Department of the Treasury

Industry Circular

Internal Revenue Service
Alcohol, Tobacco, and Firearms Division
Washington, D.C. 20224

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WITHDRAWAL OF LIQUORS FOR USE ON AIRCRAFT;
RECIPROCATING COUNTRIES

Proprietors of distilled spirits plants,
bonded wine cellars, breweries,
and others concerned:

Purpose. This circular is issued to inform you of the provisions of a revenue procedure which will be published in an early issue of the Internal Revenue Bulletin. The revenue procedure will announce the addition of the Republic of China, Colombia, and Czechoslovakia to the list of foreign countries to which the reciprocal privileges provided by section 309 of the Tariff Act of 1930, as amended, may be extended and will advise that ground equipment may not be withdrawn under section 309 for aircraft registered in Australia and France.

Background. Under the provisions of the above-cited section of the Tariff Act, the privilege of withdrawing liquors free of tax or with benefit of drawback, for use as supplies (including equipment), maintenance, or repair, of aircraft registered in a foreign country is extended to aircraft registered in a foreign country only if the Secretary of the Treasury is advised by the Secretary of Commerce that such foreign country allows, or will allow, substantially reciprocal privileges to aircraft registered in the United States. The Secretary of Commerce has advised the Secretary of the Treasury that the Republic of China, except for ground equipment, Colombia, and Czechoslovakia extend such privileges to aircraft registered in the United States and engaged in foreign trade. Corresponding privileges are, therefore, extended to aircraft registered in the Republic of China, Colombia, and Czechoslovakia and engaged in foreign trade.

In accordance with Customs Bulletin No. 14, T.D. 70-73, the listing of Bahama Islands is changed to Bahamas and Eire is changed to Ireland.

Although Revenue Procedure 70-2 did not specify any exceptions for the countries of Australia and France, the Secretary of Commerce has now found that these countries do not allow exemption from tax on ground equipment brought into those countries for aircraft of United States registry engaged in foreign trade. Therefore, effective April 1, 1970, as to Australia and France, ground equipment may not be withdrawn under section 309(a)(3) of the Tariff Act of 1930, as amended, for aircraft registered in such foreign countries.

Complete List of Foreign Countries. The complete list of foreign countries to which the privileges provided for by section 309 of the Tariff Act of 1930 may be extended is now as follows:

Argentina
Australia*
Bahamas
Belgium
Bermuda
Brazil
Canada
Chile
China, Republic of*
Colombia
Costa Rica
Czechoslovakia
Denmark
Dominican Republic
Ecuador
El Salvador
Finland
France*
Germany, Federal Republic of*
Greece
India
Ireland
Israel
Italy*
Jamaica*
Japan
Lebanon
Mexico
Netherlands
Nicaragua
Norway
Pakistan
Panama
Peru
Portugal*
South Africa*
Spain
Sweden
Switzerland
Trinidad and Tobago
Union of Soviet Socialist Republics
United Kingdom*
Venezuela

* (except for ground equipment).

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to the office of your Assistant Regional Commissioner (Alcohol, Tobacco and Firearms).

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