



Keeping It All In Your Head May Not Be Enough: Wine Premises Recordkeeping and Reporting

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Field Operations



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Overview

- Required records that document:
 - Wine Production
 - Bottling Operations
 - Taxable and Non-Taxable Removals
- Preparation of the Report of Wine Premises Operations on TTB Form 5120.17

Alcohol and Tobacco Tax and Trade Bureau



TTB's Primary Responsibilities

- Qualification of Producers/Distributors of Alcohol and Tobacco Products
- Labeling and Advertising Laws
- Collection of Tax:
 - Alcohol and Tobacco Excise Tax
 - Special Occupational Tax (SOT)
 - Firearms and Ammunition Excise Tax (FAET)

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Federal Laws

- Internal Revenue Code:
 - Tax payment
 - Premises which protect the revenue
 - Production
- Federal Alcohol Administration Act:
 - Basic permits
 - Labeling
 - Viticultural areas
 - Health warning statement
 - Trade practices

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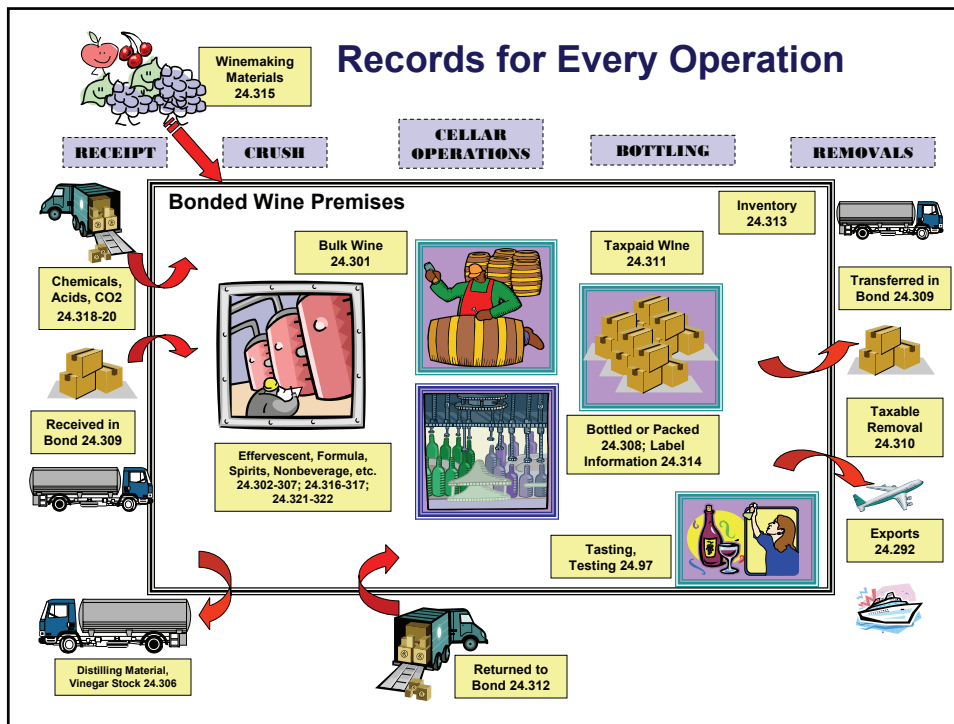


Two Types of Examinations

- TTB conducts two types of examinations:
 - Tax Compliance
 - Product Integrity

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Wine Premises Recordkeeping





Production Records

- Materials received and used record (27 CFR 24.315)
- Spirits record (27 CFR 24.316)
- Sugar record (27 CFR 24.317)
- Acid record (27 CFR 24.318)
- Chemical records (27 CFR 24.320)

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Production Records (Cont'd)

- Effervescent wine record (27 CFR 24.302)
- Formula wine record (27 CFR 24.303)
- Chaptalization, amelioration
(27 CFR 24.304)
- Sweetening record (27 CFR 24.305)
- Distilling material, vinegar stock
(27 CFR 24.306)

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Production Records (Cont'd)

- Nonbeverage wine record
(27 CFR 24.307)
- Carbon dioxide record (27 CFR 24.319)
- Decolorizing material record
(27 CFR 24.321)
- Allied products record (27 CFR 24.322)

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Bulk Still Wine Record

- Maintained by tax class
- Documents wine production
- Receipt, removal of bulk wine
- Tax class blends
- Can contain information about sugar, acids, chemicals, etc.

27 CFR 24.301

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Bottled or Packed Wine Record

- Maintained by tax class
- Volume bottled, received in bond
- Results of fill and alcohol tests
- Certificate of Label Approval (COLA) number

27 CFR 24.308

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Label Information Record

- Must give sufficient information for verification by TTB examination

27 CFR 24.314

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Taxpaid Removals from Bond

- An INVOICE can be an acceptable record
- Date of removal, name/address
- Volume, kind of wine, alcohol content
- Must be summarized daily to the nearest tenth of a gallon

27 CFR 24.310

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Taxpaid Wine Record

- Required when taxpaid wine is stored on bonded wine premises:
 - Record of receipt
 - Record of removals
 - Record of cases or containers filled

27 CFR 24.311

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Taxpaid Wine Returned to Bond

- Kind, volume, tax class
- Amount of tax previously paid
- Location where wine was bottled or packed
- Date wine returned to bond
- Case serial numbers or filling dates
- Disposition of the wine

27 CFR 24.312

Alcohol and Tobacco Tax and Trade Bureau



Untaxpaid Removals

- Testing off/on premises
(27 CFR 24.96 – 24.97)
- Tasting on premises (27 CFR 24.97)
- Family use (27 CFR 24.75)
- Destruction, breakage
(27 CFR 24.294, 24.308)

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Untaxpaid Removals (Cont'd)

- Official use of the Government
(27 CFR 24.293)
- Removal for distilling material, vinegar
stock (27 CFR 24.290 – 24.291)
- Exported (27 CFR 24.292)
- Transfer in bond (27 CFR 24.309)

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Transfer in Bond Record

- A shipping document can be sufficient, if it contains:
 - Name, address, registry number of sending and receiving wine premises
 - Date shipped
 - Kind of wine, alcohol content, or tax class
 - Number of cases, containers >4L
 - Serial numbers on cases, >4L containers

27 CFR 24.309

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Transfer in Bond Record (Cont'd)

- Bulk container identification marks
- Volume, in gallons or liters
- Serial number of seals, if used
- The bottler's registry number, for unlabeled bottled wine
- Label information in accordance with 27 CFR 24.314
- Substance or cellar treatment information

27 CFR 24.309

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In-Bond Transfer of Unlabeled Bottled Wine

- Bottler must obtain COLA
- Transferred in bond with COLA, unless only sent for aging and returned
- May be bottled using a “generic” COLA, with another approved label later affixed

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Inventory Record

- Complete annual physical inventory
- June 30, unless TTB is notified of another date
- December 31, if reporting annually
- Must include:
 - Description of wine
 - Volume of bulk and bottled wine, totaled separately by tax class

27 CFR 24.313

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Inventory Record (Cont'd)

- Results reported on TTB Form 5120.17 only when a complete inventory is taken
- Dated, signed by person with signature authority, under Penalty of Perjury

27 CFR 24.313

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General Recordkeeping Matters

- Time of making entries
- Record retention
- Computerized records
- Photocopies of records
- TTB permit application file

27 CFR 24.300

Alcohol and Tobacco Tax and Trade Bureau



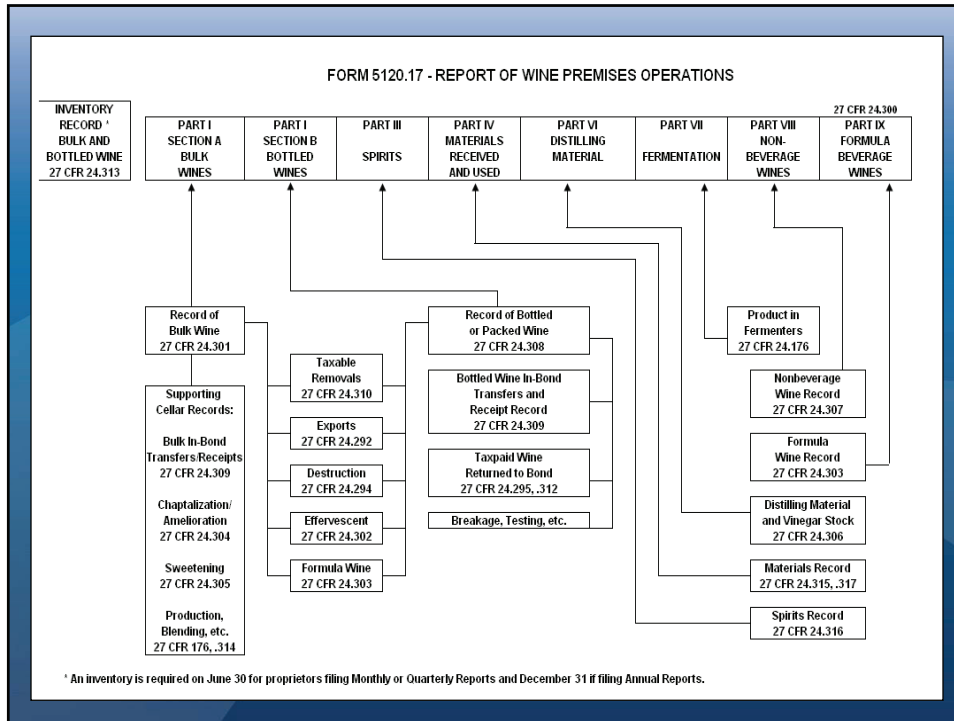
Compliance Concerns – Recordkeeping

- Operations are not recorded timely
- Cellar records insufficient to support statements on labels
- Insufficient label information on transfer in bond documents
- Annual inventory not taken, recorded, or reported

Alcohol and Tobacco Tax and Trade Bureau

Report of Wine Premises Operations, TTB Form 5120.17

DEPARTMENT OF THE TREASURY ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)	
REPORT OF WINE PREMISES OPERATIONS	
PERIOD MONTH _____ YEAR _____ (if applicable)	OPERATED BY (Name, Address and Telephone)
REGISTRY NUMBER	



Section A—Bulk Wine

PART I - SUMMARY OF WINES IN BOND (GALLONS)

ITEM	ALCOHOL CONTENT BY VOLUME			ARTIFICIALLY CARBONATED WINE (c)	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)			
SECTION A - BULK WINES						
1. ON HAND BEGINNING OF PERIOD	Same as the Ending On Hand, Previous Period					
2. PRODUCED BY FERMENTATION					BF BP	
3. PRODUCED BY SWEETENING						
4. PRODUCED BY ADDITION OF WINE SPIRITS						
5. PRODUCED BY BLENDING						
6. PRODUCED BY AMELIORATION						
7. RECEIVED IN BOND						
8. BOTTLED WINE DUMPED TO BULK						
9. INVENTORY GAIN						
10.						
11.						
12. TOTAL						
13. BOTTLED					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						
20. USED FOR BLENDING						
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						
31. ON HAND END OF PERIOD	Carried over to the next report, Section A Line 1					
32. TOTAL						

Section B—Bottled Wine

SECTION B - BOTTLED WINE							
1. ON HAND BEGINNING OF PERIOD		Same as the Ending On Hand, Previous Period					
2. BOTTLED						BF	
3. RECEIVED IN BOND	}	Additions to the Bottled Inventory					BF
4. TAXPAID WINE RETURNED TO BOND							
5.							
6.							
7. TOTAL							
8. REMOVED TAXPAID	}	Removals from the Bottled Inventory					
9. TRANSFERRED IN BOND							
10. DUMPED TO BULK							
11. USED FOR TASTING							
12. REMOVED FOR EXPORT							
13. REMOVED FOR FAMILY USE							
14. USED FOR TESTING							
15.							
16.							
17.							
18. BREAKAGE							
19. INVENTORY SHORTAGE							
20. ON HAND END OF PERIOD		Carried over to the next report, Section B Line 1					
21. TOTAL							

TTB F 5120.17 (4/2004)

Part III—Distilled Spirits

PART III - SUMMARY OF DISTILLED SPIRITS (Proof Gallons)								
ITEM	WINE SPIRITS							
	FOR ADDITION TO WINE				FOR PREPARATION OF DOSAGES OR ESSENCES	DISTILLATES CONTAINING ALDEHYDES		SPIRITS FOR USE IN NON BEVERAGE WINES
	GRAPE (a)	(b)	(c)	(d)		(e)	(f)	
1. ON HAND BEGINNING OF PERIOD								
2. RECEIVED								
3. INVENTORY GAIN								
4. TOTAL								
5. USED								
6. TRANSFERRED TO COLUMN (e)								
7.								
8. LOSSES								
9. ON HAND END OF PERIOD								
10. TOTAL								

Part IV—Materials Received and Used

PART IV - SUMMARY OF MATERIALS RECEIVED AND USED									
ITEM	GRAPE MATERIAL				MATERIALS OTHER THAN GRAPE (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									
2 RECEIVED									
3 JUICE OR CONCENTRATE PRODUCED									
4									
5 TOTAL									
6 USED IN WINE PRODUCTION									
7 USED IN JUICE OR CONCENTRATE PRODUCTION									
8 USED IN ALLIED PRODUCTS									
9 REMOVED									
10 ON HAND END OF PERIOD									
11 TOTAL									

Part VI—Distilling Material and Vinegar Stock

PART VI - SUMMARY OF DISTILLING MATERIAL AND VINEGAR STOCK (Gallons)				
ITEM	DISTILLING MATERIAL		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

PART VIII - IN FERMENTERS END OF PERIOD (GALLONS)						
	(a)	(b)	(c)	(d)	(e)	TOTAL
1	IN FERMENTERS (ESTIMATED QUANTITY OF LIQUID)					

Part VIII—Nonbeverage

Part VII - 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

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						



Annual and Quarterly Reports

- Must file an annual tax return
- Must have less than 20,000 gallons at any time
- Written intent is filed with NRC
- Must file quarterly tax returns
- Must have less than 60,000 gallons at any time
- Written intent is filed with NRC

27 CFR 24.300(g)(2)

Alcohol and Tobacco Tax and Trade Bureau



Compliance Concerns – Reports

- Forms on TTB Form 5120.17 are not timely filed
- Entries on report forms do not balance
- Negative entries
- Bottled wine shortages are not taxpaid
- Claims are not filed for excessive bulk inventory shortages

Alcohol and Tobacco Tax and Trade Bureau

TTB.gov
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
U.S. Department of the Treasury

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WINE

[New Guide to Form 5120.17](#)

[Report of Wine Premises Operations](#)

In response to requests from industry, TTB has prepared a line-by-line guide to completing the Report of Wine Premises Operations Form 5120.17 (formerly Form 702), provided explanations of entries on the form, and created a sample report.

If you have any questions, please contact the Wine Industry Analyst by e-mail at industryanalyst.wine@ttb.gov, or by telephone at (415) 625-5789

Black and White Versions

- [Guide to Form 5120.17](#)
- [Explanation of Entries](#)
- [Sample Report](#)

Color-Coded Versions

- [Guide to Form 5120.17](#)
- [Explanation of Entries](#)
- [Sample Report](#)

Interactive Form Tutorial

- [Launch Tutorial](#)

Quick Links

- Alcohol Beverage Control Boards
- Approved Sureties
- Beverage Alcohol Manual - Wine
- Dealcoholization of Wine
- FAQs
- How to Read a Grape Wine Label
- Wine Industry Statistics
- Tax Rates
- Wine Archives

How do I...?

- Qualify as a Bonded Wine Premises?
- Obtain Labeling and Formulation Approval?
- Determine and Pay Taxes?
- Submit a Product Sample?
- Contact a TTB Wine Expert?

TTB Expo **Pay.gov**

- Wine Reports and Returns
- Expo session on Wednesday, 3:30 p.m.

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Summary

- Required Records that document:
 - Wine Production
 - Bottling Operations
 - Taxable and Non-Taxable Removals
- Preparation of the Report of Wine Premises Operations on TTB F 5120.17

Alcohol and Tobacco Tax and Trade Bureau



Contact Information

- Recordkeeping:
 - Contact a local TTB office
- Report Form 5120.17:
 - Contact the NRC Wine Tax Unit:
 - E-mail: ttbwine@ttb.gov
 - Phone: (513) 684-3334

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