



Operating an Alcohol Fuel Plant

Presented by
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Distilled Spirits Industry Analyst



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Overview

- Identify the laws and regulations related to the production of fuel alcohol
- List the qualification requirements
- Identify the reporting and recordkeeping requirements
- List the allowable and prohibited activities

Alcohol and Tobacco Tax and Trade Bureau

Laws and Regulations



Law - Distilled Spirits for Fuel Use

- 26 U.S.C. 5181 went into effect April 2, 1980
- Allowed production of distilled spirits exclusively for fuel use
- Waived many provisions of the Internal Revenue Code
- Allowed withdrawal of distilled spirits from these plants free of tax if:
 - Used only for fuel use
 - Completely denatured to be unfit for consumption

Alcohol and Tobacco Tax and Trade Bureau



Regulations – Distilled Spirits for Fuel Use

- 27 CFR Part 19, Subpart Y (19.901 to 19.1010)
- Waived subparts A through X of Part 19 and all provisions of 26 U.S.C. Chapter 51
- Allowed for production of distilled spirits, receipt, and transfer in bond of undenatured spirits between distilled spirits plants (DSPs) and/or alcohol fuel plants (AFPs)

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Regulations (Cont'd)

- Required spirits be completely denatured before removal from the premises for transfer to a gasoline blender or exportation
- Three categories: Complete Application
TTB Form 5110.74
 - Small – Under 10,000 gallons annual production
 - Medium – 10,000 to 500,000 gallons annually
 - Large – Over 500,000 gallons annually

Alcohol and Tobacco Tax and Trade Bureau

Qualification Requirements



Qualification

- Small AFP:
 - Name and location
 - Diagram of premises
 - Still description and capacity
 - Materials used for distillation
 - Description of security for operations and equipment
 - No bond required

Alcohol and Tobacco Tax and Trade Bureau



Qualification (Cont'd)

- Medium AFP:
 - Same requirements for Small AFP applicant, plus:
 - Maximum proof gallons produced annually
 - Responsible persons and criminal background
 - Investment and source of funds
 - Bond amounts covering limits shown in 19.957(a) on TTB Form 5110.56

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Qualification (Cont'd)

- Large AFP:
 - Same requirements for Small AFP applicant, plus:
 - Statement of maximum proof gallons produced annually
 - Principal persons with background check
 - Organizational documents
 - Corporate documents
 - Bond coverage listed in 19.957(b) on TTB F 5110.56

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Bond Requirements



Bond Requirements

- Bonds protect the Government against default
- Principal and surety are jointly and severally liable
- Surety bonds must be given with approved sureties
- Government securities may be pledged and deposited in lieu of corporate surety
- DSP bond is based on quantity produced during 15 days, and stored at and in transit to the plant at one time
- AFP bond is based on annual production (including receipts)

Alcohol and Tobacco Tax and Trade Bureau

Bond Amounts

- DSP: Minimum \$10,000; maximum \$250,000
- Maximum DSP operations bond of \$250,000 directly covers about 18,500 proof gallons
- AFP:
 - Small ($\leq 10,000$ proof gallons): No bond
 - Medium ($> 10,000 \leq 500,000$ proof gallons): \$2,000 - \$50,000
 - Large ($> 500,000$ proof gallons): \$52,000 - \$200,000.
- An AFP with annual production (including receipts) over 1,240,000 proof gallons needs a maximum bond.

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Preparing Your Bond Form

- No corrections over the phone
- No white-outs or pen-and-ink changes
- Bond must be submitted as a one-page, two-sided document
- You must submit two duplicate originals with original signatures on each
- No alterations of the form (e.g., border around it, etc.)
- AFP applicant must strike out clauses 3 and 7

Alcohol and Tobacco Tax and Trade Bureau

Bond Tutorial - I

This guidance is for an AFP. Differences from a DSP are noted.

1. Type of Bond – Alcohol Fuel Producer Bond (for AFP)
2. Entity name and State in which incorporated or organized
3. Mailing/business address

OMB No. 1513-0125 (06/30/2010)

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
DISTILLED SPIRITS BOND

(See instructions on Page 4)

PRINCIPAL/OBLIGOR (See instructions 2, 3, and 4)

ADDRESS OF BUSINESS OFFICE (Number, Street, City, State, ZIP Code)

TYPE OF BOND PER 26 U.S.C. 5173 and 5181 (Check applicable box 1, 2, 3, OR 4)

1. OPERATIONS (Select (a), (b), or (c) below)

(a) ONE PLANT BOND

(b) ADJACENT WINE CELLAR BOND

(c) AREA BOND

2. WITHDRAWAL BOND

3. UNIT BOND

4. ALCOHOL FUEL PRODUCER BOND

BOND KIND (Select only one)

ORIGINAL

STRENGTHENING

SUPERSEDING

AMOUNT OF BOND

EFFECTIVE DATE

BOND CATEGORY (Select only one category (i.e. "Surety," "Cash," or "Treasury Note/Bond") and complete corresponding items to right of selection)

SURETY: SURETY NAME _____
BOND NUMBER _____

CASH: CHECK NUMBER(S) (i.e. personal check, cashier's check, money order, etc.) _____

TREASURY NOTE/BOND: NOTE/BOND CUSIP NO. _____ NOTE/BOND INTEREST RATE _____ %
NOTE/BOND MATURITY DATE _____ NOTE/BOND ISSUE DATE _____

**This bond is secured by the Treasury collateral (T-Note) described above or by a T-Note resulting from reinvestment of the full proceeds from the T-Note described above. T-Note collateral reinvestment will automatically occur upon maturity unless the obligor notifies TTB in writing at least 45 days prior to the maturity date that the T-Note proceeds should not be reinvested and the obligor requests this bond be terminated.

BOND EXECUTION

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

SURETY NAME _____ PRINCIPAL/OBLIGOR NAME _____

BY: _____

PRINCIPAL/OBLIGOR REPRESENTATIVE'S SIGNATURE _____

SURETY REPRESENTATIVE SIGNATURE _____ PRINCIPAL/OBLIGOR REPRESENTATIVE'S PRINTED NAME/TITLE _____

SURETY REPRESENTATIVE PRINTED NAME & TITLE _____ SIGNATURE, WITNESS 1 (if no seal) _____

_____ SIGNATURE, WITNESS 2 (if no seal) _____

CORPORATIONS/PARTNERSHIPS, OR LLC SEALS

State in which Principal/Obligor organized: _____

Impress Surety Seal

Impress Principal/Obligor's corporate or LLC seal or select the checkbox below

The corporation/LLC has no seal

Principal/Obligor Seal

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Bond Tutorial - II

1. Surety company – must be on the Department of Treasury's list of approved sureties (Circular 570)
2. Bond amount - \$200,000 is the maximum AFP amount
3. Effective date – company cannot start operating before this date

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DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
DISTILLED SPIRITS BOND

(See instructions on Page 4)

PRINCIPAL/OBLIGOR (See instructions 2, 3, and 4)

ADDRESS OF BUSINESS OFFICE (Number, Street, City, State, ZIP Code)

TYPE OF BOND PER 26 U.S.C. 5173 and 5181 (Check applicable box 1, 2, 3, OR 4)

1. OPERATIONS (Select (a), (b), or (c) below)

(a) ONE PLANT BOND

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(c) AREA BOND

2. WITHDRAWAL BOND

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4. ALCOHOL FUEL PRODUCER BOND

BOND KIND (Select only one)

ORIGINAL

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AMOUNT OF BOND

EFFECTIVE DATE

BOND CATEGORY (Select only one category (i.e. "Surety," "Cash," or "Treasury Note/Bond") and complete corresponding items to right of selection)

SURETY: SURETY NAME _____
BOND NUMBER _____

CASH: CHECK NUMBER(S) (i.e. personal check, cashier's check, money order, etc.) _____

TREASURY NOTE/BOND: NOTE/BOND CUSIP NO. _____ NOTE/BOND INTEREST RATE _____ %
NOTE/BOND MATURITY DATE _____ NOTE/BOND ISSUE DATE _____

**This bond is secured by the Treasury collateral (T-Note) described above or by a T-Note resulting from reinvestment of the full proceeds from the T-Note described above. T-Note collateral reinvestment will automatically occur upon maturity unless the obligor notifies TTB in writing at least 45 days prior to the maturity date that the T-Note proceeds should not be reinvested and the obligor requests this bond be terminated.

BOND EXECUTION

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

SURETY NAME _____ PRINCIPAL/OBLIGOR NAME _____

BY: _____

PRINCIPAL/OBLIGOR REPRESENTATIVE'S SIGNATURE _____

SURETY REPRESENTATIVE SIGNATURE _____ PRINCIPAL/OBLIGOR REPRESENTATIVE'S PRINTED NAME/TITLE _____

SURETY REPRESENTATIVE PRINTED NAME & TITLE _____ SIGNATURE, WITNESS 1 (if no seal) _____

_____ SIGNATURE, WITNESS 2 (if no seal) _____

CORPORATIONS/PARTNERSHIPS, OR LLC SEALS

State in which Principal/Obligor organized: _____

Impress Surety Seal

Impress Principal/Obligor's corporate or LLC seal or select the checkbox below

The corporation/LLC has no seal

Principal/Obligor Seal

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Bond Tutorial - III

- Clauses 3 and 7 do not apply for AFPs

PRINCIPAL/OBLIGOR _____ DATE _____

TERMS OF THIS BOND

The Type of Activity (distiller, warehouseman, processor, adjacent vine cellar, or alcohol fuel producer) and the premises covered by this bond are specified on page 2 of the bond and, if necessary, on an additional sheet appropriately identified as _____

PURPOSE. The above principal has filed an application for registration of the distilled spirits plant(s) specified: _____

DEFINITIONS. Definitions pertinent to this bond:

PRINCIPAL. The proprietor of the distilled spirits plant premises covered by a surety bond

OBLIGOR. The proprietor of the distilled spirits plant premises covered by a collateral bond

COLLATERAL BOND. A bond secured by tangible assets such as cash or United States Treasury Bond or Note

CONDITIONS. The above principal/obligor and surety (sureties) are bonded independently and jointly for the payment to the United States in the above amounts of lawful money of the United States. In this bond, the terms principal or surety include the heirs, successors, administrators, successors, and assigns of the principal/obligor or surety:

If this bond covers only withdrawals, the following clauses 4, 5, 6, and 7 do not apply.

If this bond covers only operations, the following clause 3 does not apply.

If this bond covers only alcohol fuel production operations, the following clauses 3 and 7 do not apply.

THE PREMISES COVERED ARE:

(1) Comply with all requirements of law and regulations, now or hereafter in force, relating to the activities covered by this bond;

(2) Pay all penalties, fines and interest imposed for violations of law or regulations, now or hereafter in force, relating to the activities covered by this bond;

(3) Pay all taxes (including any penalties and interest in respect of failure to file a timely return, or to pay such tax when due) on distilled spirits withdrawn tax determined from bonded premises imposed under 26 U.S.C. Chapter 51;

(4) Pay all taxes (including any penalties and interest) imposed under 26 U.S.C. Chapter 51, including taxes on all unexplained shortages of bottled distilled spirits;

(5) Comply with all requirements of law and regulations, now or hereafter in force, pertaining to all distilled spirits (including denatured spirits, fuel alcohol, and article) removed from or returned to the bonded premises free of tax;

(6) With respect to distilled spirits withdrawn from the bonded premises without payment of tax as authorized by law, (a) comply with all requirements of law and regulations, now or hereafter in force relating thereto, and (b) as to said distilled spirits or any part thereof withdrawn, for example, for exportation, or for use on vessels or aircraft, or for transfer to a foreign-trade zone, or for transfer to a Customs bonded warehouse, or for research, development, or testing, and not so exported, used or transferred, or otherwise lawfully disposed of or accounted for, pay the tax imposed thereon by law, now or hereafter in force, together with penalties and interest; and

(7) As the proprietor of a bonded wine cellar, pay all taxes imposed by law, now or hereafter in force, (including any penalties and interest) for which he/she may become liable with respect to operation of the said bonded wine cellar, and all distilled spirits and wine now or hereafter in transit thereto or received thereat, and on all distilled spirits and wine removed therefrom, including wine withdrawn without payment of tax, on notice by principal, for exportation, or use on vessels or aircraft, or transfer to a Customs bonded warehouse, or transferred to a foreign-trade zone, and not so exported, used, or transferred, or otherwise lawfully disposed of or accounted for; provided, that up to \$500 of the operations coverage of a \$1,000 bond (\$1,000 operations coverage of a bond of \$2,000 or more) may be applied to taxes that have been determined, but not paid on wine removed from premises.

CHANGE OF PREMISES: All stipulations, covenants, and agreements of this bond will extend to and apply to any change in the business address of the premises, the extension or curtailment of such premises, including the buildings thereon, or any equipment or any other change which requires the principal/obligor to file a new or amended registration, application, or notice, except where the change constitutes a change in the proprietorship of the business, or in the location of the premises. Further, this bond will continue in effect whenever operations of the plant are resumed from time to time following suspension of operations by an alternate proprietor.

TREASURY COLLATERAL BONDS: If this bond is filed as a collateral bond secured by a Treasury Note or Bond in an approved Department of Treasury holding account, this bond is secured by the Treasury collateral identified on the face of the bond and any Treasury collateral resulting from roll over of the previous Treasury collateral. The Treasury collateral identified in this bond will automatically roll over upon maturity unless the obligor notifies the National Revenue Center at least 45 days prior to maturity.

DEFAULT: If the principal/obligor of a surety bond fails to fulfill any of the terms or conditions of this bond, the United States may seek compensation and pursue its remedies independently from other the principal/obligor or surety, or jointly from both. The surety hereby waives any right of privilege it may have of requiring, upon notice, or otherwise, that the United States will first commence action, in any action of any nature whatsoever, already commenced or otherwise exhaust its remedies against the principal/obligor.

If the obligor of a collateral bond fails to fulfill any of the terms or conditions of this bond, the United States may seek any outstanding tax liability (including any penalties or interest) against the collateral deposited.

EFFECTIVE DATE: If accepted by the United States, the bond will be effective according to its terms on and after the effective date without notice to the obligor. Provided, that if the effective date is inserted in the space provided, the date of execution shown on page 1 of the bond will be the effective date of the bond.

ACKNOWLEDGE TERMS BELOW:

PRINCIPAL/OBLIGOR (INITIALS) _____ DATE _____ SURETY (INITIALS) _____ DATE _____

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Bond Tutorial - IV

Execution Area

1. Surety company's name must be printed, as well as the person and their title who signs for the company
2. Company's name must be printed, as well as name and title of the person who signs for the surety

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
DISTILLED SPIRITS BOND

(See instructions on Page 4)

PRINCIPAL/OBLIGOR _____

ADDRESS OF BUSINESS OFFICE (Number, Street, City, State, ZIP Code) _____

EIN: _____

BOND CATEGORY (Select only one category (i.e. "Surety," "Cash," or "Treasury Note/Bond") and complete corresponding items to right of selection)

SURETY: SURETY NAME _____
BOND NUMBER _____

CASH: CHECK NUMBER(S) (i.e. personal check, cashier's check, money order, etc.) _____

TREASURY NOTE/BOND** NOTE/BOND CUSIP NO. _____ NOTE/BOND INTEREST RATE _____ %
NOTE/BOND MATURITY DATE _____ NOTE/BOND ISSUE DATE _____

**This bond is secured by the Treasury collateral (T-Note) described above or by a T-Note resulting from reinvestment of the full proceeds from the T-Note described above. T-Note collateral reinvestment will automatically occur upon maturity unless the obligor notifies TTBF in writing at least 45 days prior to the maturity date that the T-Note proceeds should not be reinvested and the obligor requests this bond be terminated.

BOND EXECUTION

Witness our hands and seals this _____ day of _____, 20____ Signed, sealed and delivered in the presence of --

SURETY NAME _____ 1

SURETY REPRESENTATIVE SIGNATURE _____ 2

SURETY REPRESENTATIVE PRINTED NAME & TITLE _____ 1

PRINCIPAL/OBLIGOR NAME _____

BY: _____

PRINCIPAL/OBLIGOR REPRESENTATIVE'S SIGNATURE _____

PRINCIPAL/OBLIGOR REPRESENTATIVE'S PRINTED NAME/TITLE _____

SIGNATURE, WITNESS 1 (if no seal) _____

SIGNATURE, WITNESS 2 (if no seal) _____

CORPORATIONS/PARTNERSHIPS, OR LLC SEALS
State in which Principal/Obligor organized _____

Impress Surety Seal _____

Impress Principal/Obligor's corporate or LLC seal or select the checkbox below _____

The corporation/LLC has no seal.

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Bond Tutorial - V

1. An attorney-in-fact must sign on behalf of the surety company
2. Someone with signing authority must sign on behalf of the company

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DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
DISTILLED SPIRITS BOND
(See instructions on Page 4)

PRINCIPAL/OBLIGOR (See instructions 2, 3, and 4)

ADDRESS OF BUSINESS OFFICE (Number, Street, City, State, ZIP Code)

EIN: _____

TYPE OF BOND PER 26 U.S.C. 5173 and 5181
(Check applicable box 1, 2, 3, OR 4)

1. OPERATIONS (Select (a), (b), or (c) below)

(a) ONE PLANT BOND

(b) ADJACENT WINE CELLAR BOND

(c) AREA BOND

2. WITHDRAWAL BOND

3. UNIT BOND

4. ALCOHOL FUEL PRODUCER BOND

BOND KIND (Select only one)

ORIGINAL

STRENGTHENING

SUPERSEDING

AMOUNT OF BOND _____ EFFECTIVE DATE _____

BOND CATEGORY (Select only one category (i.e. "Surety," "Cash," or "Treasury Note/Bond") and complete corresponding items to right of selection)

SURETY: SURETY NAME _____
 BOND NUMBER _____

CASH: CHECK NUMBER(S) (i.e. personal check, cashier's check, money order, etc.) _____

TREASURY NOTE/BOND*: NOTE/BOND CUSIP NO. _____ NOTE/BOND INTEREST RATE _____ %
 NOTE/BOND MATURITY DATE _____ NOTE/BOND ISSUE DATE _____

**This bond is secured by the Treasury collateral (T-Note) described above or by a T-Note resulting from reinvestment of the full proceeds from the T-Note described above. T-Note collateral reinvestment will automatically occur upon maturity unless the obligor notifies TTB in writing at least 45 days prior to the maturity date that the T-Note proceeds should not be reinvested and the obligor requests this bond be terminated.

BOND EXECUTION

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

SURETY NAME _____ PRINCIPAL/OBLIGOR NAME _____

BY: _____

PRINCIPAL/OBLIGOR REPRESENTATIVE'S SIGNATURE _____

SURETY REPRESENTATIVE SIGNATURE _____ PRINCIPAL/OBLIGOR REPRESENTATIVE'S PRINTED NAME/TITLE _____

SURETY REPRESENTATIVE PRINTED NAME & TITLE _____ SIGNATURE, WITNESS 1 (if no seal) _____

_____ SIGNATURE, WITNESS 2 (if no seal) _____

CORPORATIONS/PARTNERSHIPS, OR LLC SEALS
 State in which Principal/Obligor organized: _____

Impress Surety Seal _____ Impress Principal/Obligor's corporate or LLC seal or select the checkbox below: _____

The corporation/LLC has no seal.

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Bond Tutorial - VI

1. If the company has a corporate seal, it is impressed or stamped in this area
2. The surety company's corporate seal will be impressed or stamped in this area

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DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
DISTILLED SPIRITS BOND
(See instructions on Page 4)

PRINCIPAL/OBLIGOR (See instructions 2, 3, and 4)

ADDRESS OF BUSINESS OFFICE (Number, Street, City, State, ZIP Code)

EIN: _____

TYPE OF BOND PER 26 U.S.C. 5173 and 5181
(Check applicable box 1, 2, 3, OR 4)

1. OPERATIONS (Select (a), (b), or (c) below)

(a) ONE PLANT BOND

(b) ADJACENT WINE CELLAR BOND

(c) AREA BOND

2. WITHDRAWAL BOND

3. UNIT BOND

4. ALCOHOL FUEL PRODUCER BOND

BOND KIND (Select only one)

ORIGINAL

STRENGTHENING

SUPERSEDING

AMOUNT OF BOND _____ EFFECTIVE DATE _____

BOND CATEGORY (Select only one category (i.e. "Surety," "Cash," or "Treasury Note/Bond") and complete corresponding items to right of selection)

SURETY: SURETY NAME _____
 BOND NUMBER _____

CASH: CHECK NUMBER(S) (i.e. personal check, cashier's check, money order, etc.) _____

TREASURY NOTE/BOND*: NOTE/BOND CUSIP NO. _____ NOTE/BOND INTEREST RATE _____ %
 NOTE/BOND MATURITY DATE _____ NOTE/BOND ISSUE DATE _____

**This bond is secured by the Treasury collateral (T-Note) described above or by a T-Note resulting from reinvestment of the full proceeds from the T-Note described above. T-Note collateral reinvestment will automatically occur upon maturity unless the obligor notifies TTB in writing at least 45 days prior to the maturity date that the T-Note proceeds should not be reinvested and the obligor requests this bond be terminated.

BOND EXECUTION

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

SURETY NAME _____ PRINCIPAL/OBLIGOR NAME _____

BY: _____

PRINCIPAL/OBLIGOR REPRESENTATIVE'S SIGNATURE _____

SURETY REPRESENTATIVE SIGNATURE _____ PRINCIPAL/OBLIGOR REPRESENTATIVE'S PRINTED NAME/TITLE _____

SURETY REPRESENTATIVE PRINTED NAME & TITLE _____ SIGNATURE, WITNESS 1 (if no seal) _____

_____ SIGNATURE, WITNESS 2 (if no seal) _____

CORPORATIONS/PARTNERSHIPS, OR LLC SEALS
 State in which Principal/Obligor organized: _____

Impress Surety Seal _____ Impress Principal/Obligor's corporate or LLC seal or select the checkbox below: _____

The corporation/LLC has no seal.

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Recordkeeping and Reporting Requirements



Recordkeeping

- 27 CFR Part 19: (on the day of the transaction)
 - .980 Gauge of production and receipt in proof gallons
 - .982 (a)(3) Denaturants used
 - .982(a)(4) Fuel alcohol manufactured
 - .982 (a)(5) Dispositions of spirits
- Kept for **three** years

Alcohol and Tobacco Tax and Trade Bureau



Reporting to TTB

- Annual Report of Operations on TTB F 5110.75
- Filed on a calendar year basis
- Due **January 30** the following year

Alcohol and Tobacco Tax and Trade Bureau



Requirements for AFPs

- **An AFP must:**
 - Obtain a permit by filing TTB F 5110.74
 - Obtain a bond if you produce more than 10,000 gallons annually
 - Obtain a permit if alcohol fuel is not produced from petroleum derivatives
 - Gauge quantity according to 27 CFR 19.980
 - Use only authorized denaturants listed in 27 CFR 19.1005 (see www.TTB.gov)

Alcohol and Tobacco Tax and Trade Bureau



Requirements for AFPs (Cont'd)

- But wait, there's more! An AFP must:
 - File an annual report of operations on TTB F 5110.75 by **January 30**
 - Remove undenatured spirits to a DSP or AFP
 - Import ethanol to an AFP permitted plant
 - Provide adequate security
 - Maintain records required in 27 CFR 19.982

Alcohol and Tobacco Tax and Trade Bureau

AFP Restrictions



AFP Restrictions

- **An AFP may NOT:**
 - Produce alcohol for personal use without obtaining a permit
 - Obtain a bond from an unauthorized surety company
 - Obtain a permit to produce alcohol from a petroleum derivative
 - Remove spirits from the premises unless denatured
 - Use spirits on the plant premises until they are gauged (27 CFR 19.965)
 - Use denaturants not authorized by TTB

Alcohol and Tobacco Tax and Trade Bureau



AFP Restrictions (Cont'd)

- **An AFP may NOT:**
 - Withdraw spirits for other than fuel use
 - Export undenatured spirits
 - Import ethanol, denatured or undenatured to a non-permittee
 - Allow lapses in security
 - Fail to keep records on file for three years

Alcohol and Tobacco Tax and Trade Bureau

- Transfer in bond of undenatured spirits to a DSP or AFP requires spirits to be used for fuel use
- Exportation of spirits produced by an AFP requires they be denatured (26 U.S.C. 5181 (e)(2))
- Denaturants other than gasoline may be submitted to TTB for approval

- Laws and regulations for production of distilled spirits for fuel use waived
- Requires a permit before producing
- Annual reporting of required recordkeeping
- Use limited to alcohol as a fuel



Contact

- Dave Bateman, Distilled Spirits Industry Analyst
 - E-mail: Dave.bateman@ttb.gov
 - Phone: 202-302-3859

Alcohol and Tobacco Tax and Trade Bureau