

# Wine Premises Recordkeeping

“If you do it, document it”

Presented by

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# Overview

- What records must be maintained?
  - Receipt of materials and production
  - Storage and cellar treatment
  - Bottling and packing
  - Removals
  - Inventory
- The Next Step: the Report of Wine Premises Operations TTB F 5120.17 (*discussed in detail at 1:30 Friday*)

# 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

# Bonded Wine Premises Allowable Operations

- Receipt, production\*, blending, cellar treatment, storage, bottling of untaxpaid wine
- Use of wine spirits for beverage wine production
- Use of spirits for nonbeverage wine production

\*Requires an FAA Act Basic Permit

# Bonded Wine Premises

## Allowable Operations (Continued)

- Receipt, preparation, use, removal of fruit, concentrate, juice, other materials for production and cellar treatment of wine
- Preparation, storage, non-taxable removal of commercial fruit products and by-products

# TTB Examinations

- TTB examinations include:
  - Tax Audits
  - Product Integrity Investigations
  - Application Investigations
- TTB examines the records that reflect your operations
- Records demonstrate compliance with tax and labeling requirements

# Materials and Production Records

What was received or produced?

What happened to it?

# Materials and Production Records

- Materials received and used record:
  - Weigh tag
  - Date of receipt, quantity, from whom, date of use or other disposition
  - Must contain information that supports eventual label statements



# Materials and Production Records (Continued)

<b>Record</b>	<b>Required By</b>
Spirits record	27 CFR 24.316
Sugar record	27 CFR 24.317
Acid record	27 CFR 24.318
Chemical records	27 CFR 24.320
Effervescent wine record	27 CFR 24.302
Formula wine record	27 CFR 24.303

# Materials and Production Records (Continued)

<b>Record</b>	<b>Required By</b>
Chaptalization, amelioration	27 CFR 24.304
Sweetening record	27 CFR 24.305
Distilling material, vinegar stock	27 CFR 24.306
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

# Bulk Still Wine Record

- A summary record maintained by tax class
- Documents wine production, receipts, removals, blending operations, losses
- Can contain information about sugar, acids, chemicals, etc.

# Bottling and Bottled Wine Records

What was bottled or packed?

# Bottled or Packed Wine Record

- A summary record maintained by tax class
- Documents the volume received, bottled, removed
- Certificate of Label Approval (COLA) serial numbers
- Results of fill and alcohol tests

# Fill and Alcohol Tests

- Required by 27 CFR 24.255(d) and (e)
- Alcohol test taken before bottling
- Fill samples taken at representative intervals

# Label Information Record

- Must give sufficient information for verification by TTB examination
- Supported by:
  - Materials Received and Used Record (27 CFR 24.315)
  - Bulk Wine Record (27 CFR 24.301)

# Removals and Receipts

Where did it go?

What came in?



# 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

# Taxpaid Wine Record

- A running inventory of taxpaid wine stored on the bonded wine premises:
  - Record of receipt
  - Record of removals
  - Record of cases or containers filled

# 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

# Untaxpaid Removals

<b>Untaxpaid Removal</b>	<b>Required By</b>
Testing off/on premises	27 CFR 24.96 – 24.97
Tasting on premises	27 CFR 24.97
Family use	27 CFR 24.75
Removal for distilling material, vinegar stock	27 CFR 24.290 – 24.291

# Untaxpaid Removals (Continued)

<b>Untaxpaid Removal</b>	<b>Required By</b>
Official use of the Government	27 CFR 24.293
Other inventory reductions: Destruction; breakage	27 CFR 24.294, 24.308
Exported	27 CFR 24.292
Transfer in bond	27 CFR 24.309

# Export Records

- Untaxpaid Exports
  - TTB F 5100.11, plus Proof of Export
- Taxpaid Exports
  - TTB F 5120.24, plus Proof of Export, plus Certificate of Tax Determination
- 27 CFR 24.292 and 27 CFR Part 28

# 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 greater than 4L
  - Serial numbers on cases, containers greater than 4L

## Transfer in Bond Record (Continued)

- 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



# Transfer in Bond 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

# Inventories

It all counts

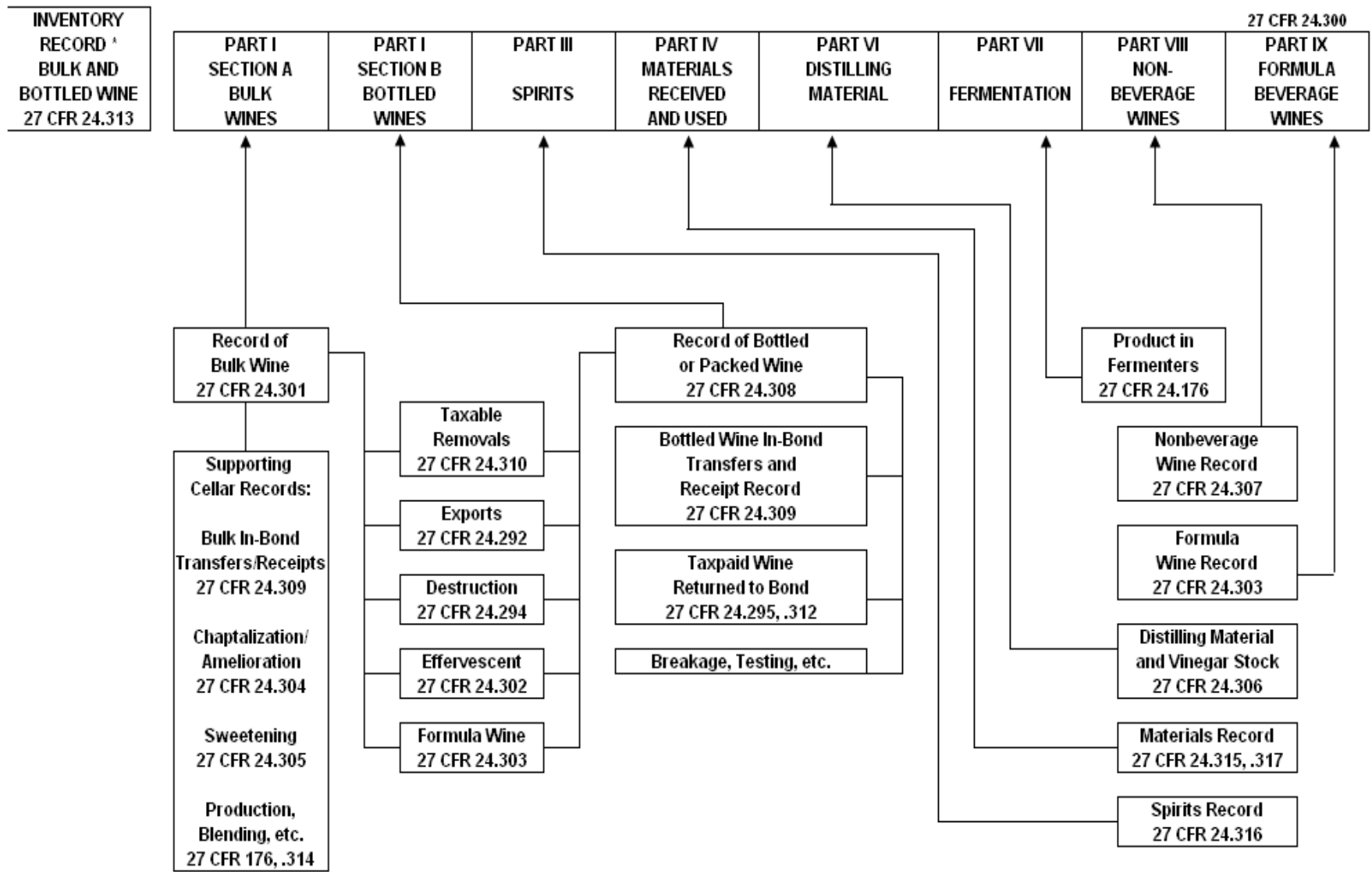
# Inventory Record

- 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

# Inventory Record (Continued)

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

## FORM 5120.17 - REPORT OF WINE PREMISES OPERATIONS



<sup>^</sup> An inventory is required on June 30 for proprietors filing Monthly or Quarterly Reports and December 31 if filing Annual Reports.

# General Information

# General Recordkeeping Matters

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

# Compliance Concerns

- 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



# Summary

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*(discussed in detail at 1:30 Friday)*

# Contact Information

- Recordkeeping:
  - Contact a local TTB office
- Report on TTB F 5120.17:
  - Contact the NRC Wine Tax Unit:
    - E-mail: [ttbwine@ttb.gov](mailto:ttbwine@ttb.gov)
    - Phone: (513) 684-7151