

Subpart S—Pilot Brewing Plants

See 27 CFR 25.272 below for Letterhead Application Requirements

§ 25.271 General.

- (a) **Establishment.** A person may establish and operate a pilot brewing plant off the brewery premises for research, analytical, experimental, or developmental purposes relating to beer or brewery operations. Pilot brewing plants will be established as provided in this subpart.
- (b) **Authorized removals.** Beer may be removed from a pilot brewing plant only for analysis or organoleptic examination.
- (c) **Transfers between brewery and pilot brewing plant.** Subject to [subpart L](#) of this part, beer may be transferred to a pilot brewing plant from a brewery of the same ownership, and beer may be transferred without payment of tax from a pilot brewing plant to a brewery of the same ownership.
- (d) **Other regulations applicable.** The provisions of [subparts A, B, F, I, K](#), and of [§§25.63, 25.64, and 25.21](#) are applicable to pilot brewing plants established under this subpart. Also, the provisions of [§§25.72–25.75, 25.77, 25.92 and 25.94–25.105](#) relating to bonds, and consents of surety, and of [§§25.131–25.134](#) are applicable to bonds and consents of surety given, and to changes in the proprietorship, location, and premises of pilot brewing plants established under this subpart.

(Sec. 4, Pub. L. 91–673, 84 Stat. 2057, as amended ([26 U.S.C. 5417](#)))

§ 25.272 Application.

- (a) **Form of application.** Any person desiring to establish a pilot brewing plant under the subpart shall file an application with the appropriate TTB officer. The application will be in writing and will include the following:
 - (1) Name and address of the applicant;
 - (2) Description of the premises and equipment to be used in the operations;
 - (3) Nature, purpose, and extent of the operations; and
 - (4) A statement that the applicant agrees to comply with all provisions of this part applicable to the operations to be conducted.
- (b) **Additional information.** The appropriate TTB officer may at any time before or after approval of an application, require the submission of additional information necessary for administration of this part or for protection of the revenue.

- (c) **Authorization of operations.** The appropriate TTB officer may authorize the operation of a pilot brewing plant if it is determined that the plant will be operated solely for one or more of the purposes specified in [§25.271](#), and that operations will not jeopardize the revenue.
- (d) **Withdrawal of authorization.** The appropriate TTB officer may withdraw authorization to operate a pilot brewing plant if in his or her judgment; the revenue would be jeopardized by the operations of the plant.
- (e) **Commencement of operations.** A person may not begin operation of a pilot brewing plant until the appropriate TTB officer has approved the application required by this section.

(Sec. 4, Pub. L. 91–673, 84 Stat. 2057, as amended ([26 U.S.C. 5417](#)))

§ 25.273 Action on application.

If the appropriate TTB officer approves the application for a pilot brewing plant, he or she will note approval on the application and forward a copy to the applicant. The applicant must file the copy of the approved application at the premises, available for inspection by an appropriate TTB officer.

[T.D. ATF–437, 66 FR 5480, Jan. 19, 2001]

§ 25.274 Bond.

- (a) **Requirement.** Any person requesting authorization to establish a pilot brewing plant under this subpart shall execute and file a brewer's bond, Form 5130.22. A person may not begin operation of a pilot brewing plant until receiving notice from the appropriate TTB officer of the approval of the bond. Operations may continue only as long as an approved bond is in effect.
- (b) **Penal sum.** The penal sum of a bond covering the premises of a pilot brewing plant will be an amount equal to the potential tax liability of the maximum quantity of beer on hand, in transit to the plant, and unaccounted for at any one time, computed by multiplying the quantity of beer in barrels by the rate of tax in [26 U.S.C. 5051](#). The penal sum of the bond (or total penal sum if original and strengthening bonds are filed) may not exceed \$50,000 or be less than \$500.
- (c) **Conditions of bonds.** The bond will be conditioned that the operator of the pilot brewing plant shall pay, or cause to be paid, to the United States according to the laws of the United States and the provisions of this part, the taxes, including penalties and interest for which the operator shall become liable, on all beer brewed, produced, or received on the premises.

(Sec. 4, Pub. L. 91–673, 84 Stat. 2057, as amended ([26 U.S.C. 5417](#)))

§ 25.275 Special tax.

The special tax imposed on a brewer by **26 U.S.C. 5091** shall be paid in accordance with subpart I of this part.

§ 25.276 Operations and records.

- (a) **Commencement of operations.** A person may commence operation of a pilot brewing plant upon receipt of the approved application and bond.
- (b) **Reports.** The operator of a pilot brewing plant is not required to file the Brewer's Report of Operations, Form 5130.9.
- (c) **Records.** The operator of a pilot brewing plant must maintain records which, in the opinion of the appropriate TTB officer, are appropriate to the type of operation being conducted. These records will include information sufficient to account for the receipt, production, and disposition of all beer received or produced on the premises, and the receipt (and disposition, if removed) of all brewing materials. These records will be available for inspection by an appropriate TTB officer.

(Sec. 4, Pub. L. 91-673, 84 Stat. 2057, as amended (**26 U.S.C. 5417**))

[T.D. ATF-224, 51 FR 7673, Mar. 5, 1986, as amended by T.D. ATF-345, 58 FR 40357, July 28, 1993; T.D. ATF-437, 66 FR 5480, Jan. 19, 2001]

§ 25.277 Discontinuance of operations.

When operations of a pilot brewing plant are to be discontinued, the operator shall notify the appropriate TTB officer stating the purpose of the notice and giving the date of discontinuance. When operations have been completed and all beer at the premises has been disposed of and accounted for, the appropriate TTB officer will note approval on the notice and return a copy to the operator.