# INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION

WASHINGTON 25, D. C.

Industry Circular No. 60-19

May 26, 1960

PROPOSED AMENDMENT OF REGULATIONS IN 26 CFR PARTS 250 AND 251

To importers and others
concerned:

Purpose. The purpose of this industry circular is to acquaint you with some important changes proposed to be made, effective July 1, 1960, in 26 CFR Part 250, Liquors and Articles from Puerto Rico and the Virgin Islands, and in 26 CFR Part 251, Importation of Distilled Spirits, Wines, and Beer. These changes are described below.

Red Strip Stamps.

1. Denominations. Denominational red strip stamps for bottles of distilled spirits having a capacity of 1/2 pint or more are being discontinued. Instead, one standard size stamp will be printed for use on such bottle sizes. Discontinuance of the printing of the denominational stamps is reflected by the proposed changes in the regulations. We are issuing a separate Industry Circular to inform you of the manner of procuring stamps in the future, of the intended use of existing stocks of denominational stamps, and of the necessary changes in the manner of reporting stamps.

2. Transferring strip stamps. Provisions are being made for an importer to transfer strip stamps in the hands of one bottler to another bottler without returning the stamps to the United States.

3. Foreign-trade zones. Provision is being made for crediting of the importer's stamp account for strip stamps on containers of distilled spirits from abroad when the containers are entered into a foreign-trade zone. At present, credit for such stamps is obtainable only when the containers are transferred from the trade zone to customs custody.

4. Diversion to other ports. More expeditious procedures are being provided for reporting diversion of stamped spirits to a port other than the port of requisition of the stamps. Under these procedures, you must file Form 1627A directly with the collector of customs at the port of diversion, rather than with the collector at the port of requisition. We have also provided a "follow-up" procedure for you to use where you have not, within two months of the time spirits were entered, received notice that your strip stamp account may be credited.

5. Records. Part I of Form 96 is being eliminated. In lieu thereof, the importer will be required to keep records of daily receipts and disposition of strip stamps. This record may be a commercial record; no particular format is prescribed.

6. Reports. Importers procuring stamps for affixing to bottles in foreign countries, in the Virgin Islands, or in customs bond will be required to submit only an annual report on Form 96 (for the year ending June 30), instead of the present monthly report, unless the collector of customs deems it necessary to require reporting at more frequent intervals. (Strip stamps procured for affixing to bottled spirits in Puerto Rico are reported by Insular Officers on Form 2260; therefore, those procedures are not discussed in this Circular.)

7. Accounting for stamps. The amended regulations will provide that importers will account to the collector of customs for all strip stamps within 18 months of the date they are requisitioned. Failure to properly account for the strip stamps within the 18 month period, or within such extension of time as may be granted, will be grounds for rejection of further applications to procure strip stamps.

8. Marking cases. Requirements relating to marks to be affixed to cases of distilled spirits by the foreign bottler or exporter are revised. However, where cases have been printed up for use in accordance with the regulations in effect prior to the effective date of these proposed amendments, such cases may be used until the present stock is exhausted.

Forms.

1. Forms 96, 428, 1627, and 1627A, have been revised and the revised forms will be used by importers for transactions occurring on and after July 1, 1960. However, the report of strip stamps for the month of June 1960, even though it is submitted in July, shall be submitted on the present Form 96 (revised June 1957), pursuant to present regulations. Stocks of these revised forms have been furnished to the assistant regional commissioners (alcohol and tobacco tax), and may be obtained from them.

2. You were previously advised by Industry Circular No. 60-4 of the necessity for procuring at your own expense Forms 52A, 52B, and 338, which are being revised as of July 1, 1960. The revised forms will be used, where necessary, for reporting transactions occurring on and after July 1, 1960. Sample copies of these revised forms are available in the office of the assistant regional commissioner (alcohol and tobacco tax).

Inquiries. Inquiries concerning this circular should refer to its number and be addressed to your office of the assistant regional commissioner (alcohol and tobacco tax).

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