

2009 TTB Expo Presentation

The Technical Side of Exporting Alcohol

Presented by
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Overview

- Define an “export”
- Identify applicable laws and regulations
- Review export process
- Review proof of exportation
- TTB Information – www.ttb.gov
- Summary – What We Learned Today
- Practical exercise

Concepts and Definitions

- Not Sold in U.S. – tax liability?
 - “Free of Tax”
 - “Without payment of tax”
 - “Benefit of drawback of tax”
- Exportation – defined as “Separation from the U.S.”
- When does separation occur?
- Kinds of export transactions

Laws and Regulations

Statutory Authority

- § 5214, Withdrawal of distilled spirits from bonded premises free of tax [denatured] or without payment of tax [un-denatured]
- § 5362, Withdrawal of wine from bonded premises without payment of tax
- § 5053, Withdrawal of beer from brewery without payment of tax
- § 5055, Drawback of Tax – Beer
- § 5062, Drawback of Tax – Distilled Spirits and Wines

Regulations

- Title 27 Code of Federal Regulations:
 - Part 1 – Basic Permit Requirements under the Federal Alcohol Administration Act
 - Part 19 – Distilled Spirits Plants
 - Part 24 – Wineries
 - Part 25 – Brewers
 - Part 28 – Exportation of Alcohol

Untaxed Exports

Untaxed Exports

- Beer, spirits, or wine may be exported without payment of tax when shipped from bonded distilled spirits plant (DSP), bonded wine cellar (BWC), or brewery premises
- Exportation is covered by bond pending receipt of proof of exportation

Continuing or Specific Export Bond – Distilled Spirits or Wines

- When exporter is not operator of DSP or BWC:
 - 27 CFR 28.61 and 28.62 require exporter to obtain bond using TTB F 5100.25 to cover one specific lot of spirits or wines being exported, or TTB F 5100.30 to cover continuing withdrawals for export
 - See also requirement to file TTB F 5100.11 as an application

Types of Exportations

- Export ...
 - To contiguous country
 - To non-contiguous country
 - To Foreign-Trade Zone (FTZ)
 - To Customs Bonded Warehouse (CBW)
 - For use as supplies on vessels and aircraft
 - For use of U.S. Armed Forces, overseas

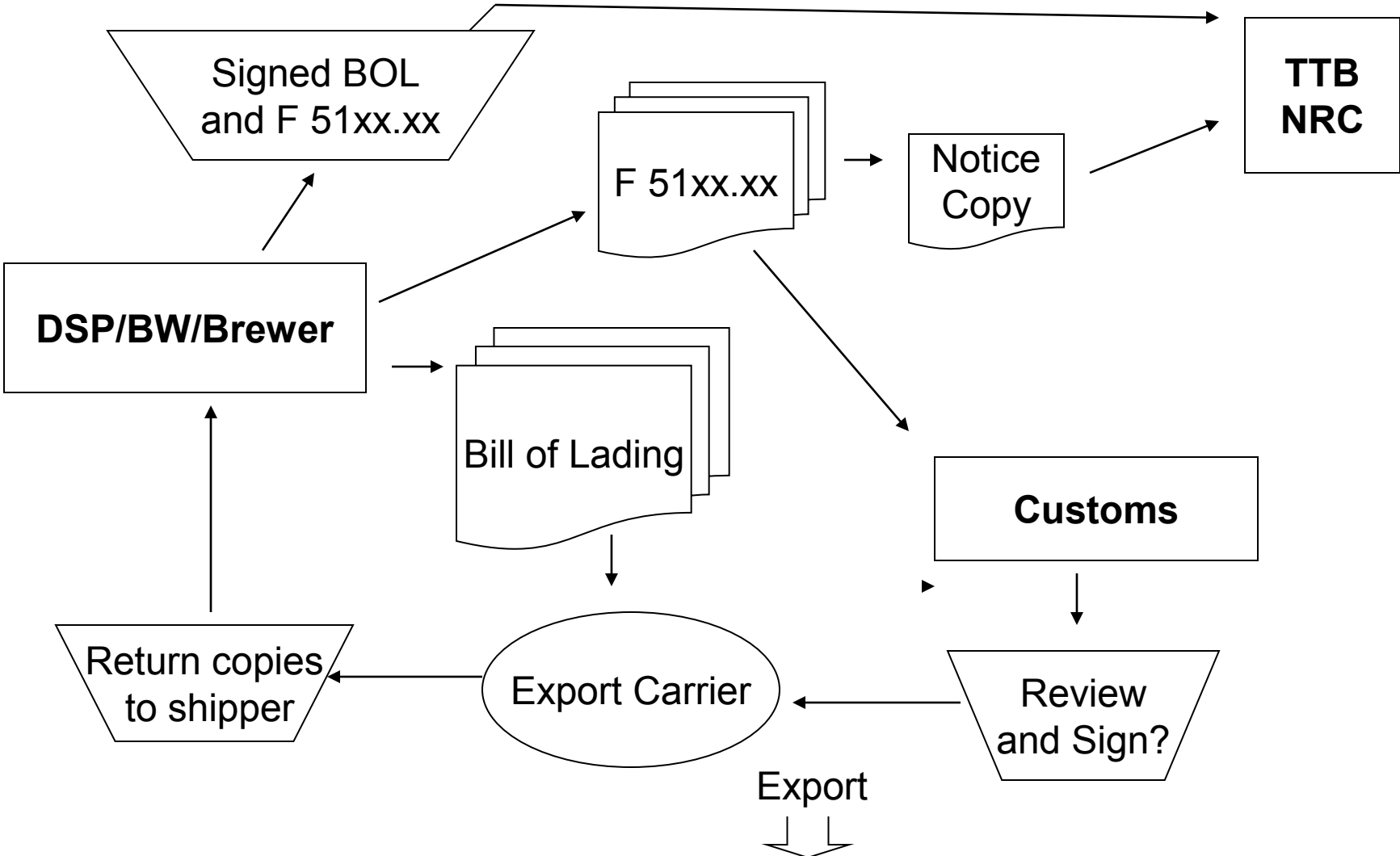
Forms – Untaxed Exports

- TTB F 5100.11, Wine and Spirits
- TTB F 5130.12, Beer

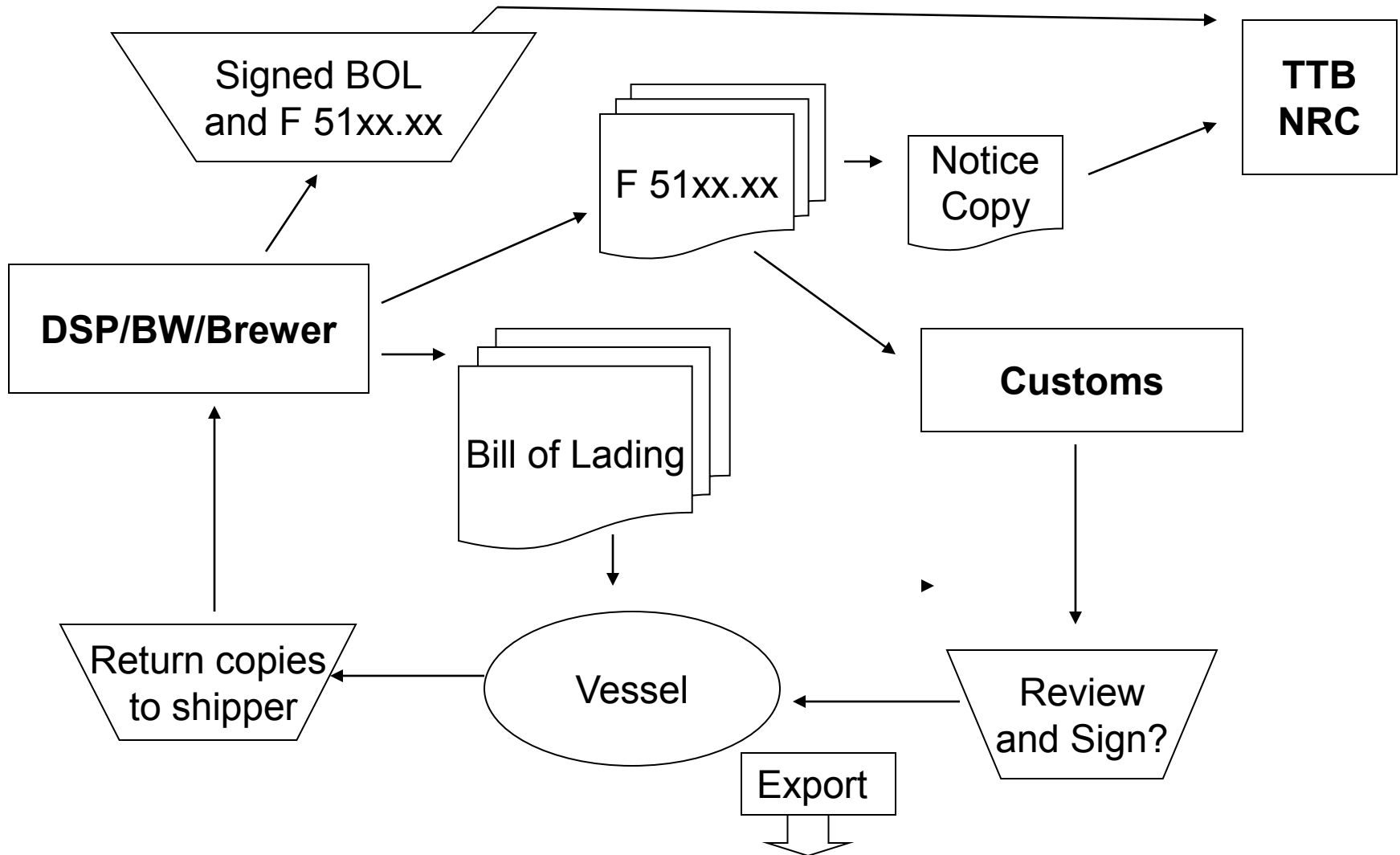
The Export Process

The next slides illustrate the basic process for exporting alcohol products from the United States.

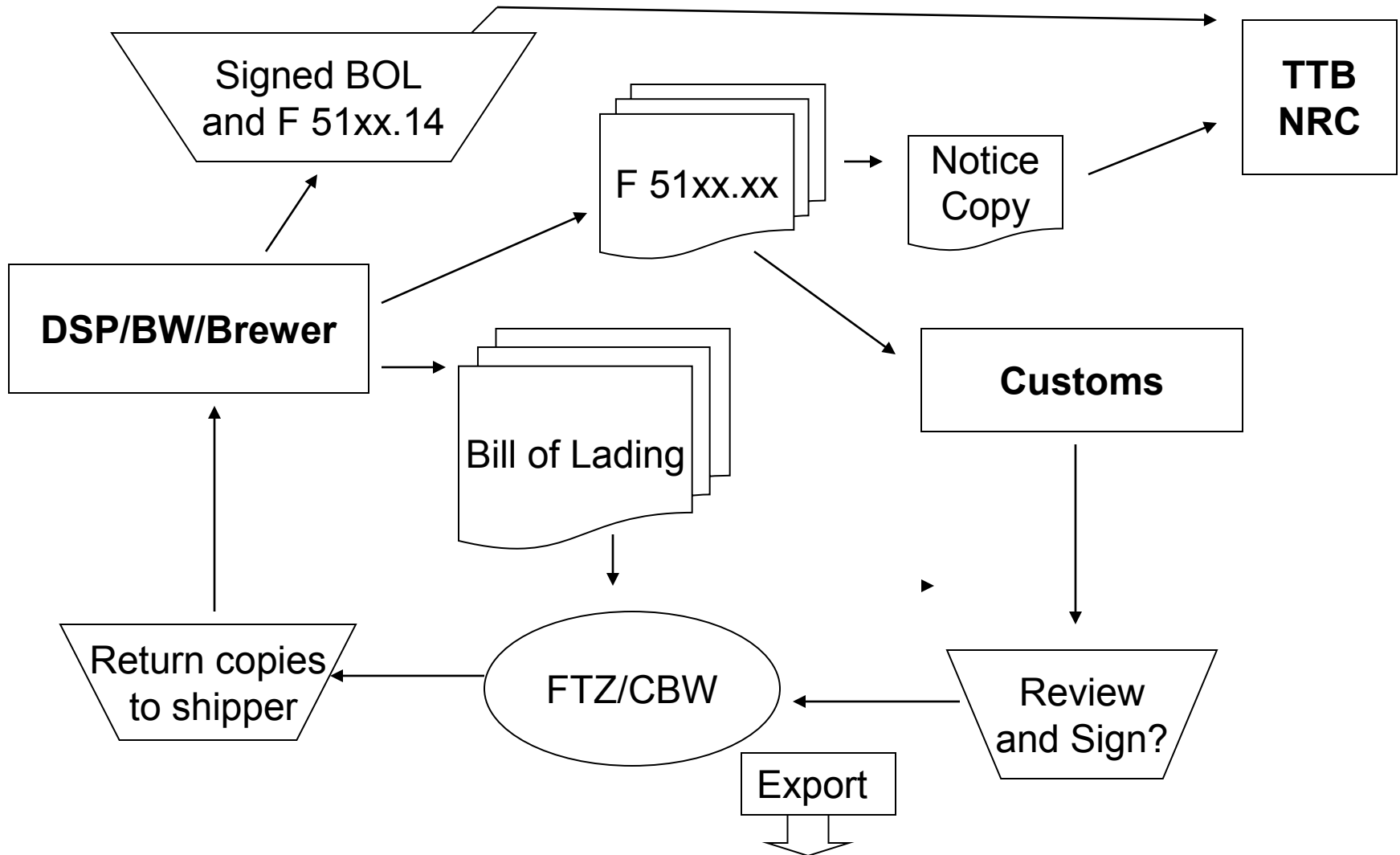
Export Process



Export Process (Continued)



Export Process (Continued)



Export Process — Summary

- Export process, though documentation may vary somewhat, is essentially the same for each type of destination:
 - TTB Form prepared and sent to NRC
 - Bill of lading (BOL)/other commercial documents prepared
 - Carrier accepts goods
 - Present documents to Customs
 - Proof (signed BOL) sent to NRC

Export Process — Summary (Continued)

- What happens when third party gets involved?
- Who is responsible for ensuring documents trace product out of U.S.?
- What happens when you cannot prove product left U.S.?

Reporting Export Activity and Other Requirements

Reporting

- Each operational report submitted to TTB has lines for reporting exports:
 - TTB F 5120.17, Wine
 - TTB F 5130.9, Beer
 - TTB F 5110.11; 5110.28; 5110.40; 5110.43, Distilled Spirits
- Total on export lines must equal amounts shown on transaction forms for reporting period

Other Requirements

- **Markings:**
 - Export marks required
 - See 27 CFR 28.103 (spirits); 28.123 (wines); or 28.144 (beer)
- **Records:**
 - See 27 CFR parts 19, 24, 25, and 28 for daily and summary records of withdrawals

Taxed Exports – Drawback Claims

Taxed Exports

- When tax is paid on products exported:
 - “Drawback” of tax is allowed upon filing of claim and required supporting documentation
 - Only products produced/bottled in U.S.
 - Claims filed by:
 - Producing brewer for all beer drawback (27 CFR 28.221)
 - Winery or wholesaler for wine (27 CFR 28.212)
 - DSP for all spirits drawback (27 CFR 28.171)

Forms

- TTB F 5120.24, Wine Drawback Claim
- TTB F 5120.20, Certificate of Tax Determination — Wine
- TTB F 5110.30, Spirits Drawback Claim
- TTB F 5130.6, Beer Drawback Claim

Proof of Exportation

Proof of Exportation

- Tracking of shipment to port
- Handling before lading
- Consolidation issues
- Forwarder issues
- Export Bill of Lading:
 - Ocean BOL
 - Through BOL

Proof of Exportation (Continued)

- Customs certifications
- Bills of lading
- Certificate of receipt
- Certificate by exporting carrier
- Receipt by U.S. Armed Forces, overseas
- Alternative combinations – see Industry Circulars

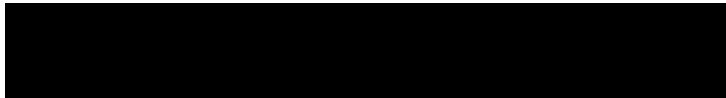
Summary

What We Learned Today

- Defined an “export”
- Identified applicable laws and regulations
- Reviewed reports and marking requirements
- Reviewed untaxed exports
- Reviewed taxed exports
- Discussed “Proof of Exportation”

Contact Information

- NRC Contacts –
 - Exports@ttb.gov
 - Your Tax Services Specialist – call us at 1-877-882-3277
 - Jim McCoy – (513) 684-7132 or



Practical Exercise

Exporting Beer, Wine, or
Distilled Spirits Products