



FIVE x 5
SOLUTIONS

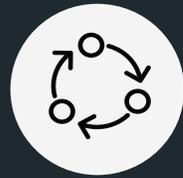


Distilled Spirits Tax and Reporting Workshop

What We'll Cover



27 CFR



TTB-defined
Distilled Spirits
Plant Accounts



Record
Keeping



Reporting



Federal Excise



Bourbon
Whiskey
Walkthrough

27 CFR: Code of Federal Regulations



- 27 CFR Describes:
 - Allowable Operations for Distilled Spirits Plants
 - Required Records and Reports
 - Rules and Guidelines for handling and Bottling of Distilled Spirits
- Each TTBAgent has the power to interpret the CFR as they see fit
 - Your best resource is an agent – trust us!
- Can be viewed at [eCFR.gov](https://www.ecfr.gov)
- State and Local Laws do *not* supersede Federal Regulations

Records and Reporting



- Any newly qualified DSP must begin filing returns and reports immediately – even if you are just filing zeroes!
- Periodic Federal Excise Returns
- Monthly Reports of Operations (see Basic Permit)
- Daily Records
- Batch Records
- Gauge Records
- Physical Inventory Records
- And so much more! ([*CFR Part 19, Subpart V - Records and Reports*](#))

Why So Many Records and Reports?



- Allow TTB to trace and track manufactured spirits from grain/source to bottle
- Daily Records used to support and verify monthly Reports
- Ability to clearly establish identity of spirits and back-up certain claims or statements (origin/age)
- FDA traceability mechanism in case of recall
- The TTB has a dual mandate: Protect the Revenue (Federal Excise Tax) and Protect the Consumer (from misleading labels or products).

PRODUCTION

RAW MATERIALS



MASH/COOK



FERMENTATION



DISTILLATION



BULK PRODUCTION SPIRIT

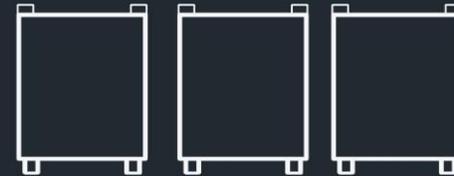


STORAGE

BULK SPIRIT:
TRANSFERS IN
BOND



BULK STORAGE
SPIRIT

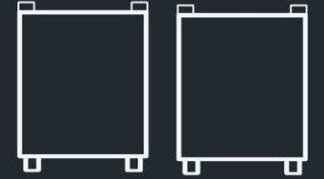


SPIRIT AGING



PROCESSING

BULK
PROCESSING
SPIRIT



AUGMENTED
SPIRIT
AGING



PROOFING,
BLENDING, AND
BOTTLING



BOTTLED AND
PACKAGED
SPIRIT FOR
SALE



Production Account



- Mash/Cook (DISTILL x 5 Stage)
 - Raw Material and Fermentable additions to batches
 - Grain, Fruit, Molasses, etc.
- Fermentation
- Post-Fermentation Holding (DISTILL x 5 Stage)
- Distillation
- Bulk Production
 - Low Wines/High Wines
 - Heads/Hearts/Tails
 - Any distillates held in the Production account for any period of time
- [27 CFR Part 19, Subpart L – Production of Distilled Spirits](#)

Production – Mash/Cook/Ferment



- Critical to track Fermentable materials applied in these stages
- TTB will *roughly* compare Fermentables consumed against spirit produced
- Each ingredient gets tracked in monthly report by Fermentable Reporting Type (Corn, Malt, Sorghum, Grape, Molasses, etc.)
- Tracked and categorized easily in Dx5 and Whiskey Systems through use of Recipes and Raw Material additions to Batches
- While Batch Records are required, distilleries do not need to explicitly report Fermentation yields on monthly Production Report.

Production – Distillations/Collections



- While creating and retaining records for unfinished spirits (Heads, Tails, Low Wines, Feints, etc.) is required, spirit will *not* be considered “produced” until the spirit leaves the Production Account.
- Crucial to keep track of intermediate Batches
- Keep Records of all Dumps (i.e. Heads) – ensures non-taxable Withdrawal
Records are available when needed!

Production – Existence



- Spirit comes into “existence” the moment it is collected off the Still
- Every drop must be accounted for thereafter
- Liability is attached to Distilled Spirits once in existence
- Daily Records and Monthly Reports track spirit from Production until spirit is removed from Bond or Transferred Out In-Bond.



Production – Daily Records

1. Receipt of Fermenting Materials
2. Receipt and use of Spirits for Re-Distillation
3. Receipt and use of Distilling Material Returned
4. Fermenting Material set in each Fermenter
5. Gauge Record of Spirits in each Receiving Tank
6. Fermenting Materials used or removed from premises
7. Quantity and Testing for Alcohol Content of Fusel Oil
8. Kind and Quantity of Distillates removed from Production
9. Kind and Quantity of Distillates lost or destroyed prior to Production
10. Byproduct of Spirits Production Record



Storage Account

- Bulk Storage
 - Long-term holding of un-processed spirit in Totes, Containers, Carboys, etc.
 - Bonded Receipts and Withdrawals of un-processed Spirits and Wine
- Barrels
 - Long-term holding of un-processed spirit for aging in “Packages” (TTB’s term for Barrels)
 - Bonded Receipts and Withdrawals of Barreled Spirits and Wine



Storage Account

- [27 CFR Part 19, Subpart M – Storage of Distilled Spirits](#)
 - Rules for Filling/Changing Packages
 - Guidelines for Mingling/Blending Spirits
- **Packages** - “A Cask or Barrel or similar wooden Container, or a Drum or a similar Metal Container”
- [27 CFR Part 19, Subpart S – Containers and Marks](#)
 - Requirements for the Containers/Packages themselves
 - Additional Rules and Regulations on Storage Barrels (Barrelhead Cards, Lot IDs)

Storage – Daily Records



1. Receipt of Spirits and Wine
2. Spirits Mingled
3. Spirits and Wine filled into Packages and retained for Storage
4. Spirits Transferred from one Tank to another
5. Spirits Returned to Bond
6. Spirits and Wine Voluntarily Destroyed
7. Spirits and Wine Lost during Storage
8. Transfer of Spirits and Wine from one Package to another
9. Addition of Oak Chips to Spirits or Caramel added to Brandy or Rum
10. Disposition of Spirits and Wine
11. Package Summary Records (deposited, withdrawn, remaining)
12. Tank Records (deposited, withdrawn, remaining)

Processing Account



- Bulk Processing
 - Blending
 - Mixing/Flavoring
 - Bottling
- Barrels
 - Finishing Barrels
 - Special Barreling Operations
 - Check in with a TTB agent!
- [27 CFR Part 19, Subpart N – Processing of Distilled Spirits](#)
 - Receipt and use of Spirits, Wines and Alcoholic Flavoring Materials (extracts, bitters)
 - Formula Requirements
 - Rules for Bottling, Packaging and Removal of Products

Processing – Daily Records



1. Manufacture of Distilled Spirits Products
2. Storage of Finished Products
3. Records of Manufacturing:
 1. Volume of Spirits, Wine, Alcoholic Flavoring Materials Received
 2. Bottling or Packaging of each Batch of Spirits
 3. Results of Proof and Fill Tests (Lab Samples)
 4. Rebottling, Relabeling, and Reclosing of Bottled Products Spirits, Wines, Alc Flavoring Materials Removed.
4. Spirits moved to Production Account for Re-Distillation
5. Use/Disposition of Liquor Bottles
6. Dump/Batch Records
7. Bottling & Packaging Record
8. Records of Alcohol Content & Fill Tests
9. Records of Finished Products

Bottling & Packaging



- Cases
 - Bottles must be placed in Cases after Bottling Run. Cases may only contain Spirits of the same Kind, Size and Proof ([27 CFR 19.358](#))
 - If fewer Bottles remain than can fill a Case, they must be placed in a Remnant Case ([27 CFR 19.490](#)) or kept otherwise uncased in Bonded premises until they can be used to fill other partial Cases or replace accidental breakage.
- **Fill Tests – very common Audit request!**
 - Pull random Bottles from beginning, middle and end of a Run to Test for Fill Volume and Alcohol Content (CFR asks for "Representative Sample")
 - See [27 CFR 19.356](#) for allowable variations in Fill Volume and Alcohol Content

Bottling & Packaging – Daily Records



1. Processing Tank Number
2. Batch Serial Number
3. Formula Number (if applied)
4. Kind of Product (inc Age, if claimed)
5. Details of Tank Gauge
6. Date of Fill
7. Size and Number of Packages Filled,
and Number of Cases Filled
8. Serial Numbers of Cases Filled, by
Brand Name
9. Proof
10. Total Quantity Bottled, Packaged
Disposed of in bulk
11. Losses or Gains
12. Bottled In Bond
13. Serial Number of Dump/Batch
Record

Alcohol Content and Fill Tests



1. Date and Time of Test
2. Bottling Tank Number
3. Serial Number of Bottling Record
4. Bottling Line Designation
5. Size of Bottle
6. Number of Bottles Tested
7. Labeled Alcohol Content
8. Alcohol Content found by Test
9. Percentage of Variation from 100% Fill
10. Corrective action taken, if any

Gauging



- **Gauging:** the term for determining the Quantity (Volume) and Alcohol Content (Proof) of a given Batch of spirit.
- Accurate Gauging ensures that the consumer gets what they pay for, and the government can assess the correct Excise Tax on spirit when removed from Bond.
- Per 27 CFR, Spirit ***must*** be Gauged upon Production or Receipt, upon Transfer, upon Bottling, Physical Inventory Taking, and more.
- Additional details on Required Gauging can be reviewed in [27 CFR Subpart K - Gauging](#)

Gauge Records



- Spirit Produced and Entered for Deposit
- Filled into Packages from Storage Tanks
- Transferred or Received in-Bond
- Transferred between Operational Accounts
- Mixed in the Manufacture of a Distilled Spirits Product
- Mingled
- Cut to Bottling Proof
- Voluntarily Destroyed
- Removed or Withdrawn from Bond
- Tax Determined Withdrawal
- Returned to Bond
- Denatured

Your Greatest Risk: Recordkeeping



- Record Transactions in software **the day** they occur
- Your Records are the supporting evidence for label statements and any non-taxable removals
- Gauge Spirit when required and keep physical Gauge Records!
- Document *all* removals – especially those that are non-taxable, and ensure appropriate removal Reason is applied!
- Physical Inventories – *required Quarterly*
- Record Retention – 3 Years



Proof Gallons

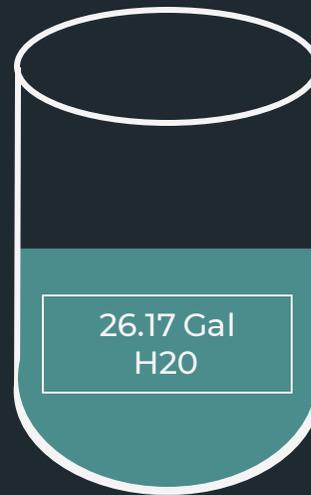
- Wine Gallon (WG): Purely volumetric measurement (1 gal at *any* Proof)
- Proof Gallon (PG): 1 Gallon of Spirit at 100° Proof (60°F)

$$1 \text{ PG} = 1 \text{ WG} * (\text{Proof} / 100)$$

- 50 Gallons of Spirit at 150° Proof equals:
 - 50 Wine Gallons
 - 75 Proof Gallons (50 * 1.5 = 75)

Cutting with H2O

- Starting with 50 Wine Gallons at 150° Proof (75 PGs)
- Dilute Spirit with pure water to achieve 100° Proof (75 WG at 100° pf)
- Due to **Hygroscopic Exchange (Contraction)**, more than 25 gals of water required to reach 75 WGs



Proof Gallons for Reporting



- When dealing with Federal Reporting, Spirit is tracked by Proof Gallons.
- In DISTILL x 5, users will enter Wine Gallons and Proof – the software will convert to Proof Gallons automatically.
- In Whiskey Systems, users may enter *either* Wine Gallons/Liters, Proof Gallons or Pounds/KGs for most operations. Proof Gallons will always be calculated to display on Federal Reports.

Monthly Reports of Operations





Monthly Reports of Operations

- Required by all DSPs monthly, regardless of size and activity.
- Can be prepared electronically via Pay.gov, or mailed to National Revenue Center by the 15th day following the close of a Reporting period.
 - One Report for each DSP privilege granted (review Basic Permit Line 7a)
 - Pay.gov requires 2-3 day lead time: remit via Pay.gov by 12th day of month (13th at the latest)
 - Mailed to National Revenue Center must be post-marked by 15th day of month
- Always double-check for accuracy, and file amended Reports when necessary to keep compliant. TTB has a policy of honoring good faith efforts when it comes to compliance!

Federal Production Report



- [TTB F 5110.40](#)
- Consists of 2 pages and 6 Reporting Parts
- This Report is the starting point for new-make “Spirits Produced” in your DSP

Production – Part I: Transactions



DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)
MONTHLY REPORT OF PRODUCTION OPERATIONS
 (PREPARE IN DUPLICATE. SEE INSTRUCTIONS BELOW)

1. NAME OF PROPRIETOR _____ 2. EIN _____

4. LOCATION OF PLANT _____

PART I - TRANSACTIONS

TRANSACTION (a)	PROOF GALLONS								
	WHISKY		BRANDY		RUM (f)	GIN (g)	VODKA (h)	ALCOHOL AND SPIRITS	
	160° AND UNDER (b)	OVER 160° (c)	170° AND UNDER (d)	OVER 170° (e)				190° AND OVER (Distillation Proof) (i)	UNDER 190° (Distillation Proof) (j)
1. TAX PAYMENT									
2. USE OF U.S.									
3. HOSPITAL, SCIENTIFIC, OR EDUCATIONAL USE ¹									
4. EXPORT									
5. TRANSFER TO FOREIGN TRADE ZONE									
6. TRANSFER TO CMBW									
7. USE AS SUPPLIES ON VESSELS OR AIRCRAFT									
8. USE IN WINE PRODUCTION									
9. ENTERED IN PROCESSING ACCOUNT									
10. ENTERED FOR TRANSFER IN BOND									
11. ENTERED IN STORAGE ACCOUNT									
12. WITHDRAWN FOR RESEARCH, DEVELOPMENT, OR TESTING ²									
13.									
14. PRODUCED (Total, Lines 1 through 13)									
15. RECEIVED FOR REDISTILLATION ³									
16. ⁴									
17. PHYSICAL INVENTORY- END OF CALENDAR QUARTER	(a) RECEIVED FOR REDISTILLATION ³								
	(b) UNFINISHED SPIRITS								

WITHDRAWN FOR

1. TAX PAYMENT

2. USE OF U.S.

3. HOSPITAL, SCIENTIFIC, OR EDUCATIONAL USE¹

4. EXPORT

5. TRANSFER TO FOREIGN TRADE ZONE

6. TRANSFER TO CMBW

7. USE AS SUPPLIES ON VESSELS OR AIRCRAFT

8. USE IN WINE PRODUCTION

9. ENTERED IN PROCESSING ACCOUNT

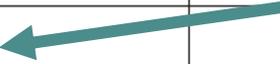
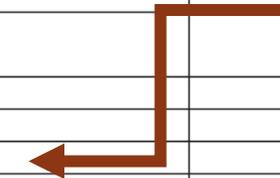
10. ENTERED FOR TRANSFER IN BOND

11. ENTERED IN STORAGE ACCOUNT

12. WITHDRAWN FOR RESEARCH, DEVELOPMENT, OR TESTING²

13.

14. PRODUCED (Total, Lines 1 through 13)



- Part I records new-make Spirit entered into your DSP (Spirit Produced)
- Withdrawals from Production bound for Storage, Processing or Transfer In-Bond
- Lines 1-13 summed will calc total Spirit Produced (Line 14)
- Materials Received for Re-Distillation (Line 15)
- Line 17 is Physical Quarterly Inventory – data is not automatically populated in Dx5 or Whiskey Systems.



Production: Parts II & III

- Part II: Proof Gallons and Material used in Productions of Spirits 190° or More.
- Part III: Whiskey by Kind and Cooperage Used

PART II - PRODUCTION OF ALCOHOL AND SPIRITS OF 190° OR MORE OF PROOF, BY KIND OF MATERIAL USED	
KIND OF MATERIAL (a)	PROOF GALLONS (b)
1. GRAIN	
2. FRUIT	
3. MOLASSES	
4. ETHYL SULFATE	
5. ETHYLENE GAS	
6. SULPHITE LIQUORS	
7. FROM REDISTILLATION	
8.	

PART III - PRODUCTION OF WHISKY BY KIND AND COOPERAGE USED			
KIND (a)	PROOF GALLONS NEW COOPERAGE (b)	PROOF GALLONS USED COOPERAGE (c)	PROOF GALLONS DEPOSITED IN TANKS (d)
1. BOURBON			
2. CORN			
3. RYE			
4. LIGHT			
5.			
6.			
7.			
8.			

Production: Parts IV & V



PART IV - PRODUCTION OF BRANDY BY KIND

KIND
(a)

PROOF GALLON
(b)

1. GRAPE BRANDY
2. ALL OTHER BRANDY
3. NEUTRAL GRAPE BRANDY
4. ALL OTHER NEUTRAL BRANDY
- 5.
- 6.
- 7.
- 8.

PART V - USED IN REDISTILLATION

KIND OF SPIRITS⁵
(a)

PROOF GALLON
(b)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

- Part IV: Production of Brandy by Kind
- Part V: Material used in Re-Distillation

Production: Part VI – Materials Used



- Used to track Fermentable or Pre-Fermented Materials used in the Production of Spirits
- Itemized by Grains, Fruits, Cane and Other Materials
- If using Write-In Lines (Fruit Brandies), check in with the TTB re: Reporting
- Tracked by Pounds (Dry Materials) or Gallons (Liquids)

PART VI - MATERIALS USED		
KIND (a)	USED IN PRODUCTION OF DISTILLED SPIRITS	
	POUNDS (b)	GALLONS (c)
GRAIN AND GRAIN PRODUCTS		
1. CORN		
2. RYE		
3. MALT		
4. WHEAT		
5. SORGHUM GRAIN		
6. BARLEY		
7.		
8.		
FRUIT AND FRUIT PRODUCTS		
9. GRAPE		
10.		
11.		
12.		
13.		
14.		
CANE AND CANE PRODUCTS		
15. MOLASSES		
16.		
17.		
18.		
OTHER MATERIALS		
19. ETHYL SULFATE		
20. ETHYLENE GAS		
21. SULPHITE LIQUORS		
22. BUTANE GAS		
23.		



Federal Storage Report

- [TTB F 5110.11](#)
- Lines 1-5: Opening Balance plus Additions
 - On Hand Beginning of Month (OHBOM)
 - Spirit Deposits, Gains, Receipts
- Lines 7-23: Removals and Closing Balance
 - On Hand End of Month (OHEOM)
 - Non-taxable Withdrawals or In-Bond Transfers
 - Transfers to Production or Processing
 - Destroyed or Losses
- Lines 6 and 24 are Total lines which *must* match before submission

**DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)
MONTHLY REPORT OF STORAGE OPERATIONS**

INSTRUCTIONS
Every proprietor as a warehouseman must prepare this form monthly, in duplicate. Forward the original to the Director, National Revenue Center 550 Main St, Ste 8002, Cincinnati, OH 45202-5215, not later than the 15th day of the month following that for which the report is rendered. The remaining copy must be retained by the proprietor. Reports must be prepared for domestic spirits, imported spirits, Puerto Rican spirits, and spirits from the U.S. Virgin Islands. Operations must be reported on TTB F 5110.43.

TRANSACTIONS (a)	WHISKY ¹		BRANDY	
	DISTILLED AT 160° AND UNDER (b)	DISTILLED AT OVER 160° (c)	DISTILLED AT 170° AND UNDER (d)	DISTILLED AT OVER 170° (e)
1. On hand first of month	4783.66			
2. Deposited in bulk storage ^{1f}	982.34			
3. Received from Customs custody				
4. Returned to bulk storage				
5. Gains	0.18			
6. TOTAL (Lines 1 through 5)	5766.18			
7. Taxpaid				
8. Use of the United States				
9. Hospital, scientific educational use ^{2f}				
10. Export				
11. Transfer to foreign-trade zone				
12. Transfer to CMBW				
13. Use as supplies on vessels and aircraft				
14. Transfer to bonded winery				
15. Transfer to CBW				
16. Research, development, or testing ^{3f}				
17. Transferred to processing account	2482.11			
18. Transferred to production account ^{4f}				
19. Transferred to other bonded premises				
20. Destroyed				
21.				
22. Other Losses ^{5f}	2.48			
23. On hand end of month	3281.59			
24. TOTAL (Lines 7 through 23)	5766.18			

- Lines 1-5: Opening Balance + Additions
 - OHBOM
 - Spirit Deposits, Gains, Receipts
- Lines 7-23: Removals and Closing Balance
 - OHEOM
 - Non-taxable W/Ds, In-Bond Transfers
 - Transfers to Production or Processing
 - Destroyed/Losses
- Lines 6 and 24 *must* match before submission.



Federal Processing Report



- [TTB F 5110.28](#)
- Consists of 2 Pages and 4 Reporting Parts
- Typically the endpoint for tracking Spirit within DSP

Processing: Part I – Bulk Ingredients



- Lines 1-7: OHBOM plus Additions
 - Received (from Production/Storage/Bond)
 - Bottles Dumped, Alcoholic Flavoring Materials, Gains
- Lines 9-25: Removals and OHEOM
 - Bottled/Packaged
 - Non-taxable Withdrawals and Transfers In-Bond
 - Bulk Sales (Withdrawn Tax-Determined)
 - Destroyed/Losses
- Line Totals 8 and 26 *must* match before submission
- **Note:** Bulk Spirit can only be Transferred back to Production for Re-Distillation (Transfers back to Storage are **prohibited** by *27 CFR*)

Processing: Part II – Finished Products



- Lines 27-30: OHBOM plus Additions
 - Bottled/Packaged
 - Inventory Overages
- Lines 32-46: Removals and OHEOM
 - Transfers In-Bond
 - Withdrawn Tax-Determined (Sales, Samples, Donations, etc)
 - Non-taxable Withdrawals (R&D, Govt Samples)
 - Dumps for Further Processing/Re-Distillation
 - Losses, Destructions and Inventory Shortages
- Lines 31 & 47 must match before report submission.

PART I - BULK INGREDIENTS

PART II - FINISHED PRODUCTS

PART I - BULK INGREDIENTS			PART II - FINISHED PRODUCTS		
TRANSACTION (a)	WINE (Proof gallons) (b)	SPIRITS (Proof gallons) (c)	TRANSACTION (a)	BOTTLED (Proof gallons) (b)	PACKAGED (Proof gallons) (c)
1. ON HAND FIRST OF MONTH			27. ON HAND FIRST OF MONTH	235.33	
2. RECEIVED (Other than line 3)		1247.55	28. BOTTLED OR PACKAGED	892.91	
3. ALCOHOL FOR FUEL USE RECEIVED FROM CUSTOMS CUSTODY			29. RECEIVED		
4. ALCOHOL, FLAVOR, MATERIALS DUMPED			30. INVENTORY OVERAGES		
5. WINE MIXED WITH SPIRITS			31. TOTAL - LINES 27 THROUGH 30	1128.24	
6. DUMPED FOR FURTHER PROCESSING			32. TRANSFERRED IN BOND ¹		
7. GAINS		1.12	33. WITHDRAWN TAX DETERMINED	714.58	
8. TOTAL - LINES 1 THROUGH 7		1248.67	34. WITHDRAWN FREE OF TAX: FOR U.S. HOSPITAL, SCIENTIFIC, OR EDUCATIONAL USE		
9. BOTTLED OR PACKAGED		892.91	35. WITHDRAWN WITHOUT PAYMENT OF TAX: FOR ADDITION TO WINE		
10. WINE MIXED WITH SPIRITS			36. FOR EXPORTATION, VESSELS, AND AIRCRAFT, AND TRANSFER TO C.B.W.		
11. USED FOR DENATURATION			37. TRANSFERRED TO PRODUCTION ACCOUNT FOR REDISTILLATION		
12. TRANSFERRED IN BOND			38. WITHDRAWN FOR RESEARCH, DEVELOPMENT, OR TESTING (Including Gov. samples)		
13. WITHDRAWN TAX DETERMINED			39. DESTROYED		
14. WITHDRAWN FREE OF TAX: FOR U.S., HOSPITAL, SCIENTIFIC, OR EDUCATIONAL USE			40. DUMPED FOR FURTHER PROCESSING		
15. WITHDRAWN WITHOUT PAYMENT OF TAX: FOR ADDITION TO WINE			41.		
16. FOR EXPORTATION & TRANSFER TO C.B.W.			42.		
17. TRANSFERRED TO PRODUCTION ACCOUNT FOR REDISTILLATION			43.		
18. WITHDRAWN FOR RESEARCH, DEVELOPMENT, OR TESTING (Including Gov. samples)			44. RECORDED LOSSES		
19. DESTROYED			45. INVENTORY SHORTAGES		
20. USED FOR REDISTILLATION			46. ON HAND END OF MONTH	413.66	
21.			47. TOTAL - LINES 32 THROUGH 46	1128.24	
22.					
23.					
24. LOSSES		2.87			
25. ON HAND END OF MONTH		352.89			
26. TOTAL - LINES 9 THROUGH 25		1248.67			

¹Bottled nonindustrial (beverage) use spirits may not be received or transferred in bond.

Processing: Part III & IV



- **Part III: Puerto Rican and Virgin Island Spirits (Rum) and “Other” Imported Rum**
 - Line 48. Proof Gallons Removed Tax-Paid or Tax-Determined
- **Part IV: Processing of Beverage Spirits**
 - Itemized by Kind
 - Bulk Spirits Dumped into Processing
 - Bottled
 - Imported
 - Domestic
 - For Export
 - Bottled In-Bond (Label Claim)
- Spirits Bottled are tracked by Wine Gallons, not Proof Gallons, in Part IV Columns D, E and F

PART III - PUERTO RICAN AND VIRGIN ISLANDS SPIRITS (RUM) AND "OTHER" IMPORTED RUM¹

48. PROOF GALLONS REMOVED TAXPAID OR TAX DETERMINED	(a) PUERTO RICAN SPIRITS	(b) VIRGIN ISLANDS SPIRITS	(c) "OTHER" IMPORTED RUM

PART IV – PROCESSING OF BEVERAGE (Nonindustrial use) SPIRITS

KIND (a)	BULK SPIRITS DUMPED INTO PROCESSING ² <i>(Whole proof gallons)</i> (b)	BOTTLED - IMPORTED ³ <i>(Whole proof gallons)</i> (c)	BOTTLED (Excluded bottled in bond and export) <i>(Whole wine gallons)</i> (d)	BOTTLED IN BOND ⁴ 27 CFR 5.42(b) (Exclude export) <i>(Whole wine gallons)</i> (e)	BOTTLED FOR EXPORT <i>(Whole wine gallons)</i> (f)
49. ALCOHOL AND NEUTRAL SPIRITS (Other than vodka)					
50. BLENDED STRAIGHT WHISKEY ⁵					
51. BLENDED WHISKEY:					
a. With neutral spirits					
b. With light whiskey					
52. BLENDED LIGHT WHISKEY ⁶					
53. ANY OTHER BLENDS OF 100% WHISKEY					
54. IMPORTED WHISKEY:					
a. Scotch					
b. Canadian					
c. Irish and Others					
55. DOMESTIC WHISKEY DISTILLED AT 160° AND UNDER	1247.55		1048.89		
56. DOMESTIC WHISKEY DISTILLED AT OVER 160°					
57. BRANDY DISTILLED AT 170° AND UNDER					
58. BRANDY DISTILLED AT OVER 170°					
59. SPIRITS (Rum) ¹					
a. Puerto Rican					
1b. Virgin Islands					
60. RUM					
a. Domestic					
b. "Other" Imported					
61. GIN					
62. VODKA					
63. CORDIALS, LIQUEURS, AND SPECIALTIES ⁹					
64. COCKTAILS AND MIXED DRINKS					
65. TEQUILA					
66.					
67. TOTAL - LINES 49 THROUGH 66					

Enter in Whole Wine Gallons

UNDER PENALTIES OF PERJURY, I DECLARE that I have examined this report and, to the best of my knowledge and belief, it is a true and complete report.

DATE	PROPRIETOR	BY <i>(Signature and Title)</i>

“Bottled In Bond”



- Same Kind of Spirits from same Class of Materials
- Same Distilling season by same Distiller at the same Distillery
- Aged in Wooden Barrels for at least 4 Years
- No additions other than pure water
- Bottled at exactly 100° Proof
- See [27 CFR 19.364](#) for more



Periodic Federal Excise Returns

- Reports and Excise Payments are due no later than the 15th day following the close of a Reporting Period (keeping in mind Pay.gov's required lead times).
- [TTB F 5000.24sm](#)
- Three deferred payment return periods dependent on your total tax-liability within a year:
 - Annual
 - Quarterly
 - Semi-Monthly

Federal Excise: Annual Returns



- Eligible if you reasonably expect to be liable for not more than \$1,000 in Excise Tax Payments within the calendar year.
- Annual filers may choose to file **Quarterly** or **Semi-Monthly** instead.
- Not a common filing frequency – Quarterly is most common.

Federal Excise: Quarterly Returns



- Eligible if you reasonably expect to be liable for not more than \$50,000 in Excise Tax Payments within the calendar year.
- ***And*** you were not liable for more than \$50,000 in the previous calendar year.
- Quarterly filing periods:
 - January – March
 - April – June
 - July – September
 - October - December

Federal Excise: Semi-Monthly Returns



- If not eligible to file annually or quarterly, you must file Semi-Monthly
- Return periods:
 - 1st through the 15th of the month
 - 16th through the end of the month
- September has three filing periods:
 - 1st through the 15th
 - If paying via EFT:
 - 16th - 26th
 - 27th - 30th
 - Not paying via EFT:
 - 16th – 25th
 - 26th – 30th



Federal Excise Rates

- For Proof Gallons Withdrawn Tax-Determined:
 - 0 - 100,000: **\$2.70** per Proof Gallon
 - 100,001 – 22,230,000: **\$13.34** per Proof Gallon
 - Over 22,230,000: **\$13.50** per Proof Gallon
- As of 1/1/2022, the above Excise Rate reduction no longer applies to Rectifiers/Processors who only perform Bottling operations. These DSP proprietors must perform another action (Production, Filtering, Flavoring, etc.) to qualify for reduced Excise Tax Rates.

More info via [TTB.gov](https://www.ttb.gov) or [27 CFR 19.245](https://www.ecfr.gov/current/title-27/chapter-I/subchapter-B/part-19/subpart-A/section-19.245)



Monthly Reporting: Grain to Bottle Operations



Our Sample Spirit



- Straight Bourbon Whiskey
- Classified as Domestic Whiskey Distilled at 160° Proof and Under
- Grain Bill consists of 60% Corn, 35% Malted Barley and 5% Rye
- Stripping and Finishing Distillation Runs
- Aged 2 years in New American Oak
- Bottled at 90° Proof

Production – Mash / Fermentation



RAW MATERIALS



MASH/COOK



OR

FERMENTATION



- Grain Bill:
 - 600 lbs Corn
 - 350 lbs Malted Barley
 - 50 lbs Rye
- Yields 1,000 Gallons of Wash
- Fermented to 7% ABV
- Raw Materials will report in Part VI
- Yielded Volume/Alcohol Content after Fermentation is never explicitly reported.
- *Dx5 users will apply RMs in Mash/Cook; Whiskey Systems users will apply in Fermentation.

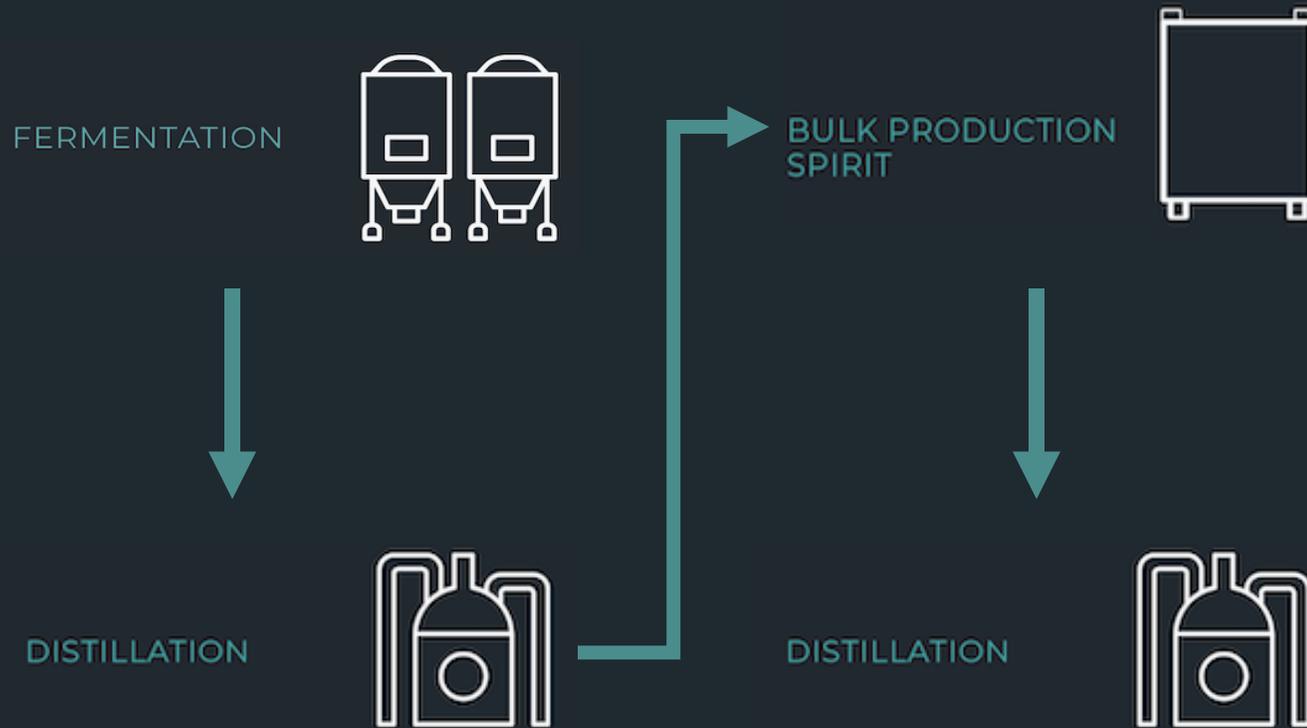
Production – Mash / Fermentation



PART VI - MATERIALS USED		
KIND (a)	USED IN PRODUCTION OF DISTILLED SPIRITS	
	POUNDS (b)	GALLONS (c)
GRAIN AND GRAIN PRODUCTS		
1. CORN	600	
2. RYE	50	
3. MALT	350	
4. WHEAT		
5. SORGHUM GRAIN		

- Grain Bill:
 - 600 lbs Corn
 - 50 lbs Rye
 - 350 lbs Malted Barley

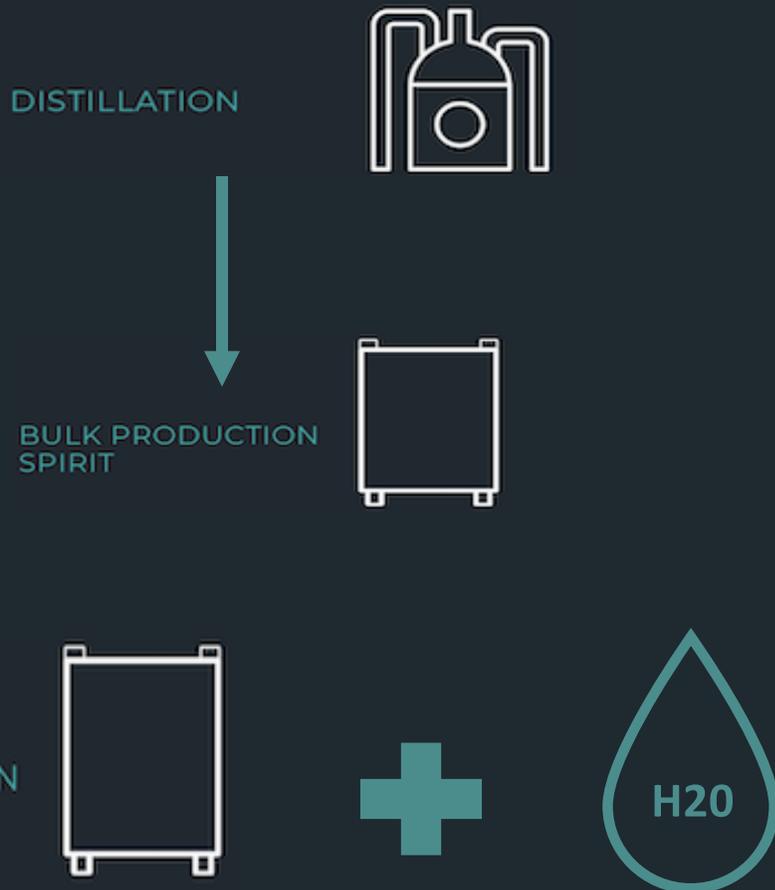
Production – Distillation



- Stripping Run

- Wash is transferred into Still for Stripping Run
- Collected into empty Vessel and Gauged
- Yielded 100 Gallons of Low Wines at 90° Proof
- Heads and Tails will be Dumped
- Low Wines transferred back into Still for Finishing Run

Production – Post Distillation



- Finishing Run
 - Spirit captured in Collection Vessel and Gauged
 - Yield 36 Wine Gallons of spirit at 125° Proof
 - $36 * 1.25 (125^\circ) = \underline{45 \text{ Proof Gallons}}$
- Cut To Barrel Proof
 - Add 4.18 Gals of H2O to Cut to 112.5°
 - Now, we have 40 Wine Gallons at 112.5° (Hygroscopic Exchange)
 - Still Have 45 Proof Gallons

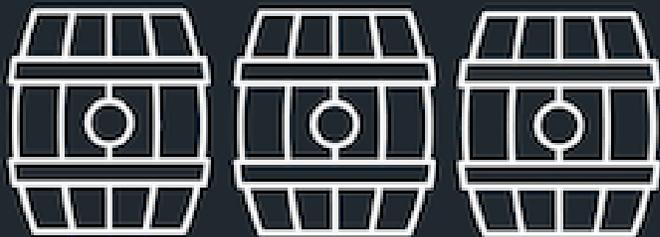
Production into Storage



BULK PRODUCTION
SPIRIT



SPIRIT AGING



- Spirit is now considered “Produced”
- All 45 Proof Gallons are Withdrawn from Production and entered into Storage as Bourbon in New Cooperage
- Must be recorded on Parts I and III of the Monthly Production Report of Operations

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)
MONTHLY REPORT OF PRODUCTION OPERATIONS
 (PREPARE IN DUPLICATE. SEE INSTRUCTIONS BELOW)

1. NAME OF PROPRIETOR	2. EIN	3. MONTH AND YEAR
4. LOCATION OF PLANT		5. PLANT NUMBER DSP

PART I - TRANSACTIONS

TRANSACTION (a)	WHISKY					PROOF GALLONS			OTHER (Identify) (k)	TOTAL (l)
	160° AND UNDER (b)	OVER 160° (c)	170° AND UNDER (d)	RUM	GIN	VODKA	ALCOHOL AND SPIRITS UNDER 190° (Distillation Proof) (j)			
1. TAX PAYMENT										
2. USE OF U.S.										
3. HOSPITAL, SCIENTIFIC, OR EDUCATIONAL USE ¹										
4. EXPORT										
5. TRANSFER TO FOREIGN TRADE ZONE										
6. TRANSFER TO CMBW										
7. USE AS SUPPLIES ON VESSELS OR AIRCRAFT										
8. USE IN WINE PRODUCTION										
9. ENTERED IN PROCESSING ACCOUNT										
10. ENTERED FOR TRANSFER IN BOND										
11. ENTERED IN STORAGE ACCOUNT	45.0									45.0
12. WITHDRAWN FOR RESEARCH, DEVELOPMENT, OR TESTING ²										
13.										
14. PRODUCED (Total, Lines 1 through 13)	45.0									45.0
15. RECEIVED FOR REDISTILLATION ³										
16. ⁴										
17. PHYSICAL INVENTORY- END OF CALENDAR QUARTER	(a) RECEIVED FOR REDISTILLATION ⁵									
	(b) UNFINISHED SPIRITS									

Whiskey 160° and Under (b)

Line 11 (Entered in Storage) Total: 45.0 PGs

Line 14 (Spirit Produced) Total: 45.0 PGs

PART II - PRODUCTION OF ALCOHOL AND SPIRITS OF 190° OR MORE OF PROOF, BY KIND OF MATERIAL USED

PART III - PRODUCTION OF WHISKY BY KIND AND COOPERAGE USED

PART IV - PRODUCTION OF BRANDY BY KIND

PART V - USED IN REDISTILLATION

KIND OF MATERIAL (a)	PROOF GALLONS (b)	KIND (a)	PROOF GALLONS NEW COOPERAGE (b)	PROOF GALLONS USED COOPERAGE (c)	PROOF GALLONS DEPOSITED IN TANKS (d)	KIND (a)	PROOF GALLON (b)	KIND OF SPIRITS ⁵ (a)	PROOF GALLON (b)
1. GRAIN		1. BOURBON	45.0						
2. FRUIT		2. CORN							
3. MOLASSES		3. RYE							
4. ETHYL SULFATE		4. LIGHT							
5. ETHYLENE GAS		5.							
6. SULPHITE LIQUORS		6.							
7. FROM REDISTILLATION		7.							
8.		8.							

Part III – Production of Whisky By Kind and Cooperage Used:
 45.0 Proof Gallons Bourbon in New Cooperage

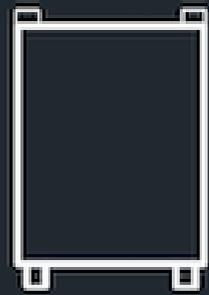
¹ Does not include spirits withdrawn for experimental or research use under 26 U.S.C. 5312; report these at line 12.

² Show withdrawals under 26 U.S.C. 5214(a)(10), 5373(b)(4), or 5312.

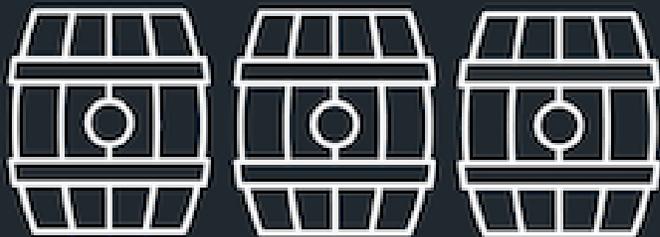
³ Does not include recovered denatured spirits or articles returned under 27 CFR 19.393; such materials should be reported on TTB Form 5010-101, Denatured Spirits Operations. Imported spirits received for redistillation will be reported on TTB Form 5010-101, Denatured Spirits Operations.

Storage – Fill Barrels

BULK PRODUCTION
SPIRIT



SPIRIT AGING



- Spirit is received into Storage account as Whiskey 160° and Under
- Barrels are Filled with the 45 Proof Gallons of Bourbon
- Spirit will sit and age inside of Barrels for 2 years
- While aging, spirit will be lost (aka Angel's Share)
- Record on Monthly Storage Report of Operations

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)
MONTHLY REPORT OF STORAGE OPERATIONS

REPORT COVERS

- DOMESTIC SPIRITS AND ALL WINES
- IMPORTED SPIRITS
- PUERTO RICAN SPIRITS
- VIRGIN ISLANDS SPIRITS

MONTH AND YEAR

INSTRUCTIONS
Every proprietor as a warehouseman must prepare this form monthly, in duplicate. Forward the original to the Director, National Revenue Center 550 Main St, Ste 8002, Cincinnati, OH 45202-5215, not later than the 15th day of the month following that for which the report is rendered.

The remaining copy must be retained by the proprietor. Separate reports must be prepared for domestic spirits, imported spirits, Puerto Rican spirits, and spirits from the U.S. Virgin Islands. Denaturing operations must be reported on TTB F 5110.43.

NAME OF PROPRIETOR _____ EIN _____

LOCATION OF PLANT _____ PLANT NUMBER DSP- _____

TRANSACTIONS (a)	PROOF GALLONS				ALCOHOL AND SPIRITS		OTHER (Identify) (k)	WINE (Proof gallons) (l)	TOTAL (m)
	WHISKY ^{6/1} DISTILLED AT 160° AND UNDER (b)	DISTILLED AT (c)	BRANDY DISTILLED AT (d)	DIS (e)	OVER (f)	UNDER 190° (i)			
1. On hand first of month									
2. Deposited in bulk storage ^{1/1}	45.0								45.0
3. Received from Customs custody									
4. Returned to bulk storage									
5.									
6. TOTAL (Lines 1 through 5)	45.0								45.0
7. Taxpaid									
8. Use of the United States									
9. Hospital, scientific educational use ^{2/2}									
10. Export									
11. Transfer to foreign-trade zone									
12. Transfer to CMBW									
13. Use as supplies on vessels and aircraft									
14. Transfer to bonded winery									
15. Transfer to CBW									
16. Research, development, or testing ^{3/3}									
17. Transferred to processing account									
18. Transferred to production account ^{4/4}									
19. Transferred to other bonded premises									
20. Destroyed									
21.									
22. Other Losses ^{5/5}									
23. On hand end of month	45.0								45.0
24. TOTAL (Lines 7 through 23)	45.0								45.0

Whiskey 160° and Under (b)

Line 2 (Deposited into Bulk Storage) Total: 45.0 PGs

Line 6 TOTAL (Lines 1 - 5): 45.0 PGs

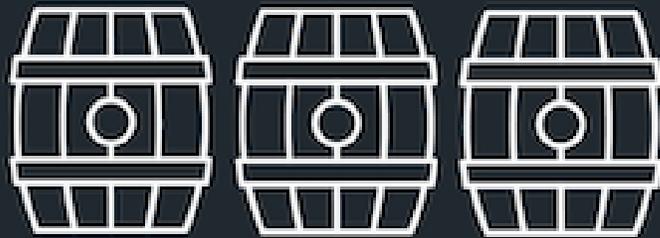
Line 23 (On-Hand End of Month) Total: 45.0 PGs

Line 24 TOTAL (Lines 7 - 23): 45.0 PGs

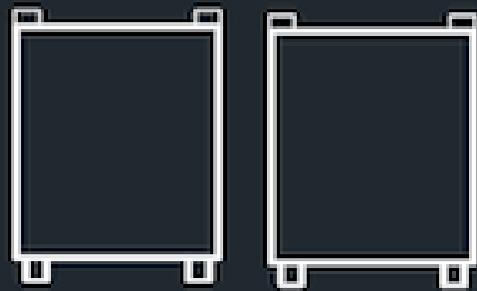
WITHDRAWN FOR

Storage – Aging and Harvest

SPIRIT AGING



BULK
PROCESSING
SPIRIT



- After 2 years, the Barrels are Harvested into a Collection Tank in the Processing account.
- After Harvest, spirit is Gauged:
 - 35 Wine Gallons at 120° Proof
 - $35 * 1.20 = \underline{42 \text{ Proof Gallons}}$
- Loss of 3.0 Proof Gallons
 - Orig Fill: 45.00 PGs
 - Harvested: - 42.00 PGs
 - Lost 3.00 PGs
- Recorded on Storage Report

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)
MONTHLY REPORT OF STORAGE OPERATIONS

REPORT COVERS

- DOMESTIC SPIRITS AND ALL WINES IMPORTED SPIRITS
 PUERTO RICAN SPIRITS VIRGIN ISLANDS SPIRITS

MONTH AND YEAR

INSTRUCTIONS

Every proprietor as a warehouseman must prepare this form monthly, in duplicate. Forward the original to the Director, National Revenue Center 550 Main St, Ste 8002, Cincinnati, OH 45202-5215, not later than the 15th day of the month following that for which the report is rendered.

The remaining copy must be retained by the proprietor. Separate reports must be prepared for domestic spirits, imported spirits, Puerto Rican spirits, and spirits from the U.S. Virgin Islands. Denaturing operations must be reported on TTB F 5110.43.

NAME OF PROPRIETOR

EIN

LOCATION OF PLANT

PLANT NUMBER
DSP-

TRANSACTIONS (a)	WHISKY ^{6f}		BRANDY		RUM			GIN		VODKA		ALCOHOL AND SPIRITS		OTHER (Identify)	WINE (Proof gallons) (l)	TOTAL (m)
	DISTILLED AT 160° AND UNDER (b)	DISTILLED AT OVER 160° (c)	DISTILLED AT 170° AND UNDER (d)	DISTILLED AT OVER 170° (e)	(f)	(g)	(h)	190° AND OVER (i)	UNDER 190° (j)	(k)	(l)	(m)	(n)	(o)	(p)	
1. On hand first of month	45.0															45.0
2. Deposited in bulk storage ^{1f}																
3. Received from Customs custody																
4. Returned to bulk storage																
5.																
6. TOTAL (Lines 1 through 5)	45.0															45.0
7. Taxpaid																
8. Use of the United States																
9. Hospital, scientific educational use ^{2f}																
10. Export																
11. Transfer to foreign-trade zone																
12. Transfer to CMBW																
13. Use as supplies on vessels and aircraft																
14. Transfer to bonded winery																
15. Transfer to CBW																
16. Research, development, or testing ^{3f}																
17. Transferred to processing account	42.0															42.0
18. Transferred to production account ^{4f}																
19. Transferred to other bonded premises																
20. Destroyed																
21.																
22. Other Losses ^{5f}	3.0															3.0
23. On hand end of month	0.0															0.0
24. TOTAL (Lines 7 through 23)	45.0															45.0

Line 1 (On-Hand First of Month) Total: 45.0 PGs

Line 6 TOTAL (Lines 1 - 5): 45.0 PGs

Line 17 (Transferred to Processing) Total: 42.0 PGs

Line 22 (Other Losses) Total: 42.0 PGs

Line 6 TOTAL (Lines 1 - 5): 45.0 PGs

FOOTNOTES
¹From production or by transfer in bond.
²Does not include spirits withdrawn for experimental or research use under 26 U.S.C. 5312; such spirits should be reported and identified at Line 21.
³Withdrawals under 26 U.S.C. 5214(a)(10) or 5373(b)(4).

⁴In the case of imported spirits or spirits from Puerto Rico and the U.S. Virgin Islands, applicable only to spirits of 185 degrees or more of proof.
⁵Includes only losses determined at the time of:
 (1) withdrawal
 (2) dumping for mingling, or
 (3) emptying or inventorying storage tanks
⁶Includes domestic whisky distilled at over 160° Proof in col. (c). All other whisky should be reported in col. b).

I have examined this report and, to the best of my knowledge and belief, it is a true, correct, and complete report of storage operations, and is supported by true, correct, and complete commercial records which are available for inspection.

DATE _____ PROPRIETOR _____
 BY: (Signature and Title)

Processing – Barrel Harvest



- Spirit Harvested into Bulk Processing
 - Cut with 12.05 gals of H2O to 90° pf (Bottling Proof)
 - We now have 46.67 gals at 90° pf
 - $46.67 * 0.9 = 42$ PGs
- Bottling
 - Once at Bottling Proof, the Spirit can be Bottled. We'll Bottle everything we can:
 - $234 = 750\text{mL}$ Bottles (39 Cases)
 - $46.36 \text{ gals} * 0.9 = 41.72$ PGs
 - 0.28 PG Loss

Recorded on Processing Pt I, Bulk Ingredients

PART I - BULK INGREDIENTS

TRANSACTION (a)	WINE (Proof gallons) (b)	SPIRITS (Proof gallons) (c)
1. ON HAND FIRST OF MONTH		0.0
2. RECEIVED (Other than line 3)		42.0
3. ALCOHOL FOR FUEL USE RECEIVED FROM CUSTOMS CUSTODY		
4. ALCOHOL, FLAVOR, MATERIALS DUMPED		
5. WINE MIXED WITH SPIRITS		
6. DUMPED FOR FURTHER PROCESSING		
7. GAINS		
8. TOTAL - LINES 1 THROUGH 7		42.0
9. BOTTLED OR PACKAGED		41.72
10. WINE MIXED WITH SPIRITS		
11. USED FOR DENATURATION		
12. TRANSFERRED IN BOND		
13. WITHDRAWN TAX DETERMINED		
14. WITHDRAWN FREE OF TAX: FOR U.S., HOSPITAL, SCIENTIFIC, OR EDUCATIONAL USE		
15. WITHDRAWN WITHOUT PAYMENT OF TAX: FOR ADDITION TO WINE		
16. FOR EXPORTATION & TRANSFER TO C.B.W.		
17. TRANSFERRED TO PRODUCTION ACCOUNT FOR REDISTILLATION		
18. WITHDRAWN FOR RESEARCH, DEVELOPMENT, OR TESTING (Including Gov. samples)		
19. DESTROYED		
20. USED FOR REDISTILLATION		
21.		
22.		
23.		
24. LOSSES		0.28
25. ON HAND END OF MONTH		0.0
26. TOTAL - LINES 9 THROUGH 25		42.0

PART II - FINISHED PRODUCTS

TRANSACTION (a)	BOTTLED (Proof gallons) (b)	PACKAGED (Proof gallons) (c)
27. ON HAND FIRST OF MONTH		
28. BOTTLED		
29. RECEIVED		
30. INVENTORY OVERAGES		
31. TOTAL - LINES 27 THROUGH 30	41.72	
32. TRANSFERRED IN BOND ¹		
33. WITHDRAWN		
34. WITHDRAWN FOR SCIENTIFIC, OR EDUCATIONAL USE		
35. WITHDRAWN WITHOUT PAYMENT OF TAX: FOR ADDITION TO WINE		
36. FOR EXPORTATION AND TRANSFER TO C.B.W.		
37. TRANSFERRED TO PRODUCTION ACCOUNT FOR REDISTILLATION		
38. WITHDRAWN FOR RESEARCH, DEVELOPMENT, OR TESTING (Including Gov. samples)		
39. DESTROYED		
40. DUMPED FOR FURTHER PROCESSING		
41.		
42.		
43.		
44. RECORDED		
45. INVENTORY SHORTAGES		
46. ON HAND END OF MONTH	35.3	
47. TOTAL - LINES 32 THROUGH 46	41.72	

Line 2 Received: 42.0 PGs

Line 8 TOTAL (Lines 1 - 7): 42.0 PGs

Line 9 Bottled or Packaged: 41.72 PGs

Line 24 Losses: 0.28 PGs

Line 26 TOTAL (Lines 9-25): 42.0 PGs

Processing – Finished Products



BOTTLED AND
PACKAGED
SPIRIT FOR
SALE



BOND

- We Bottled 234 Bottles (39 Cases):
 - 41.72 PGs
 - Proof Gallons in Bottled Spirit Inventory
- Withdraw Tax-Determined:
 - Send 6 Cases of spirit to our Tasting Room, leaving us with 33 Cases in Bonded Inventory.

Record on Part II – Finished Products, and
Part IV – Processing of Beverage Spirits

PART I - BULK INGREDIENTS

PART II - FINISHED PRODUCTS

TRANSACTION	WINE (Proof gallons)	SPIRITS (Proof gallons)
(a)	(b)	(c)
1. ON HAND FIRST OF MONTH		0.0
2. BOTTLED OR PACKAGED		41.72
3. RECEIVED		
4. INVENTORY OVERAGES		
5. TOTAL - LINES 1 THROUGH 4		41.72
6. TRANSFERRED IN BOND ¹		
7. WITHDRAWN TAX DETERMINED		6.42
8. WITHDRAWN FREE OF TAX: FOR U.S. HOSPITAL, SCIENTIFIC, OR EDUCATIONAL USE		
9. WITHDRAWN WITHOUT PAYMENT OF TAX: FOR ADDITION TO WINE		
10. FOR EXPORTATION, VESSELS, AND AIRCRAFT, AND TRANSFER TO C.B.W.		
11. TRANSFERRED TO PRODUCTION ACCOUNT FOR REDISTILLATION		
12. WITHDRAWN FOR RESEARCH, DEVELOPMENT, OR TESTING (Including Gov. samples)		
13. DESTROYED		
14. DUMPED FOR FURTHER PROCESSING		
15. RECORDED LOSSES		0.28
16. INVENTORY SHORTAGES		
17. ON HAND END OF MONTH		35.3
18. TOTAL - LINES 1 THROUGH 17		42.0

TRANSACTION	BOTTLED (Proof gallons)	PACKAGED (Proof gallons)
(a)	(b)	(c)
27. ON HAND FIRST OF MONTH	0.0	
28. BOTTLED OR PACKAGED	41.72	
29. RECEIVED		
30. INVENTORY OVERAGES		
31. TOTAL - LINES 27 THROUGH 30	41.72	
32. TRANSFERRED IN BOND ¹		
33. WITHDRAWN TAX DETERMINED	6.42	
34. WITHDRAWN FREE OF TAX: FOR U.S. HOSPITAL, SCIENTIFIC, OR EDUCATIONAL USE		
35. WITHDRAWN WITHOUT PAYMENT OF TAX: FOR ADDITION TO WINE		
36. FOR EXPORTATION, VESSELS, AND AIRCRAFT, AND TRANSFER TO C.B.W.		
37. TRANSFERRED TO PRODUCTION ACCOUNT FOR REDISTILLATION		
38. WITHDRAWN FOR RESEARCH, DEVELOPMENT, OR TESTING (Including Gov. samples)		
39. DESTROYED		
40. DUMPED FOR FURTHER PROCESSING		
41.		
42.		
43.		
44. RECORDED LOSSES		
45. INVENTORY SHORTAGES		
46. ON HAND END OF MONTH	35.3	
47. TOTAL - LINES 32 THROUGH 46	41.72	

Line 28 Bottled or Packaged: 41.72 PGs →

Line 31 TOTAL (Lines 27-30): 41.72 PGs →

Line 33 Withdrawn Tax Determined: 6.42 PGs ↗

Line 46 On-Hand End of Month: 35.3 PGs ↘

Line 47 TOTAL (Lines 32-46): 41.72 PGs →

¹Bottled nonindustrial (beverage) use spirits may not be received or transferred in bond.

PART III - PUERTO RICAN AND VIRGIN ISLANDS SPIRITS (RUM) AND "OTHER" IMPORTED RUM¹

48. PROOF GALLONS REMOVED TAXPAID OR TAX DETERMINED	(a) PUERTO RICAN SPIRITS	(b) VIRGIN ISLANDS SPIRITS	(c) "OTHER" IMPORTED RUM

PART IV – PROCESSING OF BEVERAGE (Nonindustrial use) SPIRITS

KIND (a)	BULK SPIRITS DUMPED INTO PROCESSING ² <i>(Whole proof gallons)</i>	BOTTLED - IMPORTED ³ <i>(Whole proof gallons)</i>	BOTTLED (Excluded bottled in bond and export) <i>(Whole wine gallons)</i> (d)	BOTTLED IN BOND ⁴ 27 CFR 5.42(b) (Exclude export) <i>(Whole wine gallons)</i> (e)	BOTTLED FOR EXPORT <i>(Whole wine gallons)</i> (f)
	(b)	(c)			
49. ALCOHOL AND NEUTRAL SPIRITS (Other than vodka)					
50. BLENDED STRAIGHT WHISKEY ⁵					
51. BLENDED WHISKEY:					
a. With neutral spirits ⁶					
b. With light whiskey ⁷					
52. BLENDED LIGHT WHISKEY ⁸					
53. ANY OTHER BLENDS OF 100% WHISKEY					
54. IMPORTED WHISKEY:					
a. Scotch					
b. Canadian					
c. Irish and Others					
55. DOMESTIC WHISKEY DISTILLED AT 160° AND UNDER	42.0		46.36		
56. DOMESTIC WHISKEY DISTILLED AT OVER 160°					
57. BRANDY DISTILLED AT 170° AND UNDER					
58. BRANDY DISTILLED AT OVER 170°					
59. SPIRITS (Rum) ¹					
a. Puerto Rican					
1b. Virgin Islands					
60. RUM					
a. Domestic					
b. "Other" Imported					
61. GIN					
62. VODKA					
63. CORDIALS, LIQUEURS, AND SPECIALTIES ⁹					
64. COCKTAILS AND MIXED DRINKS					
65. TEQUILA					
66.					
67. TOTAL - LINES 49 THROUGH 66	42.0		46.36		

Bulk Spirits Dumped Into Processing (Domestic Whiskey Distilled at 160° and Under: 42.0 PGs)

Bottled (Domestic) Domestic Whiskey 160° and Under Total: 46.36 WGs

Note: Columns d, e and f display in Whole Wine Gallons

UNDER PENALTIES OF PERJURY, I DECLARE that I have examined this report and, to the best of my knowledge and belief, it is a true and complete report.

DATE	PROPRIETOR	BY (Signature and Title)
------	------------	--------------------------



Processing – Excise Tax Time!

- Withdraw Tax-Determined of Finished Products:
 - We sent 6 Cases of spirit out of Bond to our Tasting Room – Excise Tax is due!
 - 6 Cases @ 6 Bottles per Case = 36 Bottles
 - $36 * 750\text{mL} = 7.1326$ Wine Gallons
 - $7.1326 * 0.90 = \underline{6.42 \text{ PGs}}$
 - $6.42 * \$2.70 = \underline{\$17.34 \text{ Excise Tax due}}$

Top



FIVE x 5
SOLUTIONS

Compliance Tips



1. Record (at least) 3 Fill Tests from the beginning, middle and end of each Bottling Run ([27 CFR 19.356](#))
2. Take physical inventories at the [end of each calendar quarter](#) and manually record/submit data on Lines 17a & 17b of Federal Production Report ([27 CFR 24.313](#))
3. When receiving spirit or liquid In-Bond (i.e. NGS, Bourbon, etc) Gauge spirit and maintain appropriate Bonded Transaction records as prescribed in [27 CFR 17.162](#)
4. DSPs **Importing** spirit In-Bond must file Multiple Monthly Storage Reports (see “Instructions” section of Federal Storage Report), even if Import is merely received from domestic Supplier for Processing. Questions? [Email us](#)
5. Record and maintain Gauge Records for all activities as prescribed in [27 CFR 19.618](#)



DISTILL x 5 Tips for Reporting Success

1. [Close Books](#) in Dx5 [every month](#) to prevent data issues and optimize system performance.
2. Regularly empty Vessels in system (and real-life) to limit FDA recall exposure.
3. Assign Federal Reporting Categories to Batch Types based on the proof/character of the spirits as they come off the Still ([Chapter 4 of the Beverage Alcohol Manual](#))



Whiskey Systems Tips for Reporting Success

1. Make sure all users have finished entering accurate data for the month before printing, signing and submitting reports. The Advanced Setting for Transaction Post Dates can help maintain accurate reporting data.
2. Complete required physical inventories on schedule and adjust as needed in WS.
3. Print and save physical copies of signed reports for reference, and always amend past reports when necessary!

Questions?



Support

 **Help**

 **Support**

Consulting

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