCO	
17. TOTAL TAX LIABILITY (Total of lines 9-16)	\$ 254.34
18. ADJUSTMENTS INCREASING AMOUNT DUE (From line 29)	
19. GROSS AMOUNT DUE (Line 17 plus line 18)	\$ 254.34
20. ADJUSTMENTS DECREASING AMOUNT DUE (From line 34)	213.93
21. AMOUNT TO BE PAID WITH THIS RETURN (Line 19 minus line 20)	\$ 40.41

Under penalties of perjury I declare that I have examined this return (including any accompanying explanations, statements, schedules, and forms) and to the best of my knowledge and belief it is true, correct, and includes all transactions and tax liabilities required by law or regulations to be reported.

22. DATE Jan 27, 2006	23. SIGNATURE <i>D. J. Feeney</i>	24. TITLE Partner
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SCHEDULE A - ADJUSTMENTS INCREASING AMOUNT DUE			
EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS		
	(b) TAX	(c) INTEREST	(d) PENALTY
25.	\$		\$
26.			
27.			
28. SUBTOTALS OF COLUMNS (b), (c) AND (d)	\$	\$	\$
29. TOTAL ADJUSTMENTS INCREASING AMOUNT DUE (Line 28, Col (b) + (c) + (d)) Enter here and on line 18.			\$

SCHEDULE B - ADJUSTMENTS DECREASING AMOUNT DUE		
EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS	
	(b) TAX	(c) INTEREST
30. 237.7 gallons -14% wine, \$.90/gallon credit	\$ 213.93	\$
31.		
32.		
33. SUBTOTALS OF COLUMNS (b) and (c)	\$ 213.93	\$
34. TOTAL ADJUSTMENTS DECREASING AMOUNT DUE (Line 33, Col (b) + (c)) Enter here and on line 20.		\$ 213.93

TTB F 6000.24 (5/2005)

## **What are the Rules for Transferring Small Domestic Wine Producer's Tax Credit?**

26 U.S.C. 5041(c)(6)

Many small wine producers with limited space at their own wineries elect to transfer wine to other bonded wine premises (often commercial bonded wine cellars, or "BWCs") for storage and distribution. Small wineries often pay the excise tax on their wine before shipping it to a BWC, in order to make use of the Small Domestic Producer's Tax Credit. Under certain conditions, small wine producers have the option of transferring the use of their credit to other bonded wine premises, to be used when their wine is removed for consumption or sale (tax paid).

### **Who is eligible for the Small Domestic Producer's Credit?**

Producers of not more than 250,000 gallons of wine per calendar year are eligible for a credit which lowers the tax due on the first 100,000 gallons of wine taxably removed each calendar year.

Non-producing wine premises and companies which produce more than 250,000 gallons per year are generally not eligible to use the Small Domestic Producer's Credit when making taxable removals from their bonded premises. The exception is when the credit is transferred by an eligible small producer to another taxpayer (a "transferee"), to be used on its behalf. A transferee is often a Bonded Wine Cellar (BWC), but it may be any bonded wine premises.

### **What wine is eligible for transfer of the Small Domestic Producer's Credit?**

Credit may be transferred on wine (other than champagne or other sparkling wine) which was produced by a winery that is eligible for the credit.

### **When may a winery transfer its credit to another taxpayer?**

There are five conditions which must be met before a transferee may use credit on behalf of an eligible small wine producer. All conditions must be met.

- The wine produced by the winery would be eligible for the small domestic producer tax credit if removed from the producer's own premises.
- Wine is removed by the transferee, who is liable for the tax.
- The producer holds title to the wine at time of taxable removal.
- The producer provides to the transferee the information that is necessary to properly determine the transferee's credit.
- The removal is within the first 100,000 gallons taxably removed during the calendar year by the small winery and/or on behalf of the small winery.

### What information should be sent to the transferee?

The transferee (receiver/taxpayer of the wine) needs enough information to properly determine how much credit to take. A written statement that includes the following would meet that need:

- The names of the producer and the transferee;
- The quantity and tax class of wines to be shipped;
- The date the wine is to be removed from bond for consumption or sale;
- Confirmation that the producer is eligible for credit and the credit rate to which the wine is entitled (e.g., in the case of a blended wine, the percentage of wine, if any, that was not produced by the producer and is thus not eligible for the credit); and
- Confirmation that the shipment is within first 100,000 gallons removed by (or on behalf of) the producer for the calendar year.

### How is the Excise Tax Return Prepared?

The transferee uses that information to report and pay the taxes due. Here is an example of how to complete Schedule B of the Excise Tax Return, Form 5000.24, that shows how the tax to be paid was determined:

The names of the producers for whom credit is being taken  
 Their credit rates  
 The total credit taken on behalf of each

#### Example of Schedule B

SCHEDULE B - ADJUSTMENTS DECREASING AMOUNT DUE		
EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS	AMOUNT OF ADJUSTMENTS	
(a)	(b) TAX	(c) INTEREST
30. ABCD Cellars 2,377.5 gallons @ \$.90 credit	\$ 2,139.75	\$
31. XYZ Vineyards, 59.4 gallons @ \$ .72 credit	\$ 42.77	
32.		
33. SUBTOTALS OF COLUMNS (b) and (c)	\$ 2,182.52	\$
34. TOTAL ADJUSTMENTS DECREASING AMOUNT DUE (Line 33, Col (b) + (c)) Enter here and on line 20.		\$ 2,182.52

### What does the producing winery show on its Reports and Returns?

The producing winery shows the transfer in bond to the transferee on its Report of Wine Premises Operations, Form 5120.17. It does not show the taxable removal on its tax returns or on its Report of Wine Premises Operations, Form 5120.17.

### **What does the transferee premises show on its Reports and Returns?**

The transferee shows the receipt of wine transferred in bond from the producing winery on its Report of Wine Premises Operations, Form 5120.17. When the producer asks the transferee to make the taxable removal with its credit, the transferee shows the taxable removal of the wine from its Report of Wine Premises Operations, Form 5120.17 and files a tax return, listing the removal as shown above.

### **What is the limit for making taxable removals using the Small Domestic Producer's Credit?**

The limit from all locations combined each calendar year is 100,000 wine gallons. The producer must keep track of all taxable removals being made on its behalf. After 100,000 gallons have been removed with credit from all locations, the producer's taxable removals must be made at the full rates (without credit) for the rest of the calendar year. This is why the transferee needs to receive written notice prior to each removal.

#### **If the producer blends wine into its wine that it did not produce, can credit still be taken?**

Yes and no. The credit is not transferable on wine which was not produced by the small producer. If wine was blended into the small producer's wine, the tax payment should be made at small producer's premises for full benefit of the credit.

The alternative is to notify the transferee in the written notice about the percentage of the wine which is ineligible for credit. The ineligible portion can then be taxpaid by the transferee at the full tax rate.

#### **Can the producer transfer credit on wine it produced for a custom crush customer?**

Yes, but only if the producer holds title to the wine at the time of removal from bond. If the custom crush customer holds title to the wine, the credit may not be transferred to another taxpayer. Accordingly, in order to get the benefit of the credit, the removal must be made from the producer's winery.

### **How are increasing and decreasing adjustments shown on the Excise Tax Return?**

If, at the end of the calendar year, it is determined that the winery produced more wine than expected, making the credit rate which was used incorrect, all parties that have used the winery's small producer credit make *increasing tax adjustments*.

Also, if the producer fails to produce any wine during the year, the taxpayers make an *increasing adjustment* during the last period of the calendar year.

If too much tax was paid on behalf of the producer, such as if the incorrect rate of credit was used, the transferees and any other taxpayers who used the winery's credit may file a claim on behalf of the producer. When the claim is approved by TTB, the taxpayers may make a *decreasing tax adjustment in the form of a credit, or request a refund.*

### Summary of "Who Should Do What..."

1. Producer sends wine to transferee (i.e., BWC) with a transfer in bond record.
2. Producer shows wine has been transferred in bond on Form 5120.17.
3. Producer asks the transferee in writing to remove certain wine from bond.
4. Transferee shows taxable removal on its F. 5120.17 and pays the tax with producer's applicable credit rate.
5. Producer keeps track of how much wine has been taxably removed from any/all transferee facilities, keeping 100,000 total removals per year in mind.
6. Increasing or decreasing tax adjustments are made by the entities that taxably removed wine, and not the producer.

This is an example of a properly completed Excise Tax Return showing the use of Transferred Small Domestic Wine Producer Credit in Schedule B:

OMB No. 1513-0083 (01/31/2006)

<b>DEPARTMENT OF THE TREASURY</b> <b>ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)</b> <b>EXCISE TAX RETURN</b> <i>(Prepare in duplicate - See instructions on back)</i>		1. SERIAL NUMBER 2006-9	
2. FORM OF PAYMENT <input type="checkbox"/> CHECK <input type="checkbox"/> MONEY ORDER <input type="checkbox"/> EFT <input type="checkbox"/> OTHER (Specify) _____		3. AMOUNT OF PAYMENT \$ 27,649.93	
4. RETURN COVERS (Check one) <input type="checkbox"/> PREPAYMENT <input checked="" type="checkbox"/> PERIOD		NOTE: PLEASE MAKE CHECKS OR MONEY ORDERS PAYABLE TO THE ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (SHOW EMPLOYER IDENTIFICATION NUMBER ON ALL CHECKS OR MONEY ORDERS)	
BEGINNING 5/1/06 ENDING 5/15/06			
5. DATE PRODUCTS TO BE REMOVED (For Prepayment Returns Only:)		FOR TTB USE ONLY	
6. EMPLOYER IDENTIFICATION NUMBER 94-876543x	7. PLANT, REGISTRY, OR PERMIT NUMBER BWC-xx-15xxx		TAX \$
			PENALTY
			INTEREST
			TOTAL \$
8. NAME AND ADDRESS OF TAXPAYER (Include ZIP Code) Thomson's Wine Warehouse P.O. Box 937 Alloa, xx 5xxxx		EXAMINED BY:	
		DATE EXAMINED:	

**CALCULATION OF TAX DUE (Before making entries on lines 18 - 21, complete Schedules A and B)**

PRODUCT (a)	AMOUNT OF TAX (b)
9. DISTILLED SPIRITS	\$
10. WINE	29,832.45
11. BEER	
12. CIGARS	
13. CIGARETTES	
14. CIGARETTE PAPERS AND/OR CIGARETTE TUBES	
15. CHEWING TOBACCO AND/OR SNUFF	
16. PIPE TOBACCO AND/OR ROLL-YOUR-OWN TOBACCO	
17. TOTAL TAX LIABILITY (Total of lines 9-16)	\$ 29,832.45
18. ADJUSTMENTS INCREASING AMOUNT DUE (From line 29)	
19. GROSS AMOUNT DUE (Line 17 plus line 18)	\$ 29,832.45
20. ADJUSTMENTS DECREASING AMOUNT DUE (From line 34)	2,182.52
21. AMOUNT TO BE PAID WITH THIS RETURN (Line 19 minus line 20)	\$ 27,649.93

Under penalties of perjury I declare that I have examined this return (including any accompanying explanations, statements, schedules, and forms) and to the best of my knowledge and belief it is true, correct, and includes all transactions and tax liabilities required by law or regulations to be reported.

22. DATE 5/26/06	23. SIGNATURE <i>Gene E. Johnson</i>	24. TITLE President
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**SCHEDULE A - ADJUSTMENTS INCREASING AMOUNT DUE**

EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS		
	(b) TAX	(c) INTEREST	(d) PENALTY
25.	\$		\$
26.			
27.			
28. SUBTOTALS OF COLUMNS (b), (c) AND (d)	\$	\$	\$
29. TOTAL ADJUSTMENTS INCREASING AMOUNT DUE (Line 28, Col (b) + (c) + (d)) Enter here and on line 18.			\$

**SCHEDULE B - ADJUSTMENTS DECREASING AMOUNT DUE**

EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS	
	(b) TAX	(c) INTEREST
30. ABCD Cellars, 2,377.5 gallons, \$.90 credit per gal	\$ 2,139.76	\$
31. XYZ Vineyards, 59.4 gallons, \$.72 credit per gal	42.77	
32.		
33. SUBTOTALS OF COLUMNS (b) and (c)	\$ 2,182.52	\$
34. TOTAL ADJUSTMENTS DECREASING AMOUNT DUE (Line 33, Col (b) + (c)) Enter here and on line 20.		\$ 2,182.52

TTB F 5000.24 (5/2005)

## Special Occupational Tax Suspension

On October 22, 2004, H.R. 4520, the American Job Creations Act of 2004, was signed into law. As part of this act, the payment of Special Occupational Tax (SOT) was suspended for certain businesses, for a 3-year period from July 1, 2005 until June 30, 2008.

- Some taxpayers are no longer required to pay SOT during the suspension period,
- Some taxpayers are still required to pay, and
- All taxpayers must still file the SOT Registration annually

Category 1: These types of businesses must file (register), but not pay SOT during this period.

- Producers of alcohol beverages,
- Wholesalers of alcohol beverages,
- Importers of alcohol beverages,
- Retailers of alcohol beverages, and
- Manufacturers of non-beverage products.

If you have a new Category 1 business, file TTB F 5630.5 before commencing operations for the first time.

If you need to file a Renewal Registration and Return for SOT Tax Year 2007 (July 1, 2006 – June 30, 2007), file TTB F 5630.5 during the suspension period.

For all industry members, SOT remains due and payable for all past SOT periods through June 30, 2005. Any liabilities incurred before or on that date are still due, even during the suspension period.

SOT Tax Year 2006 (July 1, 2005 – June 30, 2006)

- All Alcohol Retailers: New businesses that commenced operations during this period must file TTB F 5630.5 for the 2006 SOT Tax Year. No tax is due. File SOT Tax "Renewal" Registration and Return TTB F 5630.5R A-T (FY 2006) for the SOT Tax Year 2006.
- All other Category 1 businesses: New businesses that commenced operations during this period must file TTB F 5630.5 for the 2006 SOT Tax Year. No tax is due. File SOT Tax "Renewal" Registration and Return TTB F 5630.5R P-No Tax (2006) for the SOT Tax Year 2006.

If you have questions regarding the suspension of SOT or prior tax periods, please contact TTB's National Revenue Center at (800) 937-8864 or (513) 684-2979.

## Federal Wine Labeling Regulations

### 📖 27 CFR Part 4

Subpart A	Scope
Subpart B	Definitions
Subpart C	Standards of Identity for Wine
Subpart D	Labeling Requirements for Wine
Subpart E	Requirements for Withdrawal of Wine from Customs Custody
Subpart F	Requirements for Approval of Labels of Wine Domestically Bottled or Packed
Subpart G	Advertising of Wine
Subpart H	Standards of Fill for Wine
Subpart I	General Provisions
Subpart J	American Grape Variety Names
Subpart K	Use of the term "Organic"

### Part 4, Subpart C – Standards of Identity for Wine

- 4.20 Application of standards.
- 4.21 The standards of identity.
- 4.22 Blends, cellar treatment, alteration of class or type.
- 4.23 Varietal (grape type) labeling.
- 4.24 Generic, semi-generic, and non-generic designations of geographic significance.
- 4.25 Appellations of origin.
- 4.26 Estate bottled.
- 4.27 Vintage wine.
- 4.28 Type designations of varietal significance.

### Part 4, Subpart D – Labeling Requirements for Wine

- 4.30 General.
- 4.32 Mandatory label information.
- 4.32a Voluntary disclosure of major food allergens
- 4.32b Petitions for exemption from major food allergen labeling
- 4.33 Brand names.
- 4.34 Class and type.
- 4.35 Name and address.
- 4.36 Alcoholic content.
- 4.37 Net contents.
- 4.38 General requirements.
- 4.38 Bottle cartons, booklets and leaflets.
- 4.39 Prohibited practices.

## Wine Labeling

1. Labels must be pre-approved by TTB (27 CFR 4.50(a))
2. Mandatory Label Information (27 CFR 4.32)

### Brand Label:

Brand Name (27 CFR 4.33)

Class or Type Designation (27 CFR 4.34)

Alcohol Content (27 CFR 4.36)

### Any Label:

Bottler's Name and Address (27 CFR 4.35)

Net Contents (27 CFR 4.37)

Sulfite Declaration (27 CFR 4.32(e))

Health Warning Statement (27 CFR 16)

**Brand Name**

27 CFR 4.33

The Brand Label must bear a Brand Name (the name under which the product is sold).

If there is no Brand Name, the name of the bottler, packer or importer, if shown on the Brand Label, is considered the Brand Name.

The Brand Name may not create a misleading impression about the product.

**Class and Type Designations**

27 CFR 4.21 and 4.34

The "class and type" is the specific identity of the wine, and it must appear on the Brand Label.

Nine classes are listed in 27 CFR 4.21:

- Grape Wine
- Sparkling Grape Wine
- Carbonated Grape Wine
- Citrus Wine
- Fruit Wine
- Wine from Other Agricultural Products
- Aperitif Wine
- Imitation and Substandard or Other than Standard Wine
- Retsina Wine

An Appellation of Origin must appear in direct conjunction with, and in lettering substantially as conspicuous as, the class and type designation, if a varietal, a type designation of varietal significance, a semi-generic designation or a vintage date is used. (27 CFR 4.34(b))

## Alcohol Content

27 CFR 4.36

- The alcohol content statement must appear on the Brand Label. Alcohol content may also appear on a strip label, if it appears with the brand label.
- Wines with an alcohol content of 14% or less may be stated as "Table" wine or with the alcoholic content.
- If the alcoholic content is used, it must appear as the percentage of alcohol by volume:

"Alcohol \_\_\_% by volume"

- If a range is used, it may read: "Alcohol \_\_\_% to \_\_\_% by volume"
- Abbreviations may be used for "Alcohol" and "Volume:"

"Alc." or "Alc"  
"Vol." or "Vol"

- Tolerances:

1.5% for wines with 14% or less alcohol by volume; may not cross into the next tax class

1% for wines with more than 14% alcohol by volume; may not cross into a different tax class

3% when a range is shown on 14% or less alcohol wines; must be within the stated range

2% when a range is shown on more than 14% alcohol wines; must be within the stated range

- Examples of alcohol test results

Test Result	Tax Class
13.999%	14% and under
14.0000%	14% and under
14.01% to 14.04%	14% and under
14.05% to 14.09%	Over 14%
14.1%	Over 14%

## Bottler's Name and Address

27 CFR 4.35

1. Name of the bottler, and City and State as shown on the Basic Permit
2. Must be preceded by "Bottled by" or "Packed by"
3. Additional statements that may be used:
  - "Produced" or "Made" may be used if the bottling winery -
    - Fermented not less than 75% of the wine at the stated address, or
    - Changed the class or type of the wine at the stated address, or
    - Produced sparkling wine by secondary fermentation at the stated address
  - "Blended" may be used if the named winery mixed the wine with other wines of the same class and type at the stated address
  - "Cellared," "Vinted" or "Prepared" may be used if the named winery subjected the wine to cellar treatment at the stated address
4. The operating or trade name used must be identical to a name listed on the Basic Permit.

## Net Contents

27 CFR 4.37, 27 CFR 4.72; 27 CFR 24.255(b)

Must be stated in metric standard of fill using milliliters or "ml" on containers of less than one liter, and as liters and decimal portions of a liter on containers of one liter or more.

May be etched or blown into the glass in lieu of appearing on the label, and U.S. equivalents may also be shown

Metric Standards of Fill:

3 liters	750 milliliters	187 milliliters	Even liters in containers of 4 liters or larger.
1.5 liters	500 milliliters	100 milliliters	
1 liter	375 milliliters	50 milliliters	

Fill tolerances are listed in 27 CFR 24.255(b).

## Sulfite Declaration

27 CFR 4.32(e)

The Sulfite Declaration must appear as "Contains Sulfites," "Contains (a) Sulfiting Agent(s)," or similar appropriate phrase.

It is required if total sulfur dioxide or a sulfating agent is detected at 10 ppm or more.

The statement may be omitted if laboratory analysis determines that sulfite content is less than 10 ppm total sulfur dioxide. The analysis may be performed by TTB or by a TTB-Certified Laboratory.

Attach the lab analysis to Form 5100.31 Application for Certificate of Label Approval when you send it for approval.

Call the TTB Compliance Laboratory in Walnut Creek, CA about the submission of samples:

(925) 280-3642

## Alcohol Beverage Health Warning Statement

27 CFR Part 16

The statement must appear on all containers for sale or distribution, must be legible, and appear separate and apart from all other information.

The words "**GOVERNMENT WARNING**" must appear in capital letters and in bold type, and the rest of the warning statement may not appear in bold type.

Required language:

### **GOVERNMENT WARNING:**

- (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects.
- (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.

**Minimum Type Sizes**  
**27 CFR 4.38; 27 CFR 16.22**

Brand Name, Class/Type, Bottler's Name and Address, Net Contents, Sulfite Statement and Appellation (if mandatory):

At least 2 mm for containers larger than 187 ml;

At least 1 mm for containers 187 ml or less

Alcohol content:

At least 1 mm but not larger than 3 mm for containers of less than 5 L

Health Warning Statement:

- Not smaller than 3 mm for containers larger than 3L with a maximum of 12 characters per inch
- Not smaller than 2 mm for containers over 237 ml to 3L with a maximum of 25 characters per inch
- Not smaller than 1 mm for containers of 237 ml or less with a maximum of 40 characters per inch

## Optional Labeling Terms

Varietal Designation  
27 CFR 4.23, 4.28, 4.91

One variety: 75%  
Name is listed in 27 CFR 4.91  
Appellation of Origin  
Entire 75% varietal content comes  
from named Appellation  
Two or more varieties: % of each

Appellation of Origin  
27 CFR 4.25

75% for a Political Subdivision  
85% for an American Viticultural Area  
(AVA)

Estate Bottled  
27 CFR 4.26

Winery grew 100% of the grapes and  
produced and bottled 100% of the  
wine, and the grapes were harvested  
from vineyard(s) in the same AVA as  
the bottling winery.  
Appellation must be an AVA.

Vintage Date  
27 CFR 4.27

95% from year of harvest if an AVA is  
used as the Appellation  
85% if an AVA is not used as the  
Appellation  
Appellation must be smaller than a  
country

Produced or Made By  
27 CFR 4.35

75% produced by fermentation or  
Class/type was changed by bottler

Vineyard Designation  
27 CFR 4.39(m)

95% from grapes harvested from  
named vineyard

## Petitioning for Approval of a New Grape Variety

### 27 CFR 4.93

Any interested person may petition the Director for the approval of a grape variety name. The petition may be in the form of a letter and should provide evidence of the following:

1. Acceptance of the new grape variety,
2. The validity of the name for identifying the grape variety,
3. That the variety is used or will be used in winemaking, and
4. That the variety is grown and used in the United States.

Documentation submitted with the petition to establish these items may include reference to the publication of the name of the variety in a scientific or professional journal of horticulture or a published report by a professional, scientific or winegrowers' organization, reference to a plant patent, if so patented, and Information pertaining to the commercial potential of the variety, such as the acreage planted and its location or market studies.

A grape variety name will not be approved if the name has previously been used for a different grape variety, or if the name contains a term or name found to be misleading under Sec. 4.39, or if the name of a new grape variety contains the term "Riesling."

For new grape varieties developed in the United States, TTB may determine if the use of names which contain words of geographical significance, place names, or foreign words are misleading under Sec. 4.39. Grape variety name found to be misleading will not be approved.

## Petitioning to Establish a New American Viticultural Area

### 27 CFR 9.3

A written petition may be sent to TTB to establish a new American Viticultural Area. The petition must contain the following information:

1. Evidence that the name of the viticultural area is locally and/or nationally known as referring to the area specified in the application;
2. Historical or current evidence that the boundaries of the viticultural area are as specified in the application;
3. Evidence relating to the geographical features (climate, soil, elevation, physical features, etc.) which distinguish the viticultural features of the proposed area from surrounding areas;
4. The specific boundaries of the viticultural area, based on features which can be found on United States Geological Survey (U.S.G.S.) maps of the largest applicable scale; and
5. A copy of the appropriate U.S.G.S. map(s) with the boundaries prominently marked. (For U.S.G.S. maps, write the U.S. Geological Survey, Branch of Distribution, Box 25286, Federal Center, Denver, Colorado 80225. If the map name is not known, request a map index by State.)

## Bottled or Packed Wine Record

27 CFR 24.308

A proprietor who bottles, packs or receives bottled or packed beverage wine in bond must maintain a record by tax class. The parts of 27 CFR 24.308 that usually pertain to bonded winery operations require that the following information be recorded:

- The date of the transaction
- The tax class, kind of wine, number and size of bottle filled
- The volume of wine bottled
- The volume of bottled wine received in bond, transferred in bond, taxpaid, dumped to bulk, used for tasting and testing
- The quantity recorded as breakage
- The label used on bottles or other containers will be shown by using the "Applicant's Serial No." which appears on Item 2 of the label approval Form 5100.31 or a similar system which will allow for verification of labels used on containers
- The fill and alcohol tests required by 27 CFR 24.255 (*See next page...*)
- Records have sufficient detail to justify tax credit for Small Producers under the provisions of 26 U.S.C. 5041(c)

## 27 CFR 24.255 Bottling or Packing Wine

(a) General. Proprietors of a bonded wine premises and a taxpaid wine bottling house premises shall be held strictly responsible for the correct determination of the quantity and alcohol content of wine removed. As required by Sec. 24.170, appropriate and accurate measures and instruments for measuring and testing the wine will be provided at each wine premises.

(b) Bottle or other container fill. Proprietors of bonded wine premises and taxpaid wine bottling house premises shall fill bottles or other containers as nearly as possible to conform to the amount shown on the label or blown in the bottle or marked on any container other than a bottle;

but in no event may the amount of wine contained in any individual bottle, due to lack of uniformity of the bottles, vary from the amount stated more than 1.0 percent for 15.0 liters and above, 1.5 percent for 1.0 liter to 14.9 liters, 2.0 percent for 750 mL, 3.0 percent for 375 mL, 4.5 percent for 187 mL and 100 mL, and 9.0 percent for 50 mL;

and in such case, there will be substantially as many bottles overfilled as there are bottles underfilled for each lot of wine bottled. Short-filled bottles or other containers of wine which are sold or otherwise disposed of by the proprietor to employees for personal consumption need not be labeled, but, if labeled, need not show an accurate statement of net contents.

(c) Tax tolerance. The net contents of bottles or other containers of untaxpaid wine in the same tax class filled during six consecutive tax return periods, as determined from the bonded wine premises proprietor's fill test records, shall not vary by more than 0.5 percent from the net contents as stated on the bottles or other containers. The bonded wine premises proprietor is liable for the tax on the entire amount of wine in the same tax class when that wine is removed from bond, without benefit of tolerance, when the fill of bottles or other containers exceeds a 0.5 percent average of a period which consists of six consecutive tax returns, or when filling is not conducted in compliance with good commercial practice.

(d) Fill tests. The proprietor shall test at representative intervals wine bottled or packed during the bottling or packing operation of each bottling or packing line to determine if the wine contained in the bottle or other container is in agreement with that stated on the label, bottle, or other container.

(e) Alcohol tests. The proprietor shall test the alcohol content by volume to determine the tax class of the wine and to ensure the alcohol content to be stated on the label is in agreement with the requirement of Sec. 24.257.

**Note!**

This is an example of a Bottling Form that has all of the information required for the Bottled or Packed Wine Record:

**BOTTLING FORM**

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Vintage: 1999 Variety: Zinfandel Date: 1/16/02

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<p><b>Bottles</b></p> <p>Company <u>Cal Glass</u> <u>LW</u></p> <p>Shape Color Size</p> <p><input type="checkbox"/> Special Burgundy <input checked="" type="checkbox"/> Champagne Green <u>375 ml</u></p> <p><input type="checkbox"/> (Prestige) <input type="checkbox"/> Dead Leaf Green <input checked="" type="checkbox"/> <u>750 ml</u></p> <p><input type="checkbox"/> Burgundy Push Up <input type="checkbox"/> Flint <u>1.5 liter</u></p> <p><input checked="" type="checkbox"/> Bordeaux (Claret) <input type="checkbox"/> Amber <u>3 liter</u></p> <p><input type="checkbox"/> Hock <input type="checkbox"/> Other <u>5 liter</u></p> <p><input type="checkbox"/> Burgundy Flat <u>6 liter</u></p> <p><input type="checkbox"/> Other <u>Other</u></p>	<p>Bottles Per Case Cases Per Pallet</p> <p><u>6</u> <input checked="" type="checkbox"/> <u>12</u> <u>56</u></p> <p>Labeled: Y <input checked="" type="checkbox"/> N <input type="checkbox"/></p> <p>If no, when: _____</p> <p>UPC Code: <u>7540300030</u></p> <p>Label Bottling Code: <u>COLA #0J-25</u></p> <p>Low SO2 Pallet #s <u>all</u></p> <p>High SO2 Pallet #s _____</p>
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<p><b>Corks</b> (Logo 9 x 1-3/4)</p> <p>Company Name Grade Pallet #s</p> <p><u>Porto Cork</u> <u>extra first</u> <u>all</u></p> <p>Tank: <u>215</u></p> <p>Beginning Number of Gallons: <u>3998</u> Number of Cases Produced: <u>1679</u></p> <p>Number of Gallons used: <u>3998</u> Gallon Equivalent: <u>3991.9</u></p> <p>Number of Gallons remaining: <u>0</u> Gain/(Loss) During Bottling: <u>(6.1)</u></p>	<p><b>Foils</b> (Logo)</p> <p>Grade Color</p> <p><input checked="" type="checkbox"/> Tin <u>Black</u></p> <p><input type="checkbox"/> Polyam <input checked="" type="checkbox"/> <u>Gold</u></p>
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Location wine moved to:

Location	Number of Cases	Number of Bottles
<u>A-3</u>	<u>1679</u>	<u>0</u>

---

<p><b>Fill level</b></p> <p>6:00 <u>750ml</u> <u>58F</u></p> <p>9:15 <u>751 ml</u> <u>58F</u></p> <p>12:30 <u>750 ml</u> <u>59F</u></p> <p>14:45 <u>749 ml</u> <u>59F</u></p> <p>17:00 <u>751 ml</u> <u>59F</u></p>	<p><b>Analysis</b></p> <p>pH - <u>3.45</u></p> <p>TA - <u>6.9</u></p> <p>RS - <u>dry</u></p> <p>ALC. <u>14.3</u></p>
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Memo: \_\_\_\_\_

**~ Sample Record ~**

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Signature: Roger Jones Date: 1/16/02  
(individual counting inventory)

## TTB Wine FAQ #8: What are the rules for transfer of unlabeled bottled wine?

 <http://www.ttb.gov/wine/faq.shtml#w8>

TTB has received inquiries about the transfer, labeling, recordkeeping and taxpayment of unlabeled bottled wine (sometimes called "shiners").

When unlabeled bottled wine is transferred among two or more bonded wine premises for aging or labeling, the bottler must provide a copy of the approved Application For And Certification/Exemption of Label/Bottle Approval (COLA) TTB Form 5100.31 under which the wine was bottled. The transfer in bond record which accompanies the wine must be accurate and specific, and the label information record for the wine must fully support any claims made on the label to be affixed to the wine.

The responsibility for transferring accurate label information is not that of the producer alone; it is the responsibility of all holders of the wine from the time it is produced until it is removed from bond for consumption or sale.

Here are guidelines for the various parties that may be involved when unlabeled bottled wine is transferred among bonded premises:

**What are the responsibilities of the Producer?** The producer of the wine must ensure that the transfer in bond record required by 27 CFR 24.309 contains accurate and specific label information for all bulk wine shipped in bond (or taxpaid) to another premises for bottling. This allows the bottler to apply for a COLA and ensures that the product label is correct.

**What are the responsibilities of the Bottler?** The bottler obtains a COLA which can be substantiated by the transfer record which accompanied the wine from the producer. Unless the wine will be bottled at a taxpaid wine bottling house, the bottler will make sure that the wine to be bottled is received and maintained on bonded (not taxpaid) premises. The bottler maintains records in accordance with 27 CFR 24.308.

If the bottler transfers unlabeled bottled wine to another bonded premises for labeling, the bottler must send the wine in bond (untaxpaid) with the COLA under which the wine was bottled. If a different product label will be affixed, the bottler must obtain a correct COLA, and forward it to the premises where the label will be affixed. The transfer in bond record that accompanies the bottled wine must contain accurate and specific information which substantiates the product label, as specified by 27 CFR 24.309. However, if unlabeled bottled wine is transferred to another bonded premises for aging only, and will be subsequently returned to the bottler for the affixing of the product label, the COLA does not have to accompany the shipments.

To reiterate, an approved label which accompanies the wine must carry the minimum label requirements, but it might not be the label eventually affixed to the product. The label used to bottle the wine is sometimes referred to as the "generic" label. The bottler may apply for another COLA for a product label with specific label claims, as long as the claims are substantiated by the label information record requirements of 27 CFR 24.314.

**What does the Labeler receive from the Bottler?** The person who will affix the product label receives the unlabeled, untaxpaid bottled wine, the COLA for the product label to be affixed, and the transfer in bond record (27 CFR 24.309) which contains accurate and specific information which substantiates the label claims.

Only the bottler of the wine may apply for a COLA. If the owner of unlabeled bottled wine wants to label the wine with a label other than that which accompanied the wine, the bottler must be contacted, and the bottler must work with the owner to obtain an approved product label which is fully substantiated by the label information record for that wine.

**What if the bottler is unable to provide a COLA?** If the bottler of the wine is unable to obtain label approval for the wine to be labeled, the wine may only be labeled if it is dumped to bulk and re-bottled. It may be re-bottled when an appropriate COLA is obtained by the bottler. The label may not contain any information which is not fully supported by the label information record for the wine.

**What is the responsibility of the person who removes the wine from bond?** If the labeled wine is transferred in bond to another bonded wine premises for taxable removal, it must be accompanied by the transfer in bond record (27 CFR 24.309) which contains accurate and specific information which substantiates the label claims.

The person who pays the tax on the wine is the qualified proprietor of a bonded winery or bonded wine cellar, and not a wholesaler, wine broker, agent, negotiant, retailer, consumer or, necessarily, the actual owner of the wine. Bottled wine may not be removed from bond (i.e., tax paid) without a COLA and an approved product label being affixed.

**How long must the records be kept?** All records must be retained for a period of not less than three years from the record date or the date of last entry required to be made in the record, whichever is later. However, TTB may require records to be kept for a period of not more than three additional years, if deemed necessary.

###

## Label Information Record

27 CFR 24.314

“A proprietor who removes bottled or packed wine with information stated on the label (e.g., varietal, vintage, appellation of origin, analytical data, date of harvest) shall have complete records so that the information appearing on the label may be verified by an *[sic]* TTB audit. A wine is not entitled to have information stated on the label unless the information can be readily verified by a complete and accurate record trail from the beginning source material to removal of the wine for consumption or sale. All records necessary to verify wine label information are subject to the record retention requirements of 27 CFR 24.300(d).”

### *Examples of such records may include:*

#### Receipt Records

1. Date of Transaction
2. Origin of the grapes, i.e., from whom purchased and location of the vineyard
3. Weight certificates or similar receipt documents
4. Grower or field tags and trucking documents
5. Quantity of grapes or wine received
6. Chemistry of grapes (Brix, acidity, pH, alcohol)
7. Documentation for any other label claim desired, such as age of vines, dry farmed, etc.

#### Crush Records

1. If claimed, varietal, vintage, appellation of origin percentages
2. Transaction date
3. Tank into which grapes are crushed
4. Movements between tanks, such as drain and pressing operations

#### Fermentation Records

1. If claimed, varietal, vintage, appellation of origin percentages
2. Crush tank(s) from which received
3. Documentation of movements between fermenters
4. Quantity removed from fermenter after completion of fermentation (produced wine)

#### Storage Records

1. Transaction date
2. If claimed, varietal, vintage, appellation of origin percentages
3. Quantity and from where received, such as from a fermenting tank, storage tank, or in the case of receipts in bond, the transfer document(s)
4. Percentages of varietal, etc., must be recalculated after blending, including topping
5. Other dispositions such as transfers in bond, taxable removals, bottling, etc.

## Organic Labeling

- ❖ The National Organic Program (NOP) is administered by the U.S. Dept. of Agriculture (7 CFR Part 205).  
See [www.ams.usda.gov/nop](http://www.ams.usda.gov/nop) for information on requirements.

- ❖ As of May 23, 2005, all organic labeling applicants who are certified by a USDA-accredited certifying agent (ACA) must obtain their ACA's review and approval of their organic labels prior to submission to TTB. Documented proof of ACA review must accompany the COLA when submitted to TTB. Proof of ACA review will be accepted in the form of a letter or memorandum from the ACA, a copy of the alcohol beverage label signed and dated by the ACA, or the ACA's initials and the date may appear on the COLA itself.

This requirement supersedes the previous policy of TTB sending organic COLAs to USDA after being received from the applicant. Any such application received in TTB from a certified entity without proof of ACA review will be automatically rejected.



DEPARTMENT OF THE TREASURY  
Alcohol and Tobacco Tax and Trade Bureau

## *Industry Circular*

Number: 2006-1  
Date: March 10, 2006

### Impact of the U.S. /EU Wine Agreement on Certificates of Label Approval for Wine Labels with a Semi-Generic Name or Retsina

To: Bonded Wineries, Bonded Wine Cellars, Taxpaid Wine Bottling Houses, Importers, and Others Concerned.

#### *Purpose*

This circular:

1. Explains the intended change regarding who may use semi-generic names and Retsina on wine labels;
2. Explains the expected conditions under which semi-generic names and Retsina may be used on non-EU wine labels;
3. Provides guidance on how to submit applications for certificate of label approval (COLA) for wine labels that contain semi-generic names and Retsina; and
4. Explains the qualification that appears on your COLA for wine labels with a semi-generic name or Retsina issued on or after March 10, 2006.

#### *Summary*

Following several years of negotiations, the United States and the European Union (EU) signed an agreement on trade in wine between the parties ("the Agreement") on March 10, 2006. The Agreement addresses a wide range of issues regarding the production, labeling, and import requirements for wine that help to establish predictable conditions for bilateral wine trade. Most significantly for U.S. wine exporters, the Agreement replaces the temporary, short-term derogations the EU has been renewing since 1983 to allow the importation of U.S. wine made using practices not recognized by EU regulations. The Agreement also addresses semi-generic names of origin and the class designation Retsina when they are used on non-EU wine, that is, U.S. wine and wine from other non-EU countries that is sold in the U.S. You may view the full text of the Agreement via the [TTB Web site](#).

Note: As of the date of this circular, the EU is comprised of 25 member States. They are:

Austria  
Latvia  
Belgium  
Lithuania

Cyprus  
 Luxembourg  
 Czech Republic  
 Malta  
 Denmark  
 Poland  
 Estonia  
 Portugal  
 Finland  
 Slovak  
 Republic  
 France  
 Slovenia  
 Germany  
 Spain  
 Greece  
 Sweden  
 Hungary the Netherlands  
 Ireland  
 United Kingdom  
 Italy

#### *Semi-Generic Names*

The Internal Revenue Code of 1986 (IRC) at 26 U.S.C. 5388(c) defines each semi-generic name as a name of geographic significance that is also a designation of class and type for wine. The IRC further states that a semi-generic name may be used to designate wine of an origin other than that indicated by its name only if there appears, in direct conjunction with the designation, an appropriate appellation of origin disclosing the true place of origin and the wine so designated conforms to the standard of identity. The semi-generic names and the place of origin indicated by each name are:

Burgundy (France) Malaga (Spain)  
 Chablis (France) Marsala (Italy)  
 Champagne (France) Moselle (France)  
 Chianti (Italy) Port (Portugal)  
 Claret (France) Rhine (Germany)  
 Haut Sauterne (France) Sauterne (France)  
 Hock (Germany) Sherry (Spain)  
 Madeira (Portugal) Tokay (Hungary)

Note: Angelica is a semi-generic name for wine of U.S. origin; however, the Agreement does not affect its use, and it is not subject to any of the information in this circular.

#### *Retsina*

Retsina is a class of wine and is not a semi-generic name; however, under the terms of the Agreement, it is treated the same as the semi-generic names. Its origin is Greece.

#### *Background*

In the Agreement, the U.S. made a commitment to seek to change the legal status of the semi-generic names and of Retsina to restrict their use solely to wines originating in the applicable EU member state, with certain exceptions. Because the IRC specifically defines semi-generic names, this law must be changed in order to restrict the usage of the names to wines originating in the EU. Assuming the law is so changed, the Agreement contains an exception to this rule. We refer to this exception as the "grandfather" provision. Under the "grandfather" provision, any person or his or her successor in interest may continue to use a semi-generic name or Retsina on a label of a wine not originating in the EU, *provided* the semi-generic name or Retsina is only used on labels for wine bearing the same brand name, or the brand name and the fanciful name, if any, that appear on a COLA that was issued prior to March 10, 2006.

Note: As of the publication date of this circular, the IRC has not yet been changed. The Alcohol and Tobacco Tax and Trade Bureau (TTB) will update this circular to reflect any relevant changes made to the IRC by statute.

#### **Example**

In order to further your understanding of this issue we offer the following scenario. In this example it is assumed that:

1. The wine conforms to the standard of identity for Sherry, and
2. The law has been changed to conform to our commitment in the Agreement.

Company A produces "Smith Elegance California Cream Sherry." On the label and corresponding COLA, the brand name is "Smith," the fanciful name is "Elegance," "Sherry" is the class and type designation and "California" is the labeled appellation of origin. (Sherry that is not from Spain must be labeled with an appellation of origin.)

- Under the "grandfather" provision, Company A may continue to use the semi-generic name "Sherry" on labels, *provided* they do not change the brand name or fanciful name as they appear on a COLA that was issued before March 10, 2006.

However:

If Company A changes the brand name from "Smith" to "Jones," the use of the semi-generic name "Sherry" *is not* "grandfathered" and *is not* permitted.

If Company A continues to use the brand name "Smith" but changes the fanciful name from "Elegance" to "Robust," the use of the semi-generic name "Sherry" *is not* "grandfathered" and *is not* permitted.

If Company A continues to use the brand name "Smith" and the fanciful name "Elegance" and changes the appellation of origin from "California" to "Napa

Valley," the use of the semi-generic name "Sherry" *is* "grandfathered" and *is* permitted.

If Company A continues to use the brand name "Smith" and the fanciful name "Elegance" and deletes "Cream," the use of the semi-generic name "Sherry" *is* "grandfathered" and *is* permitted.

If Company A sells the rights to *Smith Elegance California Cream Sherry* to Company B, all the same rights and restrictions apply to Company B or any future owner of the brand.

Note: It is sometimes difficult to identify the brand name and the fanciful name by simply viewing the label.

If there is any question of eligibility for the "grandfather" provision, we will rely on the information that appears in the "Brand Name" and "Fanciful Name" fields on the COLA that was approved before March 10, 2006.

***COLAs with Semi-Generic Names or Retsina Submitted On or After March 10, 2006.***

In order to facilitate the review of COLAs for wine labels that contain semi-generic names or Retsina and for the U.S. to uphold its commitments in the Agreement, we instituted the following procedures and we ask for your cooperation. Providing the requested information assists us in processing your application in the timeliest fashion. Failure to provide the requested information may result in your application being rejected or returned for correction.

- If your COLA is for a "new" use of a semi-generic name or Retsina, that is, no COLA was issued before March 10, 2006, for this semi-generic name or Retsina that reflects the same brand name or brand name and fanciful name, if any, please attach a note to your application stating "This application is for a new use of the semi-generic name (specify name) or Retsina" (as applicable).

Note: Pending any change to the law, TTB will continue to approve "new" uses of the semi-generic names and Retsina. Please keep in mind that in order for the U.S. to meet its obligations in the Agreement, the Government must seek to change the law to limit the use of these names on non-EU wine to those brands that were in existence before March 10, 2006.

- If your COLA is for a "grandfathered" brand of semi-generic wine or Retsina, that is, there is a COLA issued before March 10, 2006, with the same semi-generic name or Retsina and the same brand name or brand name and fanciful name, if any, please include with your COLA application a copy of either the COLA that was issued before March 10, 2006, or a COLA with a qualification that confirms that it is for a "grandfathered" brand. We recognize that the COLA submitted in support of your application may not have been issued to your company. For example, if Company B purchased rights to Company A's "grandfathered" brand name, Company B may submit a copy of Company A's COLA to support its application.

**Qualifications on COLAs**

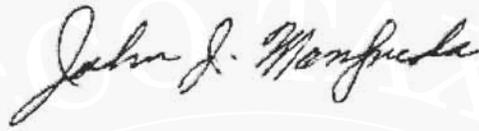
In order to provide you with guidance and information about your labels, we apply a qualification to COLAs with semi-generic names and Retsina issued on or after March 10, 2006. We desire to give applicants for "new" uses, that is, for brands for which no COLA was issued prior to March 10, 2006, advance notice that the U.S. Government is committed to seeking a change in the law regarding the use of these names that may affect the labels on the COLA. Qualifying COLAs for "grandfathered" brands helps to streamline the review of future COLA submissions for these brands.

1. COLAs for "new" uses of the semi-generic names or Retsina are qualified:
  1. "As per the Agreement Between the U.S. and EU on Trade in Wine, the U.S. is seeking to change 26 U.S.C. 5388(c) regarding the use of semi-generic names and Retsina to limit their use to wine solely from the applicable EU member country unless used on a COLA before March 10, 2006. If enacted, this change will result in this certificate being revoked by operation of law (27 CFR 13.51)."
2. COLAs for "grandfathered" brands that use a semi-generic name or Retsina are qualified:
  1. "Approved under the "grandfather" provision of the Agreement Between the U.S. and the EU

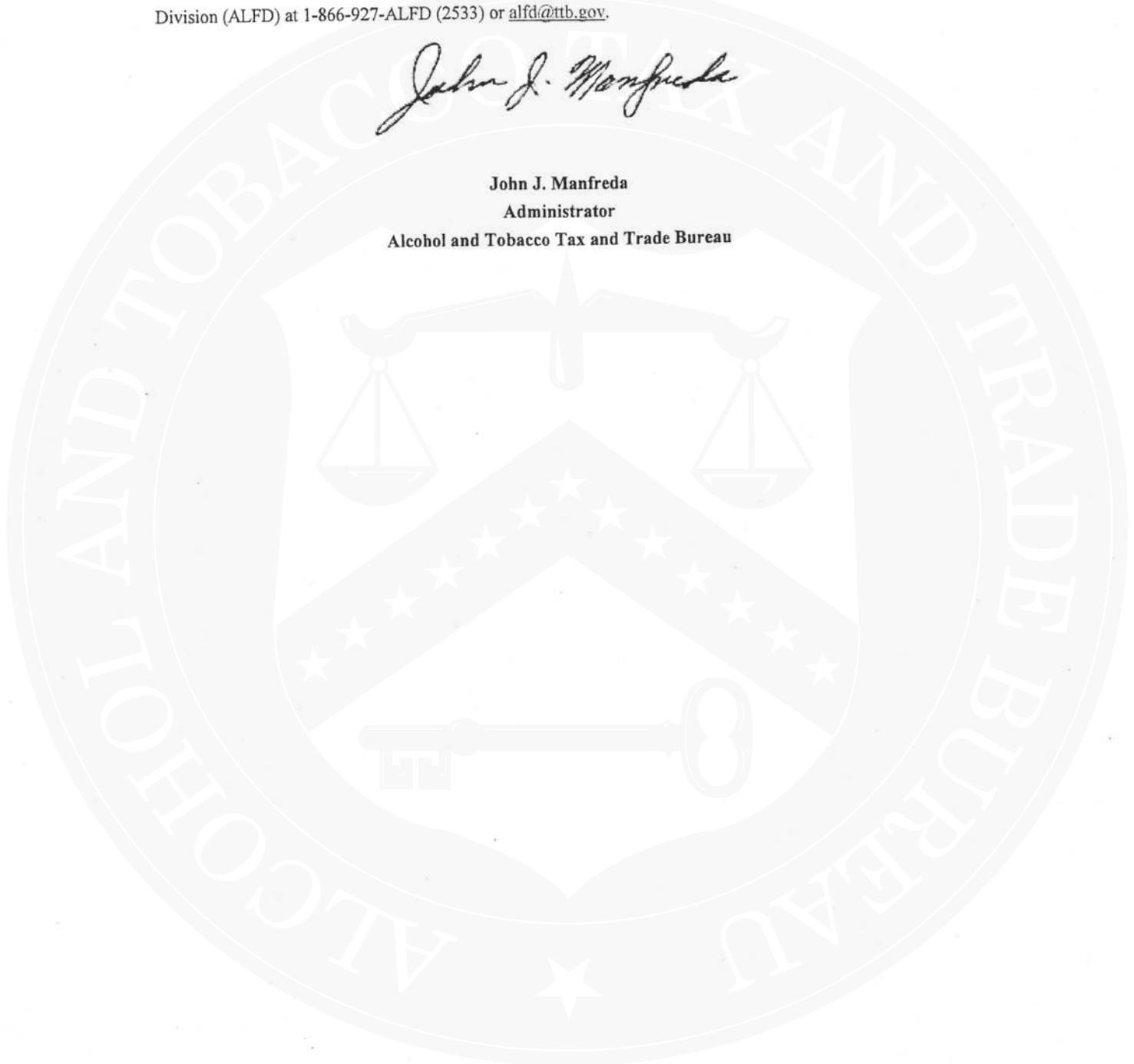
on Trade in Wine.”

*Questions*

If you have questions concerning this circular, please contact the Advertising, Labeling and Formulation Division (ALFD) at 1-866-927-ALFD (2533) or [alfd@ttb.gov](mailto:alfd@ttb.gov).



**John J. Manfreda**  
**Administrator**  
**Alcohol and Tobacco Tax and Trade Bureau**





Department of the Treasury

Alcohol and Tobacco Tax and Trade Bureau

# Press Release

For Immediate Release  
 Contact: Art Resnick (202)927-8062

December 20, 2006  
 FY-07-07

## COLAS REVOKED FOR CERTAIN SEMI-GENERIC NAMES

Washington, D.C. - On March 10, 2006, the U.S. and the European Union (EU) signed an Agreement on Trade in Wine in which the U.S. committed to seek to change the legal status of certain semi-generic names to restrict their use solely to wine originating in the applicable EU member state, except as provided for under a "grandfather" provision. These names, along with Retsina, are: Burgundy, Claret, Chablis, Champagne, Chianti, Malaga, Marsala, Madeira, Moselle, Port, Rhine Wine or Hock, Sauterne, Haut Sauterne, Sherry, and Tokay. The "grandfather" provision excepts certain non-EU wines labeled with a semi-generic name or Retsina provided the applicable label was approved on a certificate of label approval (COLA) or certificate of exemption issued before March 10, 2006. For more details, see TTB Industry Circular 2006-1 on our web site at [www.ttb.gov](http://www.ttb.gov).

A legislative proposal that will effect the change in legal status of the EU semi-generic names and Retsina was included in Tax Relief and Health Care Act of 2006 that was enacted on December 20, 2006. Enactment of this legislation means that any COLA or certificate of exemption for a non-EU wine with a semi-generic name or Retsina that was not approved under the "grandfather" provision is subject to immediate revocation by operation of law.

How can you tell if your COLA or certificate of exemption is subject to revocation? You can tell by the qualification statement that appears on the COLA or certificate of exemption. Beginning March 10, 2006, the Alcohol and Tobacco Tax and Trade Bureau (TTB) earmarked those COLAs and certificates of exemption that would be affected if the legislative change occurred by qualifying them with the statement:

"As per the Agreement Between the U.S. and EC on Trade in Wine, the U.S. is seeking to change 26 U.S.C. 5388(c) regarding the use of semi-generic names and Retsina to limit their use to wines solely from the applicable EU member country unless used on a COLA prior to 03/10/2006. If enacted, this change will result in this certificate being revoked by operation of law (27 CFR 13.51)."

As a result of the recently-enacted law further use of any COLAs or certificates of exemption bearing the above qualification by TTB must cease. However, products which have been bottled or imported before December 20, 2006, may still be removed from bond.

Questions regarding this issue should be directed to the Advertising, Labeling and Formulation Division (ALFD). ALFD can be reached at (202) 927-8140 or toll free at 1-(866) 927-2533 or by e-mail at [ALFD@TTB.gov](mailto:ALFD@TTB.gov).

####

## Prohibited Labeling Practices

27 CFR 4.39

27 CFR 4.39(a): Statements on labels. Containers of wine, or any label... shall not contain:

- 1) False, untrue or misleading statements
- 2) Statements disparaging to competitor's products
- 3) Obscene or indecent statements, designs, devices
- 4) Statements regarding analyses, standards, tests which may be misleading
- 5) Statements regarding guarantees which may be misleading (money-back guarantees OK)
- 6) False endorsements
- 7) Statements creating an impression the product contains spirits or is a spirits product
- 8) False entitlement to class or type designations
- 9) Distilled spirits-type names

Other prohibitions related to the following are found in...

- 27 CFR 4.39(b): Statement of age
- 4.39(c): Statement of bottling dates
  - 4.39(d): Statement of miscellaneous dates
  - 4.39(e): Simulation of Government stamps
  - 4.39(f): Use of the word "Importer" or similar words
  - 4.39(g): Flags, seals, coats of arms, crests and other insignia
  - 4.39(h): Curative or therapeutic claims
  - 4.39(i): Geographic brand names
  - 4.39(j): Product names of geographic significance
  - 4.39(k): Other indications of origin
  - 4.39(l): Foreign terms
  - 4.39(m): Use of a vineyard, orchard, farm or ranch name unless 95%
  - 4.39(n): Use of a varietal name, type designation of varietal significance, semi-generic name, or geographic distinctive designation

## Advertising, Labeling & Formulation Division

Main number/Customer Service: 202-927-8140 or 1-866-927-2533  
(Option 6 for the Wine Team)

Email: [alfd@ttb.gov](mailto:alfd@ttb.gov)

ALFD  
1310 G Street, N.W.  
Suite 400-E  
Washington, DC 20220

Karen Freelove, Director	202-927-8087
Teresa Knapp, Assistant Director Wine Labeling Office	202-927-1975 202-927-3306 (fax)
Gracie Joy, Assistant Director Formulation, Malt Beverage & Distilled Spirit Labeling Office	202-927-8136 202-927-8487 (fax)
Susan Weil, Assistant Director Market Compliance Office	202-927-8122 202-927-8605 (fax)
Donna Smith Supervisory, Information Technology	202-927-8107 202-927-0517 (fax)
COLAs Online Registrations	202-927-0517 (fax)
Ed Reisman Program Manager (labeling)	202-927-8485 202-927-3306 (fax)

**[www.ttb.gov](http://www.ttb.gov) provides forms, regulations and frequently asked questions**

**Alcohol and Tobacco Tax and Trade Bureau - Advertising, Labeling and Formulation Division**

Customer Service – (202) 927-8140 or  
Toll Free at 1-866-927-ALFD

Email – [ALFD@TTB.GOV](mailto:ALFD@TTB.GOV)

Mailing Address – 1310 G Street NW  
ATTN: ALFD Suite 400E  
Washington, DC 20220

**Division Director**  
ALFD  
Karen Freelove  
(202) 927-8087

**Division Admin. Asst.**  
Joyce Rose

**Technical Advisor**  
Ed Reisman  
(202) 927-8485

**Assistant Director**  
Teresa Knapp  
Wine Labeling  
Office  
(202) 927-1975

Customer Service  
Specialists  
2

QA Specialists  
2

Label Specialists  
12

**Assistant Director**  
Susan Weil  
Market Compliance  
Office  
(202) 927-8136

Program Manager  
1

Market Compliance  
Specialists  
5

**Supervisory Mgmt  
Analyst**  
Donna Smith  
Info. Tech Office  
(202) 927-8107

Program Analysts  
2

Customer Service  
Specialist  
1

ITT Specialist  
1

Clerks  
3

**Assistant Director**  
Gracie Joy  
Formulation/DS&MB  
Labeling Offices  
(202) 927-8122

Program Manager  
1

Formula Specialists  
3

QA Specialist  
1

Customer Service  
Specialist  
1

Label Specialists  
3

## Top Ten Submitter Corrections for COLAs Online

- The images that were submitted are illegible
- Image(s) were distorted during upload
- Dimensions provided generate a skewed or distorted image on the Printable COLA
- Labels must be saved and uploaded as separate image files
- Files are uploaded in wrong the area (ex. Labels vs attachment)
- Problems with the Government Warning (Health Warning Statement)
- Terms are placed in incorrect fields... i.e. "zinfandel" in the fanciful name field
- Appellation of origin is missing from the application
- Trade name on labels does not match application
- You must designate a "Brand (Front)" label
- Brand name on e-app does not match labels

*Above are examples of reasons why we would return your application with the status of "Needs Correction." If applications are re-submitted without all changes, your application will be returned as a "Rejected" COLA.*

*"Needs Correction" offers the benefit of receiving immediate notice of the corrections that are needed. In addition the application receives priority upon resubmission.*

## Top Ten Submitter Errors and Reasons for Rejection – Paper Applications

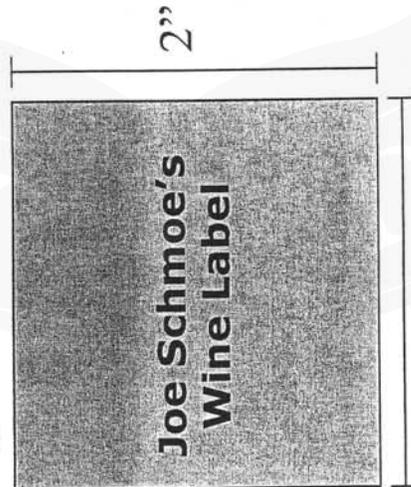
- 1. Government Warning Statement contains errors.** The Government Warning Statement must appear in type that is at least 1 mm for containers 237 ml or less, 2 mm for containers between 237 ml and 3 L, and at least 3 mm for containers over 3 L in size. The text in the government warning cannot exceed 40 characters per inch for 1 mm type size, 25 characters per inch for 2 mm type size, or 12 characters per inch for 3 mm type size. Separate COLA applications must be submitted for containers that are less than 237 ml, between 237 ml and 3 L, and over 3 L in size. The words "GOVERNMENT WARNING" must appear in capital letters and in bold type. Proofread the government warning for spelling errors and missing words before submitting.
- 2. Appellation of origin problems.** Many issues with the appellation of origin can come into play, such as: Missing the appellation of origin altogether when it is required to be on the label; appellation not on the correct label - it must be with the class/type on the brand label; appellation is not approved; multiple appellations that do not overlap; and estate bottled wine requires a viticultural area as the appellation.
- 3. Name and address problems.** Trade names must be applied for and approved by the National Revenue Center prior to their use on labels. The company name used on a label in the bottler/importer statement must exactly match a trade name used on your permit. The address of the bottler/importer on the label does not match what is on the application or permit. Address is left off of the bottler/importers statement completely.
- 4. Mandatory information appears in an inappropriate size.** For containers larger than 187 ml, the sulfite statement, the class/type designation, the appellation of origin, the bottler/importer statement, and the net content statement must appear in text that is at least 2 mm. The alcohol content statement must appear in type between 1 and 3 mm for containers 5 L or less in size.
- 5. Class/Type issues on the label.** Grape varieties appear in text without percentages- If multiple grape varieties appear on the front label, they must appear with the percentages used in direct conjunction and appear separate and apart or more conspicuous than surrounding text. A grape variety appearing in "brand label" text- If a grape variety appears in front label text, it must appear separate and apart or more conspicuous than surrounding text.. Class/type missing from the label altogether - you must at least have "red wine" or "white wine" on the brand label. Class/type conflicts appear such as the alcohol content is in the "table wine" class, but reference to the product being a dessert wine is on the label. When the class/type does not appear with the appellation on the brand label. Also if the product is an "Other than standard wine" and it does not match up with the suggested Statement of Composition.

6. **Legibility issues or changes that are not permitted.** When information on the label is not legible, no further review can be made to that label. Also when labels contain pen/ink changes, white outs, or paste-overs. The labels submitted on your application cannot be altered.
7. **Alcohol content** Alcohol content is in the wrong format (alcohol \_\_\_% by volume) or alcohol content is the wrong size. It must appear in print at least 1 mm and no larger than 3mm. The alcohol content must also appear on either the brand or strip label.
8. **Misleading statements.** You may not make false or misleading statements on the label. You may not make statements on your label that may create the impression that the wine contains distilled spirits, is comparable to a distilled spirit or has intoxicating qualities.
9. **Items on the application are left blank/incomplete.** Application is not signed by the submitter or there is other information required on the application that is missing.
10. **Application is submitted on the old form.** The new TTB form 5100.31 is available on our website at <http://www.ttb.gov/forms/pdfs/5100/f510031.pdf>.

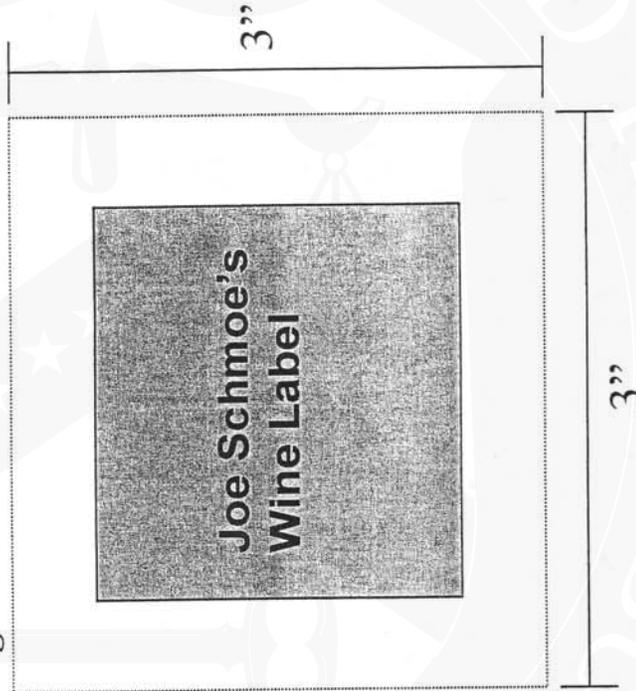
## Entering Label Image Dimensions In COLAs Online

Providing inaccurate label image dimensions is one of the most frequent errors made by users of COLAs Online. When entering the dimensions in step 3 of the application process, it is important to take into account any blank space saved within the image file. For instance, Figure 1 shows a label that is 2" by 2" when printed and put on the bottle. However, the saved image file has a half-inch border surrounding the entire label that is not a part of the label itself, which makes the image 3" by 3" (fig 2). If the label submitter were to enter 2" by 2" as the dimensions, when the reviewer at ALFD views the printable version of the COLA, the system will fit the 3" by 3" image to the 2" by 2" dimensions given, therefore generating an image that appears skewed or that could end up shrinking mandatory information to a size that does not meet the legal limit (Fig 3).

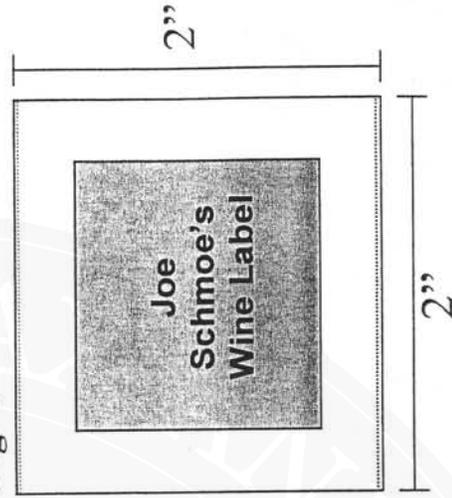
**Fig. 1**



**Fig. 2**



**Fig. 3**



## Acceptable Changes That May Be Made to Wine Labels that DO NOT Require a New Label Approval

1. When you delete any non-mandatory label information.
2. When you change the shape or proportionate size of the labels.
3. When you change the stated percentages for varietal and or appellation- must total 100%.
4. When you change the net contents to another approved metric standard of fill. 27 CFR 4.37
5. When you change the alcohol content, as long as it remains in the same taxable grade and class/type.
6. When you add, delete or change the state bottle deposit information.
7. When you change the name and/or tradename of responsible winery. NOTE: The name/tradename must appear on the Basic Permit under which the certificate is issued.
8. When you change the stated mandatory amounts of sugar at harvest and/or residual sugar.
9. When you change the stated mandatory caloric content.
10. When you change the name and/or address of the foreign producer, bottler or shipper. NOTE: the producer, bottler or shipper must be located in the same country originally shown.
11. When you change or delete stated vintage date. NOTE: If you DO NOT have a vintage date to begin with, then you must submit a new application if you want to add it.
12. When you add, delete or change the name and/or address or trademark (or both) of the wholesaler, retailer or persons for whom the product is imported or bottled. NOTE: You may add this information by adding another label stating such information provided that no reference is made on the additional label to the product or any of its characteristics.
13. When you change or delete stated bottling date.
14. When you change or delete stated amount of acid and/or ph level.
15. When you add or delete bonded winery number.
16. When you add, delete or change UPC code.
17. When you add, delete, or change a web site address, phone number, fax number or zip code.
18. When you change or delete a lot or batch identification number or other serial numbers.
19. When you add, delete, or change trademark and/or copyright symbols i.e., TM, @ , ®.

**THESE CHANGES CAN BE FOUND ON PAGE 3 OF TTB FORM 5100.31**

**DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)  
COLAs ONLINE ACCESS REQUEST**

ALFD TRACKING NUMBER

*Submit this form to the Advertising, Labeling and Formulation Division, TTB, 1310 G Street, N.W., Suite 400E, Washington, DC 20220*

**A - ACTION REQUESTED - Please read instructions to check appropriate box**

1. <input type="checkbox"/> NEW USER <input type="checkbox"/> MODIFY USER <input type="checkbox"/> DELETE USER <input type="checkbox"/> REACTIVATE USER	2. IF MODIFYING, DELETING, OR REACTIVATING THEN PROVIDE EXISTING USER ID, if known
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**B - USER INFORMATION:** *Please complete section B with all the required data to establish a user identification record.*

3. FIRST NAME	4. MIDDLE INITIAL	5. LAST NAME	6. SUFFIX (i.e., Jr., Sr., III)
7. SOCIAL SECURITY NUMBER (Last 4 Digits)	8. DATE OF BIRTH	9. MOTHER'S MAIDEN NAME	10. EMPLOYEE TITLE
11. LABEL REP ID NUMBER, if any	12. BUSINESS PHONE NUMBER	13. BUSINESS E-MAIL ADDRESS (required)	
14. BUSINESS FAX NUMBER	15. BUSINESS MAILING ADDRESS OF PERSON REQUESTING ACCESS TO COLAs ONLINE (if different than 16.)		

**C - COMPANY INFORMATION:** *Provide information about the company for which you request to e-file applications*

16. NAME AND STREET ADDRESS OF COMPANY AS IT APPEARS ON THE REGISTRY, PERMIT OR BREWER'S NOTICE

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17. REGISTRY, PERMIT OR BREWER'S NOTICE NUMBER(S) FOR THE ABOVE ADDRESS, (Use separate sheet if necessary. See instructions)

**REQUESTOR'S CERTIFICATION**

I hereby attest that the entries on this form are true and correct and that the unique username and password or digital signature that the Alcohol and Tobacco Tax and Trade Bureau assigned to me are intended as my original signature and I intend that such submissions be treated as bearing an original signature for all intents and purposes when submitting applications electronically via COLAs Online system.

18. REQUESTOR'S SIGNATURE	19. DATE
---------------------------	----------

**D - APPROVAL REQUIRED:** *Signature of the company official with signature authority required to grant access to COLAs Online.*

20. COMPANY APPROVAL SIGNATURE	21. PRINT NAME AND TITLE OF COMPANY APPROVAL OFFICIAL	22. DATE
--------------------------------	---	----------

**TTB USE ONLY**

USER VERIFICATION COMPLETED	DATE	COMMENTS
SYSTEM OWNER APPROVAL	DATE	COMMENTS
TTB OPERATIONS COMPLETED	DATE	COMMENTS
SYSTEM ADMINISTRATOR COMPLETED	DATE	COMMENTS
USER NOTIFICATION COMPLETED	DATE	COMMENTS

## INSTRUCTIONS

You must complete this form in order to receive a user ID and password to obtain access to TTB's COLAs Online System. Each user must obtain an individual user ID and password which is not to be shared with anyone. Sharing your user ID and password can result in cancellation of your COLAs Online privileges.

**Section A** – You must check the appropriate box:

(1) Check *New User* if you want access to COLAs Online for the first time.

(2) Check *Modify User* if you want to change any of the information you originally supplied in Section B or C. In all cases, supply your User ID (Section A, Item 2) and complete only those items in Section B and C that have changed.

For changes to Section C: (i) You must notify TTB's National Revenue Center in Cincinnati, OH of any changes to your company name, address, or registry/permit/brewer's notice numbers before making any changes in COLAs Online; and (ii) If you are deleting a registry/permit/brewer's notice number, indicate in Section C, Item 17 which number(s) you want deleted from COLAs Online.

(3) Check *Delete User* if you no longer want access to COLAs Online for yourself or another user. Please provide the User ID of the user to be deleted, if known (Section A, Item 2).

(4) Check *Reactivate User* if we cancelled your original User ID due to inactivity and you wish to begin using the COLAs Online system again. You must also complete the remainder of the form as instructed below and include your previous user ID.

**Section B** - You must enter the required information about the individual requesting access to COLAs Online in items 3 - 15. Item 11 should only be completed by third party filers (e.g. trade associations, law firms, consultants). Third party filers who have not previously been assigned a Rep ID number must request one from ALFD at 1-866-927-2533, before submitting this form.

**Section C** - You must enter the required information about the company for which you are requesting to file applications. This information must appear exactly as it does on the Registry, Permit or Brewer's Notice. Be sure to enter the correct number in item 17 (example: BW-PA-00, PA-I-00, DSP-PA-00, BR-PA-AAA). If you are filing for multiple Registry/Permit/Brewer's Notice Number, you may include a list of them on a separate sheet attached to this form. The attached list must include the company name and address, Registry, Permit or Brewer's Notice Number and approval signature by a company official with signing authority for each permit for which you are requesting access. Any person without signature authority must also attach a separate TTB F 5000.8, Power of Attorney, for each company on behalf of which they will be filing label applications.

**Section D** - A company official with TTB signing authority must sign, print his or her name, title and date the form in items 20-22.

You must send the original of this form to:

Advertising, Labeling and Formulation Division (ALFD)  
Alcohol and Tobacco Tax and Trade Bureau  
1310 G Street, N.W.  
Suite 400E  
Washington, DC 20220

Your user ID will be sent to you via e-mail and your password will be provided separately via telephone for security reasons.

## PRIVACY ACT INFORMATION

We provide this information to comply with Section 3 of the Privacy Act of 1974 (5 U.S.C. 552a(e)(3)).

We require this information under the authority of 27 U.S.C. 205(e). You must disclose this information so we identify the company on whose behalf applicant claims to act, to verify the scope of the applicant's authority to act, and to evaluate the applicant's qualifications for access to the system.

We use this information to approve, grant and control access to sensitive information systems. In addition, the information may be disclosed to other Federal, State and local law enforcement and regulatory agency personnel to verify information on the application and to aid in the performance of their duties. The information may further be disclosed to the Justice Department if it appears that the furnishing of false information may contribute to a violation of Federal law. Disclosure may otherwise be made pursuant to the routine uses most recently published in the Federal Registry for ATF's Regulatory Enforcement Records System (Treasury/ATF.008).

If you fail to supply complete information then there will be a delay in the processing of your application.

Disclosure of your Social Security Number is voluntary. Solicitation of this information is pursuant to section 205(e), Title 27 U.S. Code. The Social Security Number may be used to verify the applicant's identity. If you fail to supply your Social Security Number, there will either be a delay in processing your application or you will not be granted access to the system.

## PAPERWORK REDUCTION ACT NOTICE

This request is in accordance with the Paperwork Reduction Act of 1995. We use this information to authenticate end users in the program to electronically file Certificates of Label Approval. The information is used by the Government to verify the identity of the end users prior to issuing them passwords. The information we request is voluntary, however, if the requested information is not submitted, the users will not be granted a password and cannot participate in the electronic filing program.

The estimated average burden associated with this collection is 18 minutes per respondent or recordkeeper depending on the individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Reports Management Officer, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, Washington, DC 20220.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

TTB F 5013.2 (5/2005)

**DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)  
POWER OF ATTORNEY**

*(Please read instructions before completing this form)*

1. PRINCIPAL (Name of Partnership, Corporation, Association, Estate, or Individual) 2. BUSINESS IN WHICH ENGAGED

3. ADDRESS (Number, Street, City, State, ZIP Code), TELEPHONE NUMBER, AND E-MAIL ADDRESS

4. TAXPAYER IDENTIFICATION NUMBER (Employer Identification Number or Social Security Number) 5. PERMIT NUMBER / REGISTRY NUMBER (If applicable)

6. NAME AND TELEPHONE NUMBER OF APPOINTED ATTORNEY

7. ADDRESS (Number, Street, City, State, and ZIP Code)

8. The above named principal, engaged in the business shown, has appointed the above named attorney to: *(See Instruction 2)*

(a) Execute for him/her all applications, notices, bonds, tax returns, tax information disclosure authorizations, and other instruments, claims, offers in compromise, letters, writings, and papers, and to act for him/her in dealing with the Alcohol and Tobacco Tax and Trade Bureau (TTB) in connection with matters relating to the laws and regulations administered by it. The principal authorizes the attorney named above to receive on his/her behalf any and all notices, papers, and letters from the Alcohol and Tobacco Tax and Trade Bureau in connection with all such matters, and grants him/her full power and authority to do all that is essential in and about the premises, as duly as the principal could do if personally present, with full power of substitution and revocation. The principal hereby ratifies and confirms all that the attorney must lawfully do or cause to be by virtue of this appointment.

(b)

9. The power is to apply to the following. (If authority is restricted to a particular factory, plant, premises, etc., give name as: Distilled Spirits Plant, Tobacco Products Factory, Tobacco Export Warehouse, etc., and address and registry number; or, if a Wholesale Liquor Dealer, SDA, or Tax-Free Alcohol User; or if this Power of Attorney may be used for manufacturing or importing firearms or ammunition, etc., give permit number.)

10. SIGNATURE OF APPOINTED ATTORNEY

**EXECUTION (See Instruction 3)**

<p>11. SIGNATURE IF PRINCIPAL IS INDIVIDUAL <i>(Signature of Principal)</i></p>	<p>DATE</p>												
<p>12. SIGNATURE IF PRINCIPAL IS PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP (LLP), ESTATE, CORPORATION, LIMITED LIABILITY COMPANY (LLC), OR ASSOCIATION. Under penalties of perjury, I declare that I have the authority to execute this power of attorney on behalf of the principal.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Signature</td> <td style="width: 30%;">Title</td> <td style="width: 40%;">Date</td> </tr> <tr> <td>Signature</td> <td>Title</td> <td>Date</td> </tr> <tr> <td>Signature</td> <td>Title</td> <td>Date</td> </tr> <tr> <td>Signature</td> <td>Title</td> <td>Date</td> </tr> </table>	Signature	Title	Date	Signature	Title	Date	Signature	Title	Date	Signature	Title	Date	<p>13. Seal of Corporation, Association, or LLC (A corporation, association or LLC will impress their seal below if they have one. If there is no seal, provide a resolution by the board of directors or organizational/supporting documents that support your company not having a seal, if applicable)</p>
Signature	Title	Date											
Signature	Title	Date											
Signature	Title	Date											
Signature	Title	Date											

14. ACKNOWLEDGMENT, WITNESSING, OR DECLARATION (Complete 14a, 14b, or 14c)

<p>14a. ACKNOWLEDGMENT</p> <p>The above-named person(s) signing as or for the principal(s) appeared before me today and acknowledged this power of attorney as his/her/their voluntary act and deed. The notarial seal must be affixed unless a seal is not required under the laws of the state where the power of attorney is executed.</p>	<p>14b. WITNESSING</p> <p>This power of attorney was signed by or for the principal(s) by a person or persons known to, and in the presence of, the two disinterested witnesses whose signatures appear below:</p>									
<p>NOTARIAL SEAL <i>(If required)</i></p>	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; border-bottom: 1px solid black;">Signature of Notary or Other Officer</td> <td style="width:50%; border-bottom: 1px solid black;">Signature of Witness</td> <td style="width:50%; border-bottom: 1px solid black;">Date</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Date</td> <td style="border-bottom: 1px solid black;">Title</td> <td style="border-bottom: 1px solid black;">Signature of Witness</td> </tr> <tr> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;">Date</td> </tr> </table>	Signature of Notary or Other Officer	Signature of Witness	Date	Date	Title	Signature of Witness			Date
Signature of Notary or Other Officer	Signature of Witness	Date								
Date	Title	Signature of Witness								
		Date								

14c. DECLARATION by attorney, certified public accountant, or enrolled practitioner who is granted the power of attorney by this form.

I declare that I am aware of the regulations of 31 CFR Part 8, that I am not currently under suspension or disbarment from practice before the Alcohol and Tobacco Tax and Trade Bureau, and that I am currently: *(Check applicable box)*

A member in good standing of the bar of the highest court of<sup>1</sup> \_\_\_\_\_

Qualified to practice as a certified public accountant in<sup>1</sup> \_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

<sup>1</sup>Insert Name of State, Possession, or District of Columbia

FOR TTB USE ONLY

DATE RECEIVED FOR FILING	DISTRICT	RECEIVED BY <i>(Signature and Title)</i>
DATE RECEIVED FOR FILING	TTB OFFICE	RECEIVED BY <i>(Signature and Title)</i>

INSTRUCTIONS

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. GENERAL. This form is filed with each TTB office in which the appointed attorney is to represent the principal.</li> <li>2. ITEM 8. A full power of attorney is granted by paragraph 8(a). The power of attorney may be limited or restricted by deleting all of paragraph 8(a) and listing the specific powers to be conferred in section 8(b).</li> <li>3. EXECUTION. This form must be signed by or on behalf of the principal(s) as follows:             <ol style="list-style-type: none"> <li>(a) INDIVIDUAL by his or her completion of item 11.</li> <li>(b) PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP (LLP) by completion of item 12 by all partners, or one partner who attaches his/her authorization to act on behalf of all the partners unless this authorization is provided by State law.</li> <li>(c) CORPORATION or ASSOCIATION by completion of items 12 and 13, an officer, preferably the president, vice-president, or treasurer, must sign in item 12.</li> <li>(d) ESTATE by completion of item 12 by the executor or administrator and attaching other such documents as may be required by TTB.</li> <li>(e) LIMITED LIABILITY COMPANY (LLC) by completion of item 12 by all members or managers, or one member or manager who attaches his/her authorization to act on behalf of the LLC.</li> </ol> </li> <li>4. FILING. This form must be completed in duplicate, unless otherwise required, and submitted to the Director, National Revenue Center, 550 Main St, Ste. 8002, Cincinnati, OH 45202-5215. The original with any attachments will be retained by the Director, National Revenue Center, and all other copies will be returned to the principal. If the power of attorney is applicable to more than one business establishment, additional copies must be submitted for each.</li> </ol> | <p>The additional copies will be filed in the same manner as when the power of attorney relates to only one establishment or business. Copies reproduced by photographic process need not be certified as copies of the original.</p> <ol style="list-style-type: none"> <li>5. ORIGINAL OF A RULING. The Alcohol and Tobacco Tax and Trade Bureau will give to an appointed attorney the original of a ruling concerning the principal about TTB matters if a statement is made to that effect in item 8(b).</li> <li>6. REVOCATION. A power of attorney remains in effect until revoked by the principal in written notice to the Director, National Revenue Center.</li> <li>7. RULES. All persons representing clients before the Alcohol and Tobacco Tax and Trade Bureau must comply with the regulations governing representation <i>(26 CFR Part 601 or those regulations as recodified in 27 CFR Part 71)</i> and any other applicable rules and statutes.</li> </ol> |
|---|--|

PAPERWORK REDUCTION ACT NOTICE

This request is in accordance with the Paperwork Reduction Act of 1995. The information collection is used by TTB to ensure that only duly authorized individuals are signing documents. The information is voluntary.

The estimated average burden associated with this collection of information is 30 minutes per respondent or recordkeeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to the Reports Management Officer, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, Washington, DC 20220.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current, valid OMB control number.

## Current Issues and Resources

### **Bioterrorism Act – Public Law 107-188**

<http://www.fda.gov/oc/bioterrorism/bioact.html>

Food and Drug Administration has inspection and detention authority.  
Recordkeeping requirements in place for most wineries as of December 11, 2006.

### **Allergens Warning Statement on Labels**

[http://www.ttb.gov/wine/wine\\_rulemaking.shtml](http://www.ttb.gov/wine/wine_rulemaking.shtml)

Comments closed 12/26/06 on Notice of Proposed Rulemaking No. 62.  
Voluntary allergens statements may be placed on labels:  
See TTB-TD-53 and 27 CFR 4.32a. <http://www.ttb.gov/rpd/decisions.shtml>

### **Impact of the US/EU Wine Agreement on Certificates of Label Approval for Wine Labels with a Semi-Generic Name or Retsina**

[http://www.ttb.gov/agreements/us\\_ec\\_wine\\_agreement.shtml](http://www.ttb.gov/agreements/us_ec_wine_agreement.shtml)

Law changed on December 20, 2006.  
No new labels using the Semi-Generic Names or Retsina will be approved.  
Temporarily-approved labels are now terminated.  
Only "grandfathered" labels may be used.

### **Certificate of Analysis on Imported Wine**

<http://www.ttb.gov/rpd/decisions.shtml>

"Miscellaneous Trade and Technical Corrections Act of 2004"  
Requires certificate of analysis on imported wine produced after 12/31/04.  
Exemptions for wine from certain countries and certain companies.  
Treasury Decision 31, interim rule effective August 24, 2005.

### **Treating Materials and Processes Ruling**

<http://www.ttb.gov/rpd/decisions.shtml>

Treasury Decision 17, temporary rule effective November 19, 2004.  
Direct questions to TTB's Wine Technical Advisor Mari Kirrane,  
[mari.kirrane@ttb.gov](mailto:mari.kirrane@ttb.gov)

### **Direct to Consumer Shipping**

<http://www.ttb.gov/rulings/2000-1.htm>

Webb-Kenyon Act ATF Ruling 2000-1.  
Wine Institute Guidance [www.wineinstitute.org](http://www.wineinstitute.org)

**Uniform Content Labeling**

[http://www.ttb.gov/wine/wine\\_rulemaking.shtml](http://www.ttb.gov/wine/wine_rulemaking.shtml)

TTB Notice of Proposed Rulemaking #41.

Comment period closed September 26, 2005.

Awaiting final rule.

**Visit TTB's Electronic Reading Room at**  
**<http://www.ttb.gov/foia/err.shtml>**

The Research Resources links collected in TTB's Electronic Reading Room will help you quickly locate information on our laws, regulations, records, publications, and more. Follow the links to the resources listed beneath the subject categories, or click on the category heading for Procedures, Industry Circulars, Administrative Cases, and Publications to find listings of recent and archived ATF and TTB documents.

Statutes  
Regulations  
Rulings  
Procedures  
Industry Circulars  
Administrative Cases  
Publications  
Tax Guidance  
FAA Permit Listings  
TTB Plans and Reports  
Press Releases

Some records are also available by appointment in the TTB Public Reading Room located at 1310 G Street NW, Washington, DC 20005. To make an appointment, call 202-927-2400.

## Recordkeeping Matters

**Time of making entries:** At the time of operations, or, if posted from source records, no later than the third business day following the operation. 27 CFR 24.300(b)

**Record retention:** Returns, reports and records, including source records, must be kept for three years from the record date or the date of the last entry required to be made in the record, whichever is later. 27 CFR 24.300(d)

**Data Processing:** Data maintained on data processing equipment may be kept at wine premises or at another location, if the original operation or transaction source records are kept available for inspection at the wine premises. 27 CFR 24.300(e)

**Photographic copies of records:** Reproduced records may be treated as original documents for examination, with the exception of Certificates of Label Approval. 27 CFR 24.300(f)

**Application File:** A complete and current application file must be maintained, readily available at the wine premises for inspection. 27 CFR 24.117 and 27 CFR 24.109

### Part 24, Subpart O – Records and Reports

- 24.300 General.
- 24.301 Bulk still wine record.
- 24.302 Effervescent wine record.
- 24.303 Formula wine record.
- 24.304 Chaptalization (Brix adjustment) and amelioration record.
- 24.305 Sweetening record.
- 24.306 Distilling material or vinegar stock record.
- 24.307 Nonbeverage wine record.
- 24.308 Bottled or packed wine record.
- 24.309 Transfer in bond record.
- 24.310 Taxpaid removals from bond record.
- 24.311 Taxpaid wine records.
- 24.312 Unmerchantable wine returned to bond record.
- 24.313 Inventory record.
- 24.314 Label information record.
- 24.315 Materials received and used record.
- 24.316 Spirits record.
- 24.317 Sugar record.
- 24.318 Acid record.
- 24.319 Carbon dioxide record.
- 24.320 Chemical record.
- 24.321 Decolorizing material record.
- 24.322 Allied products record.
- 24.323 Excise Tax Return form.

In addition to the records previously discussed, here is information about other records which may need to be maintained, depending upon the operations conducted at your bonded wine premises:

## **Materials Received and Used Record**

27 CFR 24.315

Wine producers must maintain a record showing the receipt and use of basic winemaking materials on wine premises. The record must contain the following information:

- Date of receipt
- Quantity received
- Name and address from whom received
- Date of use or other disposition

(See 27 CFR 24.246 for list of materials authorized for use in winemaking.)

## **Acid Record**

27 CFR 24.318

If acid is used on wine premises, a record containing the information listed below must be maintained. The Acid Record may be a compilation of source documents OR a summary record.

- Date of use
- Kind and quantity of acid used
- Kinds and volume of juice or wine in which used
- When used to correct natural deficiency, the fixed acid level of juice or wine before and after the addition of acid

## Chemical Record

27 CFR 24.320

A record of the receipt and use of any chemicals must be maintained which contains the information listed below. The Chemical Record may be a compilation of source documents OR a summary record.

- Receipt:
- Kinds and quantities received
- Date of receipt
- Names and addresses from whom purchased

Use in Juice or Wine:(Except for filtering aids, inert fining agents, sulfur dioxide, carbon dioxide (except as provided in 27 CFR 24.319), nitrogen and oxygen)

- Kind, quantity and date of use
- Kind and volume of juice or wine in which used

## Spirits Record

27 CFR 24.316

A proprietor who receives, stores, or uses spirits shall maintain a record of receipt and use. The record must show the following:

- Date of receipt
- From whom received
- Kind of spirits
- Proof gallons
- Date and proof gallons of spirits used in wine production
- Date and proof gallons of spirits removed from bonded wine premises and to whom

The proof gallons of spirits received, used, removed from bonded wine premises, and on hand at the end of the reporting period is reported on TTB Form 5120.17.

**Bulk Still Wine Record**

27 CFR 24.301

A proprietor who produces or receives still wine in bond must maintain a record of transactions for bulk still wine. A record is to be maintained for each tax class of still wine and must include date of transaction. The parts of 27 CFR 24.301 that usually pertain to Bonded Winery operations require the following information be recorded:

- The volume produced by fermentation in wine gallons, determined by actual measurement;
- The volume received, shipped taxpaid, removed (e.g., taxpaid, in bond, export, family use, samples) and used in sparkling wine production; if a tax credit under 26 U.S.C. 5041(c) may be claimed, the record will be maintained in sufficient detail to insure that such as tax credit is properly claimed;
- The specific type of production method used, e.g., natural fermentation, amelioration, sweetening, addition of spirits, blending;
- The volume of wine used and produced by amelioration, addition of spirits or sweetening, as determined by measurements of the wine before and after production;
- The volume of wine used for and produced by blending, if wines of different tax classes are blended together;
- The volume of wine used to produce formula wine, vinegar stock and distilling material;
- The volume of wine removed to fermenters for refermentation or removed directly to the production facilities of a distilled spirits plant or vinegar plant;
- Where a process authorized under 27 CFR 24.248 is employed, records will be maintained to allow for verification of any limitation specified for the process employed and to ensure that the use of the process is consistent with good commercial practice;
- Where a treating material is dissolved or dispersed in water as authorized in this part, the volume of water added to the wine; and
- An explanation of any unusual transactions.

## Inventory Record

27 CFR 24.313

All bonded wineries and bonded wine cellars are required to take a complete physical inventory of all wine and spirits in storage on June 30. If a proprietor wishes to take the annual inventory on different date, TTB must be notified. Proprietors who file the Report Form 5120.17 annually must take the complete physical inventory at the end of the calendar year. The inventory record must include the following information:

- Description of wine (name, vintage, varietal, appellation); volume; tank number (bulk wine); summary of barrels and puncheons (bulk wine)
- Inventory Summary: volume of bulk and bottled wine totaled separately by tax class and reported on Form 5120.17
- Inventory Record: All pages will be numbered consecutively; the last page will be dated and signed, the last page will include the "Penalty of Perjury" statement: *"Under penalties of perjury, I declare that I have examined this inventory record and to the best of my knowledge and belief, it is a true, correct and complete record of all wine and spirits required to be inventoried."*

## Inventory Losses

27 CFR 24.266

If the complete annual inventory of bulk wine reveals losses in production or storage which exceed the allowances listed below, a claim for allowance of loss must be filed on TTB Form 5620.8:

- Any losses due to theft, OR
- More than 3% of wine on hand at beginning of annual period and volume of wine received in bond, OR
- More than 6% of still wine produced by fermentation, OR
- More than 6% of sparkling wine produced in bottles, OR
- More than 3% of special natural wine (27 CFR 24.195), OR
- More than 3% of other wine (27 CFR 24.218), OR
- More than 3% of artificially carbonated wine, OR
- More than 3% of bulk processed sparkling wine

Normal bulk inventory losses due to racking, evaporation and topping are to be reported on the Report of Wine Premises Operation in Section A, Line 30.

Bottled wine losses must be taxpaid: If the proprietor has conducted a complete physical inventory, the tax on any unexplained losses of untaxpaid bottled or packed wine must be paid.

**Note:** Documented casualty losses are NOT "inventory losses." They are reported to TTB as they occur.

**Other Records Required by 27 CFR Part 24, Subpart O**

The operations of bonded wineries may require maintaining some of the records listed below. Please refer to the text of the regulations to determine if the record should be maintained.

Effervescent Wine Record, 27 CFR 24.302

Formula Wine Record, 27 CFR 24.303

Chaptalization (Brix Adjustment) and Amelioration Record, 27 CFR 24.304

Sweetening Record, 27 CFR 24.305

Distilling Materials or Vinegar Stock Record, 27 CFR 24.306

Nonbeverage Wine Record, 27 CFR 24.307

Unmerchantable Wine Record, 27 CFR 24.312

Sugar Record, 27 CFR 24.317

Carbon Dioxide Record, 27 CFR 24.319

Decolorizing Material Record, 27 CFR 24.321

Allied Products Record, 27 CFR 24.322

## Form 5120.17, Report of Wine Premises Operations

27 CFR 24.300 (g)

### The Heading:

- Enter the month the report covers, or the quarter or year, if filing a quarterly or annual report.
- Enter the Registry Number of your premises in this format: "BW-XX-XXXX."
- Write in your Employer Identification Number (EIN) at the top of the page, near the Registry Number, in this format: "94-xxxxxxx."
- Enter the name of the wine premises as shown on your registration documents, the address of the premises, and the telephone number.

### Section A – Bulk Wines:

- On Line 1 in each column, enter the "On Hand End of Period" figure from Line 31 of the previous report.
- Lines 2 through 11 are activities which add to your bulk inventory.
- Lines 13 through 30 are activities which decrease the bulk inventory.
- Line 31 is a book inventory figure of the amount of bulk wine on hand at the end of the period. It is the actual amount only after physical inventory adjustments are made.
- For purposes of this report, "Blending" means the mixing together of wines from two or more tax classes. The total of the figures entered in Lines 5 and 20 should equal.
- A change in alcohol content is shown as an increase in the amount of wine in the column representing the correct alcohol content, written into Line 10 or 11. The same amount is shown as a decrease from the amount of wine in the incorrect column, written into one of the Lines 24-28.
- The amount shown as "Bottled" in Line 13 must equal the amount shown in Section B – Bottled Wines – Line 2.

### Section B – Bottled Wines:

- On Line 1 of each column, enter the "On Hand End of Period" figure from Line 20 of the previous report.
- Lines 2 through 6 are activities which add to your bottled inventory.
- Lines 8 through 19 are activities which decrease the bottled inventory.
- Line 20 is a book inventory figure of the amount of bottled wine on hand at the end of the period. It is the actual amount only after physical inventory adjustments are made.
- The amount of wine shown as Removed Taxpaid on Line 8 must agree with the excise taxes paid on Form(s) 5000.24 for the period.
- Bottled inventory shortages shown on Line 19 must be tax paid or satisfactorily explained.

**Back of the Report Form:**

- Part III – Show the receipt and use of Distilled Spirits, if any, in proof gallons and not in standard gallons. Remember that the tax liability of distilled spirits is \$13.50 per proof gallons and may affect your bond coverage.
- Part IV – Show the receipt and use of Wine Making Materials in pounds or gallons. The volume used in wine production should be moved to Part VII if it is still fermenting at the end of the reporting period, or measured and moved to the front of the report as “produced.” See 27 CFR 24.176(b) about determining wine produced.
- Part VI – Show the production, receipt and use of Distilling Material and Vinegar Stock, if any.
- Part VII – When wine making materials are still in fermentation at the end of the reporting period, estimate the volume for each type of fruit and enter the amount in this section.
- Parts VIII and IX – Enter the amount of non-beverage, vermouth, special natural or formula wines produced and withdrawn, if any.
- Part X – Use this space to explain any unusual transactions.

**Filing Dates:**

The Report Form 5120.17 is due 15 days after the close of the period, i.e. by the 15<sup>th</sup> of the next month if filing monthly; by January 15<sup>th</sup> if filing annually; or by April 15<sup>th</sup>, July 15<sup>th</sup>, October 15<sup>th</sup> or January 15<sup>th</sup> if filing quarterly.

If you file reports on the monthly basis but do not expect to have any reportable operations in the next month(s), you may indicate that on the report being filed and wait until operations commence before filing the next report.

**Eligibility for an Annual Report:**

If you file an annual tax return **and** if the total of your bulk and bottled wine does not exceed 20,000 gallons at any time, you may file an annual report.

The annual report is due January 15<sup>th</sup> following the close of the year.

If you exceed the \$1,000/year limit in excise tax **or** the 20,000 gallons on-hand limit, you must file the reports on the monthly basis for the rest of the year. You may be eligible for filing Quarterly Reports and/or returns.

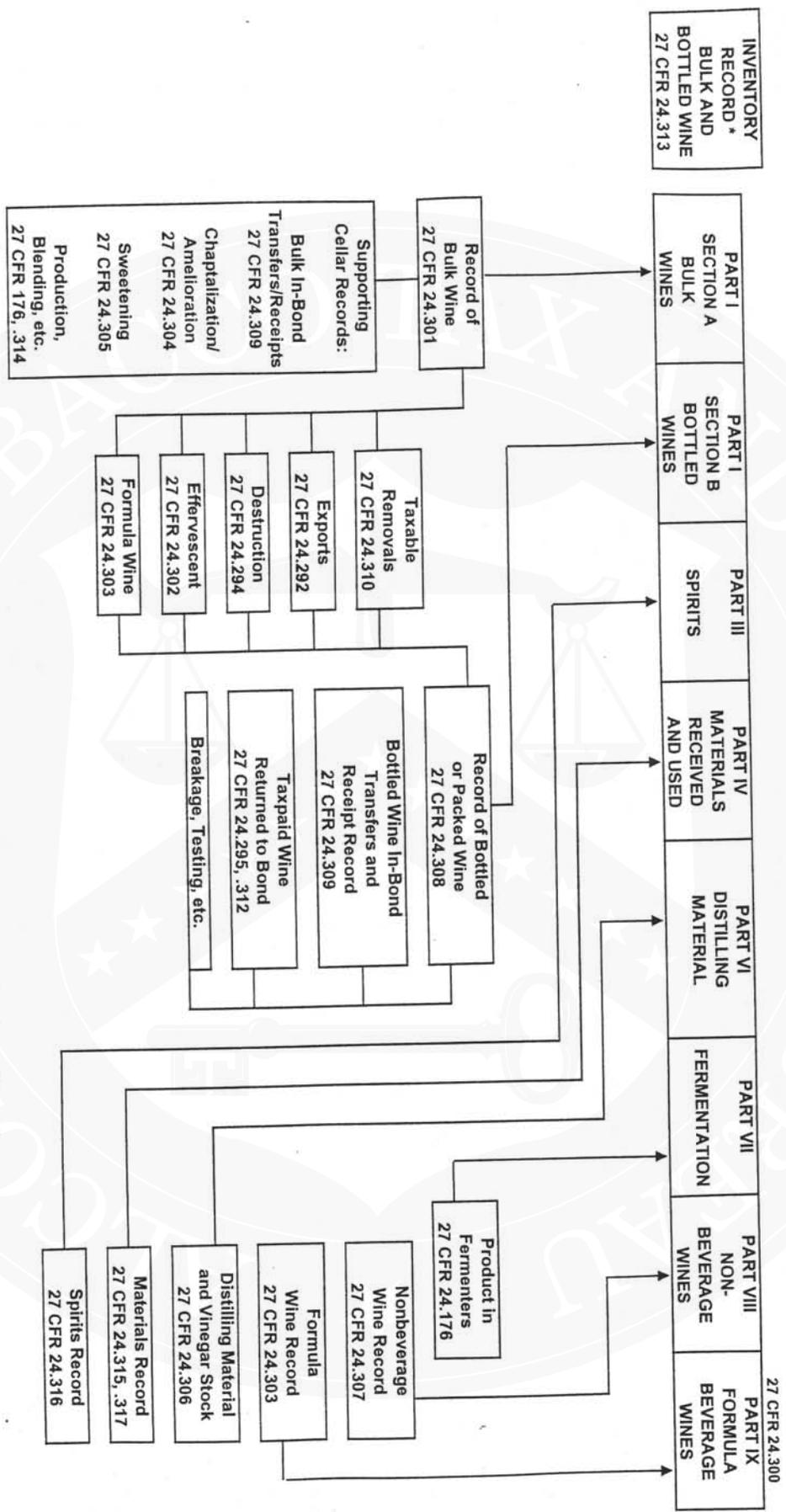
**Eligibility for a Quarterly Report:**

If you file quarterly tax returns **and** if the total of your bulk and bottled wine does not exceed 60,000 gallons at any time, you may file quarterly reports.

The quarterly reports are due April 15<sup>th</sup>, July 15<sup>th</sup>, October 15<sup>th</sup> and January 15<sup>th</sup>.

If you exceed the \$50,000/year limit in excise tax **or** the 60,000 gallons on-hand limit, you must file the reports on the monthly basis for the rest of the year.

FORM 5120.17 - REPORT OF WINE PREMISES OPERATIONS



\* An Inventory is required on June 30 for proprietors filing Monthly or Quarterly Reports and December 31 if filing Annual Reports.

## 2000 Napa Valley Sauvignon Blanc

Date	Activity	Tank	Volume	Comments
9/10/2000	Crush/press 30 ppm SO <sub>2</sub> added	116	~4000	100% Estate Vineyard 100% SB, Napa Valley 100% 2000, 23.4 tons 23.1 Brix, TA 0.8, pH 3.07
9/11/2000	Crush/press 30 ppm SO <sub>2</sub> added	117	~4000	100% Estate Vineyard 100% SB, Napa Valley 100% 2000, 23.5 tons 23.2 Brix, TA 0.8, pH 3.10
9/12/2000	Rack TK 116 & 117 off lees, inoculate	125	~8000	100% Estate Vineyard 100% SB, Napa Valley 100% 2000
9/20/2000	Add 12# bentonite	125	~8000	
10/3/2000	Rack TK 125 off fermentation lees, Declare Produced 20 ppm SO <sub>2</sub> added	130	7504	100% Estate vineyard 100% SB, Napa Valley 100% 2000 14.04% alc, TA 0.65, pH 3.30, SO <sub>2</sub> 25/50; 470 gal. lees
10/7/2000	Add 62.25# Tartaric Acid	130	7504	TA 0.74, pH 3.22
11/15/2000	Rack & blend with 1400 gal. 2000 CA Dry White from Pleasant Day Vyds. 10 ppm SO <sub>2</sub> added	100	8875	29 Gallon loss 94.9% SB, Napa Valley 100% 2000 13.8% alc TA 0.70, pH 3.28, SO <sub>2</sub> 28/58
11/17/2000	Add 26.5# bentonite	100	8903	28 gallon gain
12/10/2000	DE filter off lees	101	8873	30 gallons lees
12/31/2000	Inventory	101	8873	
1/15/2001	DE filter off tartrates	105	8865	8 gallon loss 13.8% alc, TA 0.60, pH 3.40, SO <sub>2</sub> 28/58
1/21/2001	Add 110.25# Malic acid	105	8870	5 gallon gain 13.8% alc, TA 0.77, pH 3.25
2/2/2001	Bottle: 3729 cs 750 mL 8865.8 gal			4 gallon loss COLA 01-01 13.8% alc, TA 0.77, pH 3.25 Fill: 751, 750, 751, 749 mL

TTB Wine Industry Seminar ~ California Field Office (Trade Investigations) ~ 2007

LOT 00-SB-01  
2000 Sauvignon Blanc

Sample Record

Date	Vineyard/Grower	W Tag	Variety/Tons	Tank	Volume	Brix	TA	pH
9/10	NV/Estate	M 1246	SB 12.09	116	2,050	23.1°	0.8	3.07
9/10	NV/Estate	M 1247	SB 11.31	116	1,920	23.1°	0.8	3.07
9/11	NV/Estate	M 1248	SB 12.51	117	2,120	23.1°	0.8	3.10
9/11	NV/Estate	M 1249	SB 10.99	117	1,970	23.3°	0.8	3.10

Date	Operation	Tank	Vol Beg	Vol End	Gain/Loss	T.A.	pH	VA(g/L)	Alc	Comments	Vintage, Varietal Appellation
9/10	Crush/Press 23.4 tons SB; 30 ppm SO2 added	116	0	~4000		0.8	3.07	--	--	East side of vyd.	100% Estate vyd., 100% Napa Valley SB, 100% 2000
9/11	Crush/Press 23.5 tons SB; 30 ppm SO2 added	117	0	~4000		0.8	3.10	--	--	West side of vyd.	100% Estate vyd., 100% Napa Valley SB, 100% 2000
9/12	Rack 116 & 117 to 125, inoculate	125	0	~8000						rack off lees	
9/20	Add 12# bentonite	125	~8000	~8000							
10/3	Rack 125 to 130, 20 ppm SO2 added	130	0	7504		0.65	3.30	0.1	14.04	Declare produced, 470 gal. lees	100% Estate vyd., 100 Napa Valley SB, 100% 2000
10/7	Add 62.25# Tartaric acid	130	7504	7504		0.74	3.22				
11/15	Rack	100		7504							
11/15	Blend with 1400 gal. 2000 Dry White, add 10 ppm SO2	100	7504	8875	-29	0.7	3.28		13.8		94.9% SB, 94.9% Napa Valley, 100% 2000
11/17	Add 26.5# bentonite	100	8875	8903	28						
12/10	DE filter off lees	101	8873							30 gal lees	
12/31	Inventory	101	8873								
1/15	DE filter off tartrates	105	8865		-8	0.6	3.40		13.8		
1/21	Add 110.25# Malic Acid	105	8865	8870	5	0.77	3.25		13.8		
2/2	Bottle 750 mL 3729 cs	Bot. Rm.	8870	0	-4.2	0.77	3.25	0.1	13.80%	COLA 01-01 fill: 751, 750, 751, 749 mL	

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)  
**REPORT OF WINE PREMISES OPERATIONS**

125

Period	OPERATED BY (Name, Address and Telephone)	
Month	Year	
(if applicable)		
Registry Number		

INSTRUCTIONS

**PART I - SUMMARY OF WINES IN BOND (GALLONS)**

ITEM	ALCOHOL CONTENT BY VOLUME			ARTIFICIALLY CARBONATED WINE (d)	SPARKLING WINE (e)	HARD CIDER (f)
	NOT OVER 14 PERCENT (a)	OVER 14 TO 21 PERCENT (INCLUSIVE) (b)	OVER 21 TO 24 PERCENT (INCLUSIVE) (c)			
<b>SECTION A - BULK WINES</b>						
1. ON HAND BEGINNING OF PERIOD	Same as Section A, Line 31, Previous Report					
2. PRODUCED BY FERMENTATION <sup>1/</sup>	Must have entry in Parts IV or VII of current or previous report				BF* Tirage BP**	
3. PRODUCED BY SWEETENING	Volume from Line 18 + sweetening material					
4. PRODUCED BY ADDITION OF WINE SPIRITS	Volume from Line 19 + wine spirits					
5. PRODUCED BY BLENDING <sup>4/</sup>	Amounts given in all columns = amounts in Line 20					
6. PRODUCED BY AMELIORATION	Volume from Line 21 + ameliorating material					
7. RECEIVED IN BOND	Transferred from other wineries or bonded wine cellars					
8. BOTTLED WINE DUMPED TO BULK	Same as Section B, Line 10					
9. INVENTORY GAIN	Per annual inventory					
10. (Write-in: Change of Tax Class; Formula Wine Produced; Slurry Gains; Recovered from Lees; Combination; Destroyed; Other)	(as necessary)					
11. Slurry Gains; Recovered from Lees; Combination; Destroyed; Other						
12. TOTAL	Amounts in Line 1 plus Lines 2-11					
13. BOTTLED <sup>2/</sup>	Same as Section B, Line 2				BF* Disgorged BP**	
14. REMOVED TAXPAID	Bulk taxpaid removals only; agrees with tax returns for the period					
15. TRANSFERS IN BOND	Transferred to other wineries or bonded wine cellars					
16. REMOVED FOR DISTILLING MATERIAL	Transferred to a Distilled Spirits Plant					
17. REMOVED TO VINEGAR PLANT	Transferred to a Vinegar Plant					
18. USED FOR SWEETENING	Volume of wine to which sweetening material was added					
19. USED FOR ADDITION OF WINE SPIRITS	Volume of wine to which wine spirits was added					
20. USED FOR BLENDING <sup>4/</sup>	Amounts given in all columns = amounts in Line 5					
21. USED FOR AMELIORATION	Volume of wine to which ameliorating material was added					
22. USED FOR EFFERVESCENT WINE	Volume moved to sparkling or art. carb. wine account					
23. USED FOR TESTING	On or off bonded premises					
24. (Write-in: Change of Tax Class; Removed for Export; Used for Formula Wine; Return to Fermenters; Used for Non-Beverage Wine; Removed to DM or VS Account; Combination; Destroyed)	(as necessary)					
25. Used for Formula Wine; Return to Fermenters; Used for Non-Beverage Wine;						
26. Removed to DM or VS Account; Combination; Destroyed						
27.						
28.						
29. LOSSES (OTHER THAN INVENTORY)	Casualty losses					
30. INVENTORY LOSSES	Per annual inventory (includes normal operational losses - racking, topping, evaporation)					
31. ON HAND END OF PERIOD	Amounts in Line 12 minus amounts in Lines 13-30					
32. TOTAL	Same as Line 12					

\* Bottle Fermented  
\*\* Bulk Process

<b>SECTION B - BOTTLED WINE</b>						
1. ON HAND BEGINNING OF PERIOD	Same as Section B, Line 20, Previous Report					
2. BOTTLED <sup>2/</sup>	Same as Section A, Line 13				BF* Disgorged BP**	
3. RECEIVED IN BOND	Transferred from other wineries or bonded wine cellars					
4. TAXPAID WINE RETURNED TO BOND	File claim for tax refund or tax credit					
5. (Write-in: Inventory gain; other)	(as necessary)					
6.						
7. TOTAL	Amounts in Line 1 plus Lines 2-6					
8. REMOVED TAXPAID	Bottled taxpaid removals; agrees with tax returns for the period					
9. TRANSFERRED IN BOND	Transferred to other wineries or bonded wine cellars					
10. DUMPED TO BULK	Same as Section A, Line 8					
11. USED FOR TASTING	Tasting room must be on the Bonded Wine Premises					
12. REMOVED FOR EXPORT	Exported out of the U.S. untaxpaid; agrees with Forms 5100.11 for the period					
13. REMOVED FOR FAMILY USE	200 gal limit per family or 100 gal limit for single person; Sole Owners and Partnerships ONLY					
14. USED FOR TESTING	On or off bonded premises					
15.						
16.						
17.						
18. BREAKAGE	Explain in Part X on back of report form					
19. INVENTORY SHORTAGE <sup>3/</sup>	Taxable, if not explained					
20. ON HAND END OF PERIOD	Amounts in Line 7 minus amounts in Lines 8-19					
21. TOTAL	Same as Line 7					

TTB F 5120.17 (702) (5/2005)

\* Bottle Fermented  
\*\* Bulk Process

- <sup>1/</sup> Enter in col. (e) on line marked "BF" the quantity of sparkling wine produced by fermentation in bottles, and on line marked "BP" the quantity of sparkling wine produced by bulk process.
- <sup>2/</sup> Section A line 13 and Section B line 2 should show the same quantities. Enter in col. (e) on line marked "BF" the quantity of finished bottle fermented sparkling wine bottled, and on line marked "BP" the quantity of finished bulk process wine bottled.
- <sup>3/</sup> Fully explain in either Part X, or on a separate signed statement submitted with this report. Failure to satisfactorily explain shortages of bottled wine may result in the assessment of taxes applicable to those shortages.
- <sup>4/</sup> Only report blending if wines of different tax classes are blended together.

PART II - (RESERVED)

PART III - SUMMARY OF DISTILLED SPIRITS (Proof Gallons)

ITEM	WINE SPIRITS					DISTILLATES CONTAINING ALDEHYDES <sup>W</sup>		SPIRITS FOR USE IN NON BEVERAGE WINES
	FOR ADDITION TO WINE <sup>V</sup>				FOR PREPARATION OF DOSAGES OR ESSENCES <sup>(e)</sup>	(f)	(g)	
	GRAPE (b)	(b)	(c)	(d)				
1. ON HAND BEGINNING OF PERIOD	Same as Part III, Line 9 of previous report							
2. RECEIVED								
3. INVENTORY GAIN								
4. TOTAL	Line 1 plus amounts in Lines 2 and 3							
5. USED	Amount used in Wine Produced by Wine Spirits Addition							
6. TRANS. TO COL. (e)								
7.								
8. LOSSES	Claim filed.							
9. ON HAND END OF PERIOD	Amount shown in Line 4 minus amounts in Lines 5-8							
10. TOTAL	Same as Line 4							

PART IV - SUMMARY OF MATERIALS RECEIVED AND USED

ITEM	GRAPE MATERIAL				KINDS OF MATERIALS OTHER THAN GRAPE <sup>V</sup>			SUGAR	
	GRAPES		JUICE (Gallons) (c)	CONCENTRATE (Gallons) (d)	(Pounds or Gallons)			DRY (Pounds) (h)	LIQUID (Gallons) (i)
	UNCRUSHED (Pounds) (a)	FIELD CRUSHED (Gallons) (b)			(e)	(f)	(g)		
1. ON HAND BEGINNING OF PERIOD	Same as Part IV, Line 9 of previous report								
2. RECEIVED									
3. JUICE OR CONCENTRATE PRODUCED									
4. TOTAL	Line 1 plus amounts in Lines 2 and 3								
5. USED IN WINE PRODUCTION	Enter appropriate figures in Sec. A Line 2 OR Section VII								
6. USED IN JUICE OR CONCENTRATE PRODUCTION									
7. USED IN ALLIED PRODUCTS									
8. REMOVED									
9. ON HAND END OF PERIOD	Amount shown in Line 4 minus amounts in Lines 5 - 8								
10. TOTAL	Same as Line 4								

PART V - (RESERVED)

PART VI - SUMMARY OF DISTILLING MATERIAL AND VINEGAR STOCK (Gallons)<sup>W</sup>

ITEM	DISTILLING MATERIAL <sup>W</sup>		VINEGAR STOCK	
	(a)	(b)	(c)	(d)
1. ON HAND BEGINNING OF PERIOD (Storage Tanks)	Same as Line 10 of previous report			
2. PRODUCED	Corresponding entry in Sec. A Lines 16, 17			
3. RECEIVED FROM OTHER BONDED WINE PREMISES				
4.				
5. TOTAL	Line 1 plus amounts in Lines 2-4			
6. REMOVED TO DISTILLED SPIRITS PLANTS				
7. REMOVED TO OTHER BONDED WINE PREMISES				
8. REMOVED TO VINEGAR PLANTS				
9.				
10. ON HAND END OF PERIOD (Storage Tanks)	Line 5 minus amounts in Lines 6-9			
11. TOTAL	Same as Line 5			

PART VII - IN FERMENTERS END OF PERIOD (Gallons)<sup>W</sup>

TOTAL	(a)	(b)	(c)	(d)	(e)	TOTAL
1. IN FERMENTERS (ESTIMATED QUANTITY OF LIQUID)	AN ESTIMATE - ACCURATE VOLUME IS ENTERED IN SEC. A LINE 2 WHEN FERMENTATION IS COMPLETED.					

PART VIII - SUMMARY OF NONBEVERAGE WINES (Gallons)

ITEM	NOT OVER 14 PERCENT ALCOHOL (a)	OVER 14 TO 21 PERCENT ALCOHOL (Inclusive) (b)	TOTAL (c)
	1. PRODUCED	See 27 CFR 24.214 for production; see 27 CFR 24.307 for information about the record.	
2. WITHDRAWN			

PART IX - SPECIAL NATURAL WINES AND 27 CFR 24.218 WINES (Gallons)

ITEMS	VERMOUTH (a)	OTHER SPECIAL NATURAL WINES				TOTAL (cols. a, b, c, d and e) (f)	27 CFR 24.218 WINES (g)
		NOT OVER 14 PERCENT ALCOHOL (b)	OVER 14 TO 21 PERCENT ALCOHOL (c)	ARTIFICIALLY CARBONATED (d)	SPARKLING (e)		
1. PRODUCED							
2. TAXABLE REMOVALS	Figures here are part of those shown in Sec. B Line 8						
3. ON HAND END OF PERIOD							

PART X - REMARKS

Unusual transactions, explanation of casualty losses, bottled inventory losses, etc.  
Statement regarding future submission of Reports may be entered here.

Under penalties of perjury I declare that I have examined this report, including the documents submitted in support thereof, and to the best of my knowledge and belief, it is true, correct, and complete.

PROPRIETOR \_\_\_\_\_ BY (Signature and Title) \_\_\_\_\_ DATE \_\_\_\_\_  
Must have Signature Authority.

<sup>W</sup> State kind - apple, blackberry, etc.  
<sup>W</sup> Distilling material includes lees, filter wash and other residues used for production of wine spirits. See 27 CFR 24.306.

PAPERWORK REDUCTION ACT NOTICE

This information collection request is in accordance with the Paperwork Reduction Act of 1995. The purpose of this information collection is for the protection of Federal Excise taxes. The information will be used to determine compliance by payment on untaxed commodities. The information required is mandatory by statute (26 U.S.C. 5314).

The estimated average burden associated with this collection of information is 1 hour and 6 minutes per respondent or recordkeeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to Reports Management Officer, Document Services Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, D.C. 20226.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)  
REPORT OF WINE PREMISES OPERATIONS

PERIOD MONTH (Month) YEAR 2006  
(If applicable)  
REGISTRY NUMBER BW-(State)-xxxx

OPERATED BY (Name, Address and Telephone)  
Operating Name of Wine Premises  
Address  
Telephone Number  
EIN: 99-999999x

INSTRUCTIONS

- The reporting period for this form shall be monthly, except that proprietors who qualify under the exception stated in 27 CFR 24.300 (g)(2) may file this form on a calendar year basis unless required to file monthly by the Alcohol and Tobacco Tax and Trade Bureau (TTB). A proprietor who files monthly reports but does not expect any reportable operations in a subsequent month or months may indicate in Part X that no monthly reports will be filed until a reportable operation occurs. (§24.300 (g)(1))
- Prepare this form in duplicate and file it by the fifteenth day after the end of the report period (month or year). Keep the copy on your bonded wine premises for inspection by TTB officers. Send the original to TTB at this address:

Director, National Revenue Center  
Alcohol and Tobacco Tax and Trade Bureau  
550 Main St, Ste 8002  
Cincinnati, OH 45202-5215

- Explain any unusual operations in Part X.
- The quantities "on hand end" will ordinarily be "book inventory" figures, that is the quantity required to balance each summary. Use the "on hand end" from your report for the previous period as the "on hand beginning" of the current report. On reports for any period when you take a physical inventory, report the difference as losses for bulk wine and shortages for bottled wine, or as gains, as the case may be.
- If the quantity of wine previously reported on TTB F 5120.17 is affected by adjustments made on a tax return, TTB F 5000.24, adjust the current TTB F 5120.17 in Section A (and Section B, if bottled wine is involved). Explain the entries in Part X.

PART I - SUMMARY OF WINES IN BOND (GALLONS)

ITEM	ALCOHOL CONTENT BY VOLUME			ARTIFICIALLY CARBONATED WINE (d)	SPARKLING WINE (e)	HARD CIDER (f)
	NOT OVER 14 PERCENT (a)	OVER 14 TO 21 PERCENT (Inclusive) (b)	OVER 21 TO 24 PERCENT (Inclusive) (c)			
<b>SECTION A - BULK WINES</b>						
1. ON HAND BEGINNING OF PERIOD	105,000	150				0
2. PRODUCED BY FERMENTATION <sup>1</sup>	22,600				BF BP	1,200
3. PRODUCED BY SWEETENING						
4. PRODUCED BY ADDITION OF WINE SPIRITS		325				
5. PRODUCED BY BLENDING		230				
6. PRODUCED BY AMELIORATION						
7. RECEIVED IN BOND	600					
8. BOTTLED WINE DUMPED TO BULK	285					
9. INVENTORY GAINS						
10.						
11.						
12. TOTAL	128,485	705				1,200
13. BOTTLED <sup>2</sup>	2,378				BF BP	
14. REMOVED TAXPAID						
15. TRANSFERS IN BOND						
16. REMOVED FOR DISTILLING MATERIAL						
17. REMOVED TO VINEGAR PLANT						
18. USED FOR SWEETENING						
19. USED FOR ADDITION OF WINE SPIRITS	300					
20. USED FOR BLENDING <sup>4</sup>	115	115				
21. USED FOR AMELIORATION						
22. USED FOR EFFERVESCENT WINE						
23. USED FOR TESTING						
24.						
25.						
26.						
27.						
28.						
29. LOSSES (OTHER THAN INVENTORY)						
30. INVENTORY LOSSES						1,200
31. ON HAND END OF PERIOD	125,692	590				
32. TOTAL	128,485	705				1,200
<b>SECTION B - BOTTLED WINES</b>						
1. ON HAND BEGINNING OF PERIOD	50,070	59				
2. BOTTLED <sup>2</sup>	2,378				BF BP	
3. RECEIVED IN BOND						
4. TAXPAID WINE RETURNED TO BOND	59					
5.						
6.						
7. TOTAL	52,507	59				
8. REMOVED TAXPAID	1,189	5				
9. TRANSFERRED IN BOND						
10. DUMPED TO BULK	285					
11. USED FOR TASTING	7					
12. REMOVED FOR EXPORT	119					
13. REMOVED FOR FAMILY USE						
14. USED FOR TESTING						
15.						
16.						
17.						
18. BREAKAGE						
19. INVENTORY SHORTAGE <sup>3</sup>						
20. ON HAND END OF PERIOD	50,907	54				
21. TOTAL	52,507	59				

TTB F 5120.17 (5/2005)

PART II - (RESERVED)								
PART III - SUMMARY OF DISTILLED SPIRITS (Proof Gallons)								
ITEM	WINE SPIRITS				FOR PREPARATION OF DOSAGES OR ESSENCES (e)	DISTILLATES CONTAINING ALDEHYDES <sup>2</sup>		SPIRITS FOR USE IN NON BEVERAGE WINES (h)
	FOR ADDITION TO WINE <sup>2</sup>					(f)	(g)	
	GRAPE (a)	(b)	(c)	(d)				
1. ON HAND BEGINNING OF PERIOD	0							
2. RECEIVED	60							
3. INVENTORY GAIN								
4. TOTAL	60							
5. USED	35							
6. TRANS. TO COL. (e)								
7.								
8. LOSSES								
9. ON HAND END OF PERIOD	25							
10. TOTAL	60							

PART IV - SUMMARY OF MATERIALS RECEIVED AND USED									
ITEM	GRAPE MATERIAL				KINDS OF MATERIALS OTHER THAN GRAPE <sup>2</sup> (Pounds or Gallons)			SUGAR	
	GRAPES		JUICE (Gallons) (c)	CONCENTRATE (Gallons) (d)	(e)	(f)	(g)	DRY (Pounds) (h)	LIQUID (Gallons) (i)
	UNCRUSHED (Pounds) (a)	FIELD CRUSHED (Gallons) (b)							
1. ON HAND BEGINNING OF PERIOD	0				0				
2. RECEIVED	500,000				200				
3. JUICE OR CONCENTRATE PRODUCED									
4. TOTAL	500,000				200				
5. USED IN WINE PRODUCTION	500,000				200				
6. USED IN JUICE OR CONCENTRATE PRODUCTION									
7. USED IN ALLIED PRODUCTS									
8. REMOVED									
9. ON HAND END OF PERIOD	0				0				
10. TOTAL	500,000				200				

PART V - (RESERVED)				
PART VI - SUMMARY OF DISTILLING MATERIAL AND VINEGAR STOCK (Gallons) <sup>2</sup>				
ITEM	DISTILLING MATERIAL <sup>2</sup>		VINEGAR STOCK	
	(a)	(b)	(c)	(d)
1. ON HAND BEGINNING OF PERIOD (Storage Tanks)				
2. PRODUCED				
3. RECEIVED FROM OTHER BONDED WINE PREMISES				
4.				
5. TOTAL				
6. REMOVED TO DISTILLED SPIRITS PLANTS				
7. REMOVED TO OTHER BONDED WINE PREMISES				
8. REMOVED TO VINEGAR PLANTS				
9.				
10. ON HAND END OF PERIOD (Storage Tanks)				
11. TOTAL				

PART VII - IN FERMENTERS END OF PERIOD (Gallons) <sup>2</sup>						
TOTAL	(a)	(b)	(c)	(d)	(e)	TOTAL
1. IN FERMENTERS (ESTIMATED QUANTITY OF LIQUID)	18,700					

PART VIII - SUMMARY OF NONBEVERAGE WINES (Gallons)			
ITEM	NOT OVER 14 PERCENT ALCOHOL (a)	OVER 14 TO 21 PERCENT ALCOHOL (inclusive) (b)	TOTAL (c)
1. PRODUCED			
2. WITHDRAWN			

PART IX - SPECIAL NATURAL WINES AND 27 CFR 24.218 WINES (Gallons)							
ITEMS	VERMOUTH (a)	OTHER SPECIAL NATURAL WINES				TOTAL (cols. a, b, c, d and e) (f)	27 CFR 24.218 WINES (g)
		NOT OVER 14 PERCENT ALCOHOL (b)	OVER 14 TO 21 PERCENT ALCOHOL (c)	ARTIFICIALLY CARBONATED (d)	SPARKLING (e)		
1. PRODUCED							
2. TAXABLE REMOVALS							
3. ON HAND END OF PERIOD							

PART X - REMARKS

Under penalties of perjury I declare that I have examined this report, including the documents submitted in support thereof, and to the best of my knowledge and belief, it is true, correct, and complete.

PROPRIETOR (Operating Name of Wine Premises) BY (Signature and Title) (Signer must have Power of Attorney on file with TTB) DATE

## Explanation of Entries on Sample "Report of Wine Premises Operations"

### Section A – Bulk Wine

#### Line:

- 1) These figures were carried forward from Line 31 of previous report.
- 2) Winemaker moved 22,600 total gallons grape wine from primary fermentation, racked, treated with bentonite, and placed in storage tanks, and 1,200 gallons of hard cider. This wine is declared "Produced."  
  
(Note reverse, Part VII: 18,700 gallons (estimate) is still in fermentation at the end of October. Part IV shows 200 gallons apple concentrate received and used in production.)
- 4) 325 gallons 14-21% alcohol port produced by wine spirits addition. The amount shown as "produced" in Column (b) Line 4 is equal to the amount "used" for wine spirits addition in Column (a) Line 19 and Part III, Column (a) Line 5 on the reverse of the report (35 gallons of 140 proof wine spirits = 25 wine gallons).
- 5) This winery produced 230 gallons of Angelica by blending 115 gallons of dry white wine with 115 gallons of higher alcohol wine. For purposes of the report, "blending" means blending of tax classes. Notice the components equal the whole.
- 7) Winery received a shipment of 600 gallons of wine in bond from another winery, without payment of tax.
- 8) Winemaker discovered that some bottled wine is undergoing secondary fermentation. Some of this wine was returned from the trade as unmerchantable (25 cases) and the balance never left the winery (95 cases). He dumped the entire 120 cases back to bulk. These entries are necessary because the volume of bulk wine is increased, and the volume of cased goods is decreased. (120 cases X 2.37753 = 285.3 gallons)
- 12) This figure is the total of lines 1 through 11, the total quantity to be accounted for in bulk, and it agrees with the figure on line 32.
- 13) Winery bottled 1,000 cases of 750 ml during the period. Entry is the same for Section B, Line 2.
- 20) This winery produced 230 gallons of Angelica by blending 115 gallons of dry white wine with 115 gallons of higher alcohol wine. For purposes of the report, "blending" means blending of tax classes. Notice the components equal the whole.

31) Book figure, obtained by subtracting total of lines 13 through 30 from line 12.

32) This figure is the total of lines 13 through 31, the total quantity accounted for, and it agrees with the figure on line 12.

### **Section B - Bottled Wines**

#### Line:

1) These figures were carried forward from Section B, Line 20 of the previous report.

4) Winery returned 25 cases of wine to bond after it was returned from a wholesaler as unmerchantable because of instability.

7) This figure is the total of lines 1 through 6, the total quantity to be accounted for in bottled wine, and it agrees with the figure on line 21.

8) Winery taxably removed 500 cases of dry wine for sale; 450 cases went to a wholesaler and 50 cases went to the taxpaid area at the winery. They also taxpaid 2 cases of Port.

11) Represents 3 cases of wine consumed in the tasting room. This wine is not taxable because it was used for tasting on the bonded premises.

12) Winery exported 50 cases of wine. Figure agrees with Forms 5100.11 for the period.

20) Book figure obtained by subtracting total of lines 8 through 20. This figure is the total bottled wine accounted for, and agrees with Line 7.

21) This figure is the total of lines 8 through 20, the total bottled wine accounted for, and agrees with the figure on line 7.

### **Part IV – Summary of Materials Received and Used**

Winery received 250 tons of grapes during the month and used them all for production of wine. Line 2 shows receipt of 500,000 pounds, and line 5 shows its use in wine production. Note also that 4 and line 10 agree.

Winery received 200 gallons of apple concentrate which was used for the production of hard cider.

### **Part VII – In Fermenters End of Period**

An estimated 18,700 gallons of materials remain in fermenters at the end of the period.



DEPARTMENT OF THE TREASURY  
Alcohol and Tobacco Tax and Trade  
Bureau

**Industry Circular**

Number: 2004-4  
Date: September 21, 2004

**Guidelines for Submitting Operational Reports**

**To: Distilled Spirits Plants, Wineries, Breweries, Specially Denatured Spirits Users, Alcohol Fuel Plants, and Tobacco Manufacturers**

**What is the purpose of this industry circular?**

This circular announces that the Alcohol and Tobacco Tax and Trade Bureau (TTB) is implementing new guidelines for the submission of operational reports by regulated industry members. TTB is taking this action to ensure the consistency of the format of the data reported. TTB also is rescinding all existing approved alternate versions of these reports and is providing guidelines describing the requirements for new alternate versions submitted for its consideration. In addition, this circular announces new requirements for filing amended operational reports with TTB in any format.

**What operational report forms are affected by this announcement?**

Distilled Spirits Reports:

Monthly Report of Storage Operations .....	TTB F 5110.11
Monthly Report of Processing Operations .....	TTB F 5110.28
Monthly Report of Production Operations .....	TTB F 5110.40
Monthly Report of Processing (Denaturing) Operations .....	TTB F 5110.43
User's Report of Denatured Spirits.....	TTB F 5150.18
Alcohol Fuel Producers Report .....	TTB F 5110.75

Wine Reports:

Report of Wine Premises Operations .....	TTB F 5120.17
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Beer Reports:

Brewer's Reports of Operations .....	TTB F 5130.9
Brewpub Report of Operations.....	TTB F 5130.26

Tobacco Reports:

Monthly Report - Export Warehouse Proprietor .....	TTB F 5220.4
Monthly Report - Tobacco Products Importer.....	TTB F 5220.6
Monthly Report - Manufacturer of Tobacco Products.....	TTB F 5210.5

**Why are these new guidelines being implemented?**

TTB is now using a new computer system, the Integrated Revenue Information System

TTB Wine Industry Seminar ~ California Field Office (Trade Investigations) ~ 2007

(IRIS), which requires that periodic operational report forms comply with the guidelines listed below. Federal regulations provide for TTB to approve alternate methods or procedures where an industry member demonstrates that the alternate provides equivalent protection to the revenue and is not contrary to law. In the past, numerous industry members have requested endorsement of alternate methods for preparing periodic operational reports. These approved alternative versions of the operational report forms often included deleted or added lines and columns or other significant changes to the format of the reports. Many of these changes have created data entry problems, the need for many manual corrections of errors, and explanation of vague entries. As TTB works to minimize data entry problems, greater format consistency for the data provided by industry members is required.

**Previously, I obtained TTB's approval to use an alternate version of an operational report form. May I continue to use my alternate version of the report form?**

No; we are rescinding all earlier approvals of alternate method requests to use modified operational report forms since many of the modified forms are not compatible with the new IRIS computer system and have created an administrative burden for our agency.

**May I obtain TTB's approval to use a new alternate version of an operational report form, or approval to continue using the alternate version I use now?**

Yes; you may obtain our approval of an alternate method that allows for the use of a modified operational report form. However, for consistency and accuracy of data transcription, any modified report form you submit must present the required information exactly as shown on the official form (i.e. columns and rows must be arranged exactly as they are on the official form). Most of the requests we receive to use a modified form are for approval to generate reports from an automated database or spreadsheet program. Such printouts also must match the official TTB forms or we will not approve the request.

**What TTB guidelines for the preparation of periodic operational report forms does this circular announce?**

- (1) You must use the actual TTB operational report forms or a modified form approved by TTB that matches the format of the actual TTB form. You may not change any of the column headings or row titles on the official TTB forms, and you cannot insert additional lines or columns. If you have something different to report, you must use the appropriate "other" lines on the form.
- (2) All reports must contain the reporting period month and year, registry number, name, and address of your premises exactly as they appear on your approved permit/notice. Also, please enter your Employer Identification Number (EIN) on the report.
- (3) If you need to file an amended report, you must complete all lines on the amended operational report form. You must fill in each applicable line on the new, amended form even if you are not amending that particular line from the original report.
- (4) You must complete all "Total" lines.

- (5) You may not use negative figures in any block.
- (6) All "on hand beginning of period" figures must match the prior reporting period's "on hand end of period" figures.
- (7) The individual signing the report must have signing authority or a Power of Attorney on file with TTB's National Revenue Center.

**Is there another method available to me for filing operational reports?**

Yes; TTB has recently implemented the TTB Pay.gov Program (<http://www.ttb.gov/epayment/epayment.shtml>), which provides for online electronic submission of operational reports, tax returns, and payments. This method eliminates the need for paper submissions and allows for a more accurate, timely, and cost efficient submission by industry members and processing of the data by TTB

**Who can answer my questions about filing operational reports?**

If you have questions about filing your operational report forms, you may contact us via e-mail at [ttbquestions@ttb.gov](mailto:ttbquestions@ttb.gov), or by telephone at 1-877-882-3277. You may also write to the National Revenue Center at 550 Main Street, Suite 8002, Cincinnati, OH 45202.



**Arthur J. Libertucci**  
**Administrator**  
**Alcohol and Tobacco Tax and Trade Bureau**

# Notes





DEPARTMENT OF THE TREASURY  
Alcohol and Tobacco Tax and  
Trade Bureau

***Industry Circular***

Number: 2004-2  
Date: August 4, 2004

**Using Pay.gov To Submit Alcohol and Tobacco Excise Tax Returns, Tax Payments, and Operational Reports**

**To: Distilled Spirits Plants, Breweries, Wineries, Tobacco Manufacturers, and Others in the Alcohol and Tobacco Production and Storage Industries.**

***What is the purpose of this circular?***

In this circular, the Alcohol and Tobacco Tax and Trade Bureau (TTB) announces that alcohol and tobacco industry members may now electronically file Federal excise tax returns and payments through the Financial Management Service's (FMS) "Pay.gov" system. Industry members may also file certain industry operational reports through the Pay.gov system using electronic forms and signatures as described in Title 27 CFR, Part 73, Electronic Signatures; Electronic Submission of Forms.

***What forms can you file through the Pay.gov system?***

Through Pay.gov you can electronically create and submit the following forms:

1. TTB F 5000.24, Excise Tax Return (Alcohol and Tobacco) and payments;
2. TTB F 5210.5, Report—Manufacturer of Tobacco Products or Cigarette Papers and Tubes;
3. TTB F 5130.9, Brewer's Report of Operations;
4. TTB F 5130.26, Brewpub Report of Operations;
5. TTB F 5120.17, Report of Wine Premises Operations; and
6. TTB F 5110.11, Monthly Report of Storage Operations.

In the future, we will make operational reports for other regulated industries available through the Pay.gov system.

***How will the Pay.gov system accept payments?***

Pay.gov users will submit payments electronically to the Federal Reserve Bank via the automated clearinghouse (ACH) and the Federal Reserve's Fedwire funds transfer system (Fedwire).

ACH is an electronic payments network that enables the processing of debit and credit payments between financial institutions. Users input transactions into the Pay.gov system using account number and routing number information.

Fedwire is a high-speed, real-time electronic funds transfer payment mechanism that links commercial banks with the Federal Reserve Bank. With Fedwire, you ask your bank to send the payment (it is sent by a data transfer) to the appropriate Federal Reserve Bank.

For more information, please see the Federal Reserve Payment Systems Web site at <http://www.federalreserve.gov/paymentsys.htm> and TTB Procedure 91-1, Payment of

**How can I be assured that my Pay.gov excise tax payment is received to avoid penalties and interest for late filing and payment?**

Your Pay.gov payment must be received by the established due date outlined in the following Alcohol and Tobacco Due Dates chart:

**Semi-monthly Tax Return & Payment Due Dates for 2004**

Period	2004 Return Period	Due Date
1	January 1-15	January 29
2	January 16-31	February 13
3	February 1-15	February 27
4	February 16-29	March 12
5	March 1-15	March 29
6	March 16-31	April 14
7	April 1-15	April 28
8	April 16-30	May 13
9	May 1-15	May 27
10	May 16-31	June 11
11	June 1-15	June 25
12	June 16-30	July 14
13	July 1-15	July 29
14	July 16-31	August 13
15	August 1-15	August 27
16	August 16-31	September 14
17	September 1-15	September 29
18	September 16-25	September 28 - Non-EFT*
18	September 16-26	September 29 - EFT*
19	September 26-30	October 14 - Non EFT*

**See Current Year's  
Excise Tax Return Calendar  
on [www.ttb.gov](http://www.ttb.gov)**

19	September 27-30	October 14 - EFT*
20	October 1-15	October 29
21	October 16-31	November 12

22	November 1 -15	November 29
23	November 16-30	December 14
24	December 1-15	December 29
25	December 16-31	January 14, 2005

Please Note: The above chart takes all Federal holidays into account. Under the law, State legal holidays in the State where we require you to send your excise tax payments may affect the above due dates. State legal holidays in the State where your business is headquartered DO NOT change the above due dates.

1. *For Non-EFT payers:* In the event that the due date indicated in this schedule falls on a legal State holiday in the State where we require you to make your excise tax payments, the due date is the immediately preceding date that is not a Saturday, Sunday, or legal holiday.
2. *For EFT payers:* New York State legal holidays do not advance the due date of EFT tax returns and payments as long as the Federal Reserve Bank of New York City remains open and accepts electronic fund transfer payments. If the Federal Reserve Bank of New York City is closed in observance of a New York State holiday, your EFT tax return and payment are due the preceding day the Federal Reserve Bank of New York City is open.

\* Tax return periods listed for the last half of September are the result of the Uruguay Round Agreements Act, which was effective January 1, 1995. The law changed the tax return due dates for both electronic fund transfer taxpayers (EFT) and those who pay by check or money order (Non-EFT) for the month of September. Please refer to Industry Circular No. 95-4, dated July 21, 1995, for additional information.

You must submit your return and payment through Pay.gov no later than 4:00 p.m. Eastern Time one business day prior to the due date. Payment is considered received the date funds are withdrawn from your bank account, not from the date of your Pay.gov submission.

For additional information please refer to page 9 of the Pay.gov User Guide located at: [http://www.ttb.gov/epayment/excise\\_tax\\_guide.pdf](http://www.ttb.gov/epayment/excise_tax_guide.pdf).

***How do I begin using the Pay.gov system?***

You will need to obtain a User ID and password by filling out the Pay.gov User Agreement at [http://www.ttb.gov/epayment/user\\_agreement.pdf](http://www.ttb.gov/epayment/user_agreement.pdf). Print out the completed form and mail it to:

Alcohol and Tobacco Tax and Trade Bureau  
Attn: Pay.gov  
550 Main Street - Room 8002  
Cincinnati, OH 45202

We will verify the User Agreement to ensure you have either "Signature Authority" or "Power of Attorney" for the company. Then we will issue you a User ID via e-mail. Shortly after you receive your User ID, the system administrator will telephone you with your initial password. With your ID and password, you then connect via the TTB

web site at <http://www.ttb.gov/epayment/epayment.shtml>.

For assistance in completing the User Agreement or questions about Pay.gov, please contact us. You can access the system via the TTB web site at <http://www.ttb.gov/epayment/epayment.shtml>. You may also obtain information and help at these addresses:

By mail: Alcohol and Tobacco Tax and Trade Bureau  
Attn: Pay.gov  
550 Main Street - Room 8002  
Cincinnati, OH 45202

By Telephone: 1-877-TTB-FAQS (882-3277).

By e-mail: [Pay.gov@ttb.treas.gov](mailto:Pay.gov@ttb.treas.gov).



*Arthur J. Libertucci*

**Arthur J. Libertucci**  
**Administrator**  
**Alcohol and Tobacco Tax and Trade Bureau**

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)

EFFECTIVE DATE

Pay.gov User Agreement

The following constitutes the full understanding and agreement between the Alcohol and Tobacco Tax and Trade Bureau (TTB) and \_\_\_\_\_ (a person from a User Company that deals with the Alcohol and Tobacco Tax and Trade Bureau) with regard to the Pay.gov system. This system is subject to the following conditions.

1. **User Account(s) and Access:** Upon receipt of an approved agreement, the system administrator will provide a unique username to the user via email. The system administrator will also contact the user via telephone with a password that the user will be required to reset upon his/her first access of the system. With respect to the username, the following conditions apply:
  - a. The user is solely responsible for the security and proper use of his/her username and password and must take all necessary steps to ensure the password is kept confidential and secure, is used properly, and is not disclosed to anyone.
  - b. The user and the stated User Company agree to indemnify and hold harmless and hereby waive all potential claims for damages against the Department of Treasury and its constituent units arising from any conduct by the user, the stated User Company, and its employees or agents that results in or constitutes a breach of password security or unauthorized use of the Pay.gov system.
  - c. The user and the user company agree to request revocation of the Pay.gov user ID when the user no longer has Signature Authority or Power of Attorney for the User Company.
  - d. If the user or system administrator identifies that the password security has potentially been breached, they will inform each other and the system administrator will reset the password for that account and provide the new password to the user via telephone before the next tax payment due date.
  - e. The user agrees he/she will use the system solely for submitting information for the stated User Company.
  - f. Regardless of whether the user and the User Company have actual control over the acts of third parties, they agree that they have the last clear chance to avoid breach of password security for the username and agree to indemnify and hold TTB harmless for any such breach.
2. **Network Connection(s):** The user agrees that he/she will be responsible for providing, maintaining, and supporting a connection to the Pay.gov system via the Internet. The system administrator will be responsible for providing, maintaining, and supporting the Pay.gov system and its connection to the Internet.
3. **System Monitoring:** The user and the User Company acknowledge that the Pay.gov system is a government computer system and consents to monitoring of the system for security, system maintenance, tax administration, law enforcement, and any other purpose authorized by law.
4. **System Outage:** In the event that the user cannot access the Pay.gov System, he/she will immediately notify the system administrator to report the problem. The user and the User Company also acknowledge they are still expected to submit payments when due even if the Pay.gov system is not available.
5. **Electronic payment of taxes due:** The user and the User Company consent to the use of Automated Electronic Payments from the bank account(s) specified in the Pay.gov system for the amount(s) calculated by Pay.gov from the data entered.
6. **Confidentiality of returns and return information:** Section 6103, Title 26, United States Code prohibits the disclosure of tax return(s) or return information (as defined in Section 6103) except in specifically proscribed circumstances and provides civil and criminal penalties for the unlawful disclosure of such information. However, Section 6103 (c) permits the disclosure of return information to a designee of the taxpayer upon the taxpayer's request. The user and the User Company consent that this Agreement constitutes a request for disclosure to the User Company's designee(s) under Section 6103 (c). Further, the User Company agrees that accessing the Pay.gov system by means of the assigned username constitutes an affirmative waiver of all claims under Section 6103, Title 26 United States Code with respect to any return information transmitted during the online access session.
7. **Penalties and interest:** TTB agrees to waive penalties assessed due to failure to timely pay taxes due, where a system failure or downtime caused the delay in submission and the delay or failure to pay is not caused by error or negligence of the User Company. This limited waiver applies only to penalties for failure to pay (Section 6651 (a) (2), Title 26 United States Code), or failure to deposit (Section 6656, Title 26 United States Code), when it has been reasonably demonstrated by the User Company, to the satisfaction of TTB, that the failure to pay was caused by the downtime or failure of the Pay.gov system and not by actions of the User Company. Notwithstanding the above, the User Company understands and acknowledges that TTB lacks any legal authority to waive or compromise interest due on late or insufficient tax payments.
8. **Termination of Agreement:** TTB, the user, and the User Company agree that this User Agreement applies only to the Pay.gov system. Periodic enhancements, improvements, and changes to the Pay.gov system will not impact this agreement. Further, the user, the User Company, and TTB agree that this agreement may be terminated at any time for any reason upon written notice.
9. **Separation of conditions:** If any provision of this Agreement is held to be invalid or unenforceable for any reason whatsoever, the remaining provisions shall remain valid and unimpaired, and shall continue in full force and effect.
10. **Agreement:** This agreement supersedes any and all other agreements, whether oral or written, between TTB, the user, and the User Company with respect to the matters stated herein, and this agreement contains all of the covenants and agreements between the parties with respect thereto. This agreement may be amended or modified only in writing and shall be effective only after affixation of the signatures of both parties' representatives.

USER INFORMATION:

NAME \_\_\_\_\_

SIGNATURE \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

For Alcohol and Tobacco Companies:

I HAVE:

SIGNATURE AUTHORITY

POWER OF ATTORNEY TO SUBMIT EXCISE TAX

BLANKET POWER OF ATTORNEY

POWER OF ATTORNEY TO SUBMIT OPERATIONAL REPORTS

COMPANY NAME

TAXPAYER IDENTIFICATION NUMBER

PERMIT / REGISTRY NUMBER(S)

ADDRESS

PERMIT / REGISTRY NUMBER(S)

ADDRESS

COMPANY NAME

TAXPAYER IDENTIFICATION NUMBER

PERMIT / REGISTRY NUMBER(S)

ADDRESS

PERMIT / REGISTRY NUMBER(S)

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(Please use as many copies of this page as necessary.)

TTB F 5000.31 (5/2005)

Definitions:

1. Agreement: This written agreement between TTB and the User.
2. Automated Electronic Payments: A Payment by electronic funds transfer using the Automated Clearing House payment system.
3. Internal Revenue Code: Title 26 United States Code
4. Internet: The global computer network comprising interconnected networks using standard protocols.
5. Password: The verification used by the Pay.gov system to permit access by an identified username.
6. Pay.gov: The government's electronic payment system running on a computer connected to the Internet to process and submit forms.
7. System Access Request Form: A form prescribed by TTB for gathering personal identification data with regard to each individual authorized to act on behalf of the User Company in the use of the Pay.gov System.
8. Username: The identification used to determine authorization, authority, and privileges for use of the Pay.gov system by the individual to whom access permission has been granted.
9. User: Person with Signature authority who will enter data into the Pay.gov system for a User Company. Note: Users may enter data for multiple User Companies.
10. User Company: Entity that has dealings with the Alcohol and Tobacco Tax and Trade Bureau.

----- TT B USE ONLY -----

TTB Official(s) Approval

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
NAME

\_\_\_\_\_  
Director, National Revenue Center

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
NAME

\_\_\_\_\_  
Branch Chief, National Revenue Center

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

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**PAPERWORK REDUCTION ACT NOTICE**

This request is in accordance with the Paperwork Reduction Act of 1995. We use this information collection to identify, validate, approve, and register qualified users to allow for submission of electronic forms using the Pay.gov System. The information we request is voluntary but is required for enrollment in this program.

We estimate the average burden associated with this collection of information is 5 minutes per respondent or recordkeeper, depending on your individual circumstances. Address your comments concerning the accuracy of this burden estimate and suggestions to reduce this burden to Reports Management Officer, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, Washington, DC 20220.

An agency may not conduct or sponsor, and an individual is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

**PRIVACY ACT STATEMENT**

We provide this information to comply with Section 3 of the Privacy Act of 1974 (5 U.S.C. 552(a)(e)(3)).

We request this information under the authority of 27 CFR Chapter 1 Part 73 Subpart C, and 26 U.S.C.- 6011, 6061, and 7502. The information requested is used to identify, validate, approve, and register qualified users to allow for submission of electronic forms using the Pay.gov System.

We use this information to make determinations for the purposes described in paragraph 2. Also we may disclose the information to other Federal, State, foreign, and local law enforcement and regulatory agency personnel to verify information on the form where law does not prohibit such disclosure. We may disclose the information to the Justice Department if it appears that the furnishing of false information may constitute a violation of Federal law. Finally, we may disclose the information to members of the public in order to verify information on the form where law does not prohibit such disclosure.

If you fail to supply complete information, there will be a delay in our approval of your participation in this program.

TTB F 5000.31 (5/2005)

## How to Begin Using the Pay.gov System:

**Step 1:** You will need to obtain a User ID and password by filling out the Pay.gov User Agreement at:

[http://ttb.gov/epayment/user\\_agreement.pdf](http://ttb.gov/epayment/user_agreement.pdf)

**Step 2:** Mail the completed form to:

Alcohol and Tobacco Tax and Trade Bureau  
Attention: Pay.gov  
550 Main Street, Room 8002  
Cincinnati, OH 45202

**Step 3:** TTB will verify that you have "signature authority" or "Power of Attorney" and issue you a User ID via e-mail. Shortly after you receive your User ID, the system administrator will contact you with your initial password. With your User ID and password, you then connect via the TTB website at:

<http://www.ttb.gov/epayment/epayment.shtml>

### If you need help:

For assistance in completing the User Agreement, or if you have questions about Pay.gov, please contact us:

**By mail:** Alcohol and Tobacco Tax and Trade Bureau  
Attention: Pay.gov  
550 Main Street, Rom 8002  
Cincinnati, OH 45202

**By telephone:** 1-877-TTB-FAQS (1-877-882-3277)

**By e-mail:** [Pay.gov@ttb.gov](mailto:Pay.gov@ttb.gov)

## What Can I Find on TTB'S Website?

**[www.ttb.gov](http://www.ttb.gov)**

Contact phone numbers and e-mail address for TTB offices

Information about issues affecting the wine industry (Bioterrorism Act, Voluntary Disclosure Program, Allergens Law, etc.)

Registration procedures and use instructions for "Pay.Gov" and "COLAs OnLine"

United States Code (Federal Law) and Code of Federal Regulations

Treasury Decisions, Final Rules, Procedures, Industry Circulars, "Frequently Asked Questions" Articles

Notices of Proposed Rulemaking (NPRM)

All TTB forms

A list of all wine producers, distillers, importers and wholesalers

Notices of TTB-sponsored seminars

Industry Statistics

*...and much more.*

# Notes

