



TTB Regulations: What You Need to Know About Federal Registration and Requirements

**Vickie Brennan, Investigator
Field Operations – Trade Investigations Division
Alcohol & Tobacco Tax & Trade Bureau (TTB)**



The information in this power point is meant to supplement today's presentation. It is not intended to establish any new, or change any existing, definitions, interpretations, standards, or procedures regarding those laws and regulations. In addition, this presentation may be made obsolete by changes in laws and regulations. Please consult the applicable laws and regulations for the most current requirements.

Alcohol & Tobacco Tax & Trade Bureau (TTB)

- **Created by the Homeland Security Act of 2002, effective January 24, 2003**
- **TTB remains in Treasury Department**
 - Five District Field Offices nationwide, plus Washington DC Headquarters and Cincinnati, Ohio National Revenue Center
- **ATF moved to Justice Department**



TTB's Primary Responsibilities

- **Qualification** of Producers/Importers/Distributors of Alcohol and Tobacco Products through issuance of required permits
- **Collection** of Excise Taxes related to Alcohol, Tobacco and Firearms and Ammunition
- **Ensure Compliance** with Laws and Regulations through:
 - *Revenue Investigations and Audits (Protect the Revenue)*
 - *Product Integrity Investigations (Protect the Consumer)*
 - *Trade Practice Investigations*



Laws and Regulations

➤ Internal Revenue Code: 26 U.S.C.

- *27 CFR Part 19 – Distilled Spirits Regulations*
- *27 CFR Part 24 – Wine Regulations*
- *27 CFR Part 25 – Beer Regulations*

➤ Federal Alcohol Administration Act: 27 U.S.C.

- *27 CFR Part 1 – Permits*
- *27 CFR Part 4 – Labeling & Advertising of Wine*
- *27 CFR Part 5 – Labeling & Advertising of Distilled Spirits*
- *27 CFR Part 7 – Labeling & Advertising of Malt Beverages*



Laws and Regulations

(Continued)

➤ **Alcoholic Beverage Labeling Act (ABLA):**

- *27 U.S.C. 213 - 219a*
- *Implementing regulations 27 CFR part 16*
- *Requires health warning statement*
- *Applies to all alcoholic beverages (including cider and perry products) with 0.5% alcohol by volume or more-- even to products that are not subject to FAA Act labeling requirements!*



Types of Federal Permits

- **Alcohol Producers and Manufacturers**
 - *Qualification of a Brewery*
 - *Distilled Spirits Plant (DSP)*
 - *Bonded Winery, Bonded Wine Cellar, Taxpaid Wine Bottling House*
- **Alcohol Importers and Wholesalers (Exporters)**
- **Alcohol Users and Dealers**
 - *Specially Denatured Alcohol and Tax Free Alcohol Users*
- **Tobacco Manufacturers, Importers and Exporters**



Qualification of a Brewery

(What to Expect)

- Visit TTB's website, [TTB.gov](https://www.ttb.gov) for information relating to starting a business
- Apply for approval electronically through Permits Online
- **Must have suitable premises** – *Provide description and diagram*
- **Must provide a surety or cash bond** – *If annual (calendar year) tax liability is anticipated to be \$50,000 or more*



Qualification of a Brewery

(What to Expect)

- Application assigned to a specialist who will contact you if additional information is needed to process the application
- Application may be referred to a TTB investigator to conduct a field investigation prior to approving the brewer's notice



You're Approved!!! Now What???

RECORDS?!?!
27 CFR 25.291-25.301

Label Approval? - oh yeah...

Formula
Approval?
Better Check!!!

(More?) Paperwork

Alcohol Tests...

Taxes\$\$\$ (Really?)

Reports? You bet!!! **Tax Return - Yeah! 😊**

27 CFR 25.297

<https://www.ttb.gov/business-central/requirements-breweries.shtml>



Records, Reports, Returns

27 CFR 25 – Beer
Subpart K – Tax on Beer
Subpart U – Records and Reports

Brewers are required to maintain some type of record keeping system which captures information about operations that occur throughout brewery:

Daily Records, i.e.

Materials received and used
Beer produced by fermentation
Beer transferred to/from racking
Beer lost due to breakage, theft, etc.

Beer bottled or racked
Beer transferred to/from bottling
Beer removed for consumption or sale
Beer destroyed

Summary Records

These records summarize daily records and activities
In the simplest terms, this can be a spreadsheet summarizing information from source documents such as invoices



Records, Reports, Returns

(Continued)

A full inventory must be taken at least once each month, within 7 days of end of month

- Must show:
- Date
- Quantity
- Losses, gains, shortages
- Signature under penalty of perjury by person who took it
- Retain inventory record at the premises and make available for inspection by TTB

All records must be:

Kept for 3 years from last required entry, unless we request that you keep them for 3 additional years

Stored on brewery premises and made available to TTB during business hours



Records, Reports, Returns

(Continued)

Brewer's are required to file:

Brewer's Report of Operations, Form TTB F 5130.9 – Must be used for all Breweries that have more than \$50,000.00 in tax liability in a calendar year. These forms must be filed on a monthly basis.

Quarterly Brewer's Report of Operations, Form TTB F 5130.26 – Must be used by Brewers with a tax liability up to \$50,000.00 in a calendar year and must be filed quarterly.

Reports of Operation are to be filed on or before 15th day following the end of the reporting period.



Federal Excise Tax Rates and Due Dates

27 CFR 25.151-25.169

Tax Cuts and Jobs Act of 2017
Craft Beverage Modernization and Tax Reform

Effective ONLY during Calendar Years 2018 and 2019

- **\$16 per beer barrel (31 gallons) on first 6,000,000 barrels brewed by the brewer and removed during the calendar year.**
- **\$3.50 per barrel on the first 60,000 barrels produced by the brewer and removed during the calendar year (*for brewer who produces 2,000,000 barrels or less per calendar year*), then \$16 per barrel**



Federal Excise Tax Rates and Due Dates

27 CFR 25.151-25.169

Applies to Calendar Years 2017 and earlier

- **\$18 per beer barrel (31 gallons)**
- **\$7 per barrel on the first 60,000 barrels** (*for brewer who produces 2,000,000 barrels or less per calendar year*), then **\$18 per barrel**



Federal Excise Tax Rates and Due Dates

27 CFR 25.151-25.169

Excise Tax Return, form TTB F 5000.24 must be filed:

Semi-Monthly: If annual tax liability exceeds \$50,000.00 in a calendar year;

Quarterly: May choose to use a quarterly return period if tax liability does not exceed \$50,000.00 in a calendar year;

Annual: A Brewer who reasonably expects to be liable for not more than \$1,000 in taxes in a calendar year, and was liable for not more than \$1,000 in the preceding calendar year, may choose to use an annual return period.



Federal Excise Tax Rates and Due Dates

27 CFR 25.151-25.169

Excise Tax Return, form TTB F 5000.24

Excise Tax Return with remittance of tax is generally due 14 days following the end of a semi-monthly, quarterly, or annual tax period. Note: If annual tax period is chosen, Reports of Operation are still due monthly or quarterly.

'Zero' Returns must be filed for each period even if no beer was removed for consumption or sale during the return period.

The 31-gallon barrel is standard unit for beer excise tax purposes

<https://www.ttb.gov/business-central/requirements-breweries.shtml>



Labeling Requirements and Approval

27 CFR 25.141-25.142

TTB regulations require brewers to mark barrels, kegs, bottles, and cases with specific information.

When shipping or selling in interstate or foreign commerce, and when shipping to or selling in a state which has adopted the labeling requirements of 27 CFR Part 7, the product label must be approved prior to bottling and removal from the plant where bottled or packed

- *Form 5100.31 – Certificate of Label Approval*
- *May be **filed electronically** through [COLAs Online](#)*



Formula Approval

27 CFR 25.55-25.58

Formulas are required *prior to production* for any non-traditional processing, filtration, or other method of manufacture of beer, ale, porter, stout, lager, or malt liquor.

Example: flavored products, products with added coloring, fruit, spices, etc.

TTB Ruling 2015-1 provides a list of certain products that are exempt from formula approval due to the use of certain ingredients and/or processes.

<https://www.ttb.gov/rulings/ttb-ruling-2015-1-malt-beverage-formulas.pdf>



Types of TTB Investigations

- **Product Integrity (Consumer Protection):** *Label, Advertising, and Formula Compliance; Standards of Identity*
- **Revenue (Tax Compliance):** *Excise Tax Liabilities and Payments; Premises Suitability; Production Standards*
- **Trade Practice:** *Level Playing Field; No Unfair Advantage for any Industry Member or Group*



What Do We Look For?

- **Product Integrity (Consumer Protection):** *Required Records; Supporting Documentation for Label Claims; Standards of Identity*
- **Revenue (Tax Compliance):** *Required Records; Supporting Documentation for Excise Tax Return Information and Payments; Timely Filing of Reports and Returns; Security of Premises; Bond Coverage*
- **Trade Practice:** *Influence over Industry Members through Tied-House, Exclusive Outlet, Commercial Bribery, Consignment Sales*



Contact Information & Resources

Website: TTB.gov

➤ **For Permit Applications and Tax Filings:**

National Revenue Center

Alcohol and Tobacco Tax and Trade Bureau

National Revenue Center

550 Main Street, Suite 8002

Cincinnati, OH 45202

Customer Service Desk: 877-882-3277

(8 a.m. – 5 p.m. EST)

Contact Us: <https://www.ttb.gov/about/contact.shtml>

➤ **Alcohol Labeling and Formulation Division:**

Alcohol and Tobacco Tax and Trade Bureau

Alcohol Labeling and Formulation Division

1310 G Street, NW, Box 12

Washington, DC 20005

Customer Service Desk: 866-927-2533 or 202-453-2250

(8 a.m. – 5 p.m. EST)

Contact Us: <https://www.ttb.gov/about/contact.shtml>

To file Reports and Returns Online, please visit

https://www.ttb.gov/epayment/enrolling_instructions.shtml

To receive TTB Newsletter or email alerts for public information:

<https://www.ttb.gov/news/gov-delivery.shtml>



Contact the Alcohol and Tobacco Tax and Trade Bureau (TTB)

Questions? If you have general questions relating to our policies, programs, regulated commodities, or procedures, please visit [Frequently Asked Questions](#). See the **Commodity Experts** links below and other information for direct contacts.

TTB Commodity Experts

- [Contact a Distilled Spirits Expert](#)
- [Contact a Wine Expert](#)
- [Contact a Firearms and Ammunition Excise Tax Expert](#)
- [Contact a Beer Expert](#)
- [Contact Other \(Non-Beverage\) Alcohol Expert](#)
- [Contact a Tobacco Expert](#)

[Back to Top](#)

Popular Topics Contacts

- [Permit Application, Bonds, Forms, and Taxes](#)
- [Submitting Excise Tax Payments by Mail](#)
- [TTBOnline Applications](#)
- [Advertising, Label and Formulas Approval](#)
- [State Alcohol Beverage Control Boards](#)
- [Trade Investigations](#)
- [Laws, Regulations, and Public Guidance](#)
- [Importing/Exporting](#)
- [TTB Laboratory Services and Chemist Certification](#)
- [About TTB](#)

[Back to Top](#)

General Contacts

- [Contracting Opportunities](#)
- [Contact TTB by Mail](#)
- [Press Inquiries](#)
- [TTB Tip Line](#)
- [TTB Online Help Center](#)
- [Find a TTB Field Office](#)

Related Information

- [About TTB](#)
- [Meet the Administrator](#)
- [TTB Plans and Reports](#)
- [News and Events](#)
- [Submit Feedback](#)
- [Contact Us by Mail](#)

Tools & Guides

- [Getting Started in a TTB-Regulated Industry](#)
- [Maintaining Compliance in a TTB-Regulated Business](#)
- [Laws, Regulations, and Public Guidance](#)
- [TTB Glossary](#)

<https://www.ttb.gov/about/contact.shtml>





A proud past....A focused future

Thank you!



Vickie Brennan

(513) 684-2473

Email: vickie.brennan@ttb.gov

