



TTB Boot Camp for Wineries

RECORDS



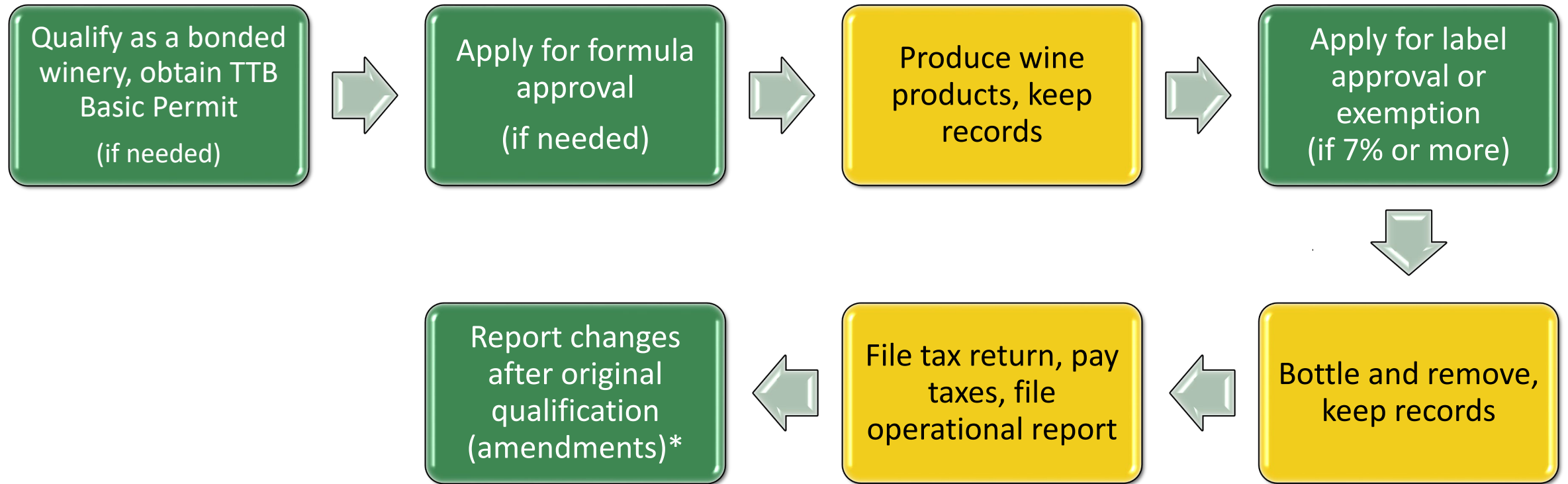
TTB Disclaimer

Notice:

- This information is being presented to help the public to understand and comply with the laws and regulations that the Alcohol and Tobacco Tax and Trade Bureau administers
- It is not intended to establish any new, or change any existing, definitions, interpretations, standards, or procedures regarding those laws and regulations
- In addition, this presentation may be made obsolete by changes in laws and regulations - please consult the regulations for the most current regulatory requirements
- Sample documents (such as records, returns, and labels) are for illustrative purposes only and contain fictitious data



Typical TTB Touchpoints for Wine Industry Members



*Reporting changes may be necessary at any time after qualification



Agenda

- Records overview
- Records
- Common compliance issues



Required IRC & FAA Act Records

Records required by the Internal Revenue Code (IRC) (27 CFR part 24) and Federal Alcohol Administration Act (FAA Act) (27 CFR part 4):

- Substantiate tax liabilities
- Substantiate label information

Records are used to prepare the Report of Operations and to substantiate Excise Tax Forms



Recordkeeping Matters

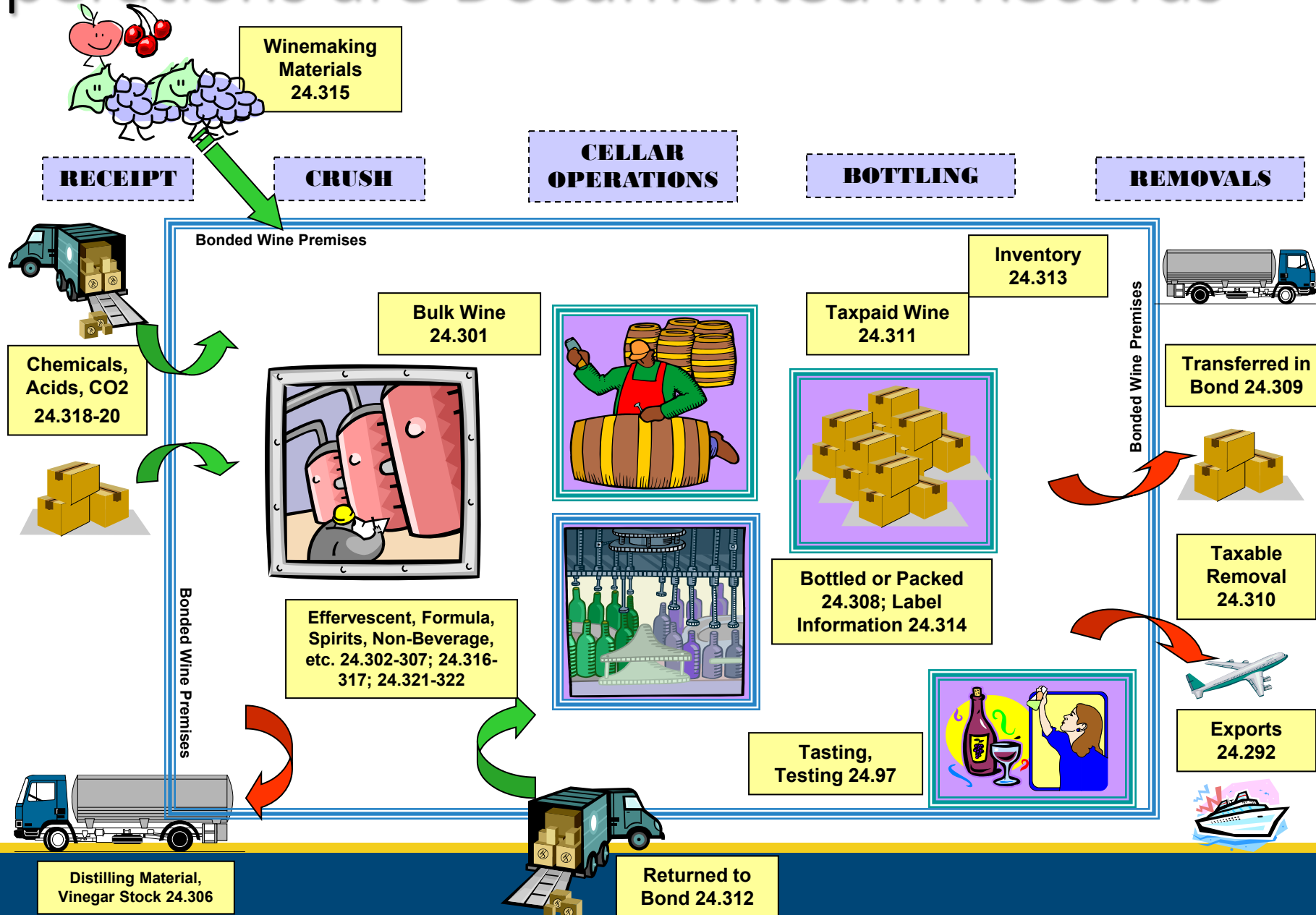
- Computerized Records
- Photocopies of Records
- Time of Making Entries
- Record Retention
- TTB Permit Application File



27 CFR 24.300



Operations are Documented in Records



Records





Wine Materials Received & Used Records

Receipt of materials and production record:

- Weigh tags, invoices, trucking and delivery documents and receipts in bond
- Date of receipt, quantity, from whom, date of use or other disposition, BW # if applicable
- Must contain information that supports eventual label statements

27 CFR 24.315



Bulk Still Wine Record

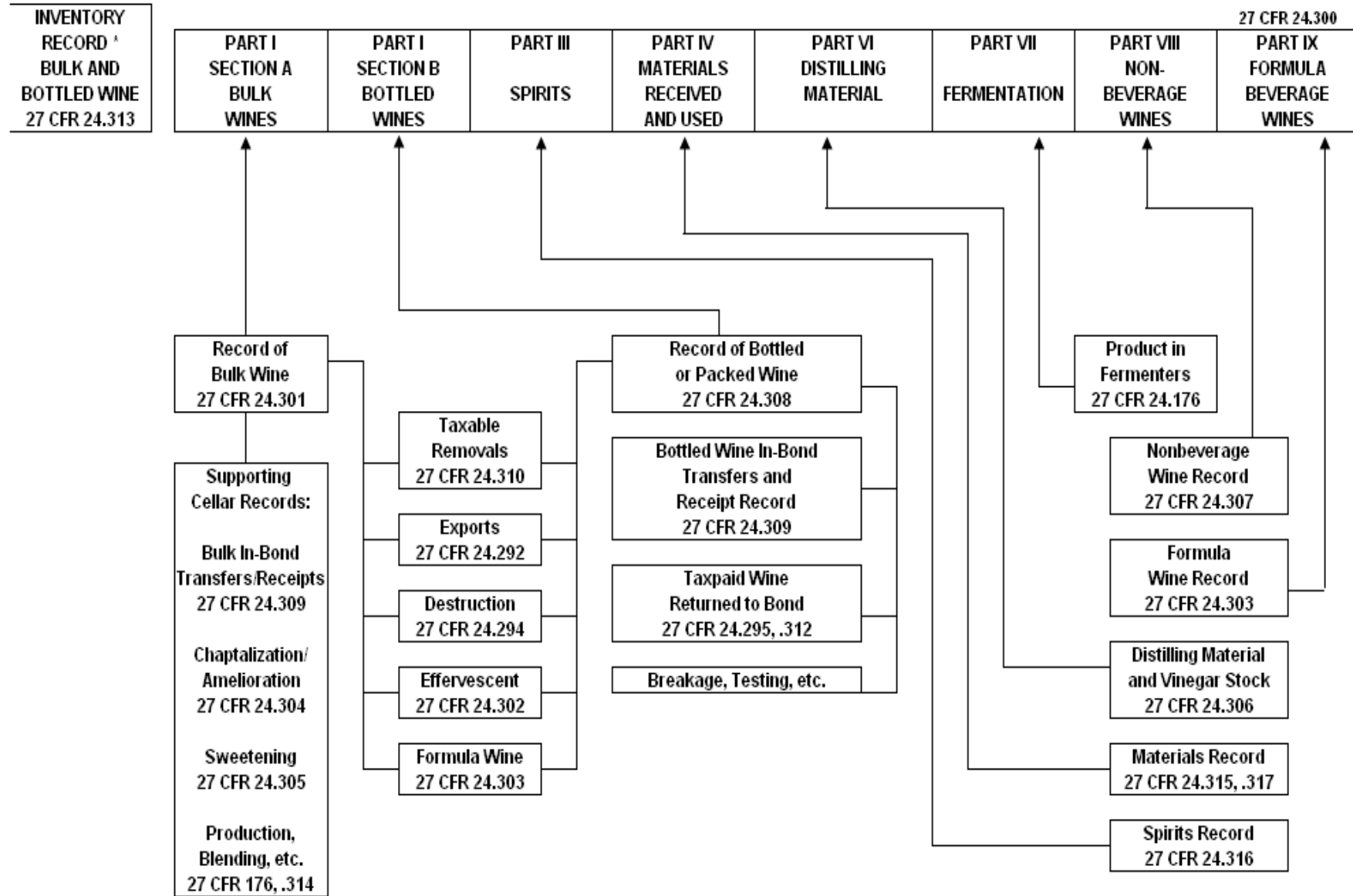
Summary record to record transactions for bulk still wine received or produced in bond:

- Maintained for each tax class
 - Includes date transaction occurred
- Documents Wine Production
- Feeds directly into Part 1 Section A of Report of Operations



27 CFR 24.301

FORM 5120.17 - REPORT OF WINE PREMISES OPERATIONS





Wine Production Records

Required records, as applicable:

- Effervescent Wine Record: 27 CFR 24.302
- Formula Wine Record: 27 CFR 24.303
- Chaptalization and Amelioration Record: 27 CFR 24.304
- Sweetening Record: 27 CFR 24.305
- Distilling Materials or Vinegar Stock Records: 27 CFR 24.306
- Nonbeverage Wine Record: 27 CFR 24.307



Winemaking Materials Records

Required records, as applicable:

- Spirits Record: [27 CFR 24.316](#)
- Sugar Record: [27 CFR 24.317](#)
- Acid Record: [27 CFR 24.318](#)
- Carbon Dioxide Record: [27 CFR 24.319](#)
- Chemical Record: [27 CFR 24.320](#)
- Decolorizing Materials Record: [27 CFR 24.321](#)
- Allied Products Record: [27 CFR 24.322](#)



Bottled and Packed Wine Records

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

27 CFR 24.308



Label Information Record



- Must give **accurate and sufficient information** for verification by TTB examination.
- The record trail must be complete and must run from the beginning source material to removal of wine for consumption or sale.
- Information must also be included on any transfer in bond record.

27 CFR 24.314



Taxpaid and Untaxpaid Removals from Bond

Records required for wine removed at the time of removal to:

- Taxpaid wine premises
- Taxpaid wine bottling house premises
- For direct shipment

Records will include:

- Date of removal
- Name/address of
- Volume
- Kind of wine (class and type)
- Alcohol content

27 CFR 24.310



Taxpaid Removals Requiring Records

- Removed for tasting room (non-bonded)
- Direct-to-Consumer shipments
- Sales to wholesalers
- Removal to off-premises locations
- Inventory shortages
- Removed for promotional events
- Removals for charity and donations





Untaxpaid Removals Requiring Records

- Testing on/off premises
- Tasting on premises (in-bond area)
- Family use
- Destruction/Breakage
- Official use of the government (TTB samples)
- Transfer in bond
- Export out of U.S.
- “Allowable” losses



Transfer in Bond Record

A shipping document can be an acceptable transfer in bond record if it contains:

- Date, name, address and registry number of the shipping and receiving wine premises
- Volume in gallons or liters, kind of wine (class and type) and alcohol content **OR** tax class
- **Serial numbers:** cases/containers over 4 liters required to be included in transfer document
- Complete and accurate label information

27 CFR 24.309



Testing off Premises

- Limit of one liter per lot
- Records: invoices/billing statements with details of wine and testing
- Free of tax samples or residues may not be consumed or sold
- Destroy or return to bond
- Certified lab, refer to: <https://www.ttb.gov/regulated-commodities/formulation/formula-approval-with-laboratory-sample-analysis>

27 CFR 24.96



Testing on Premises

- Reasonable quantity with nature of testing – excess is taxable
- Records: log or workorders with details of wine and test performed
- Records include: quantity, kind of wine, date, and disposition of each sample



27 CFR 24.97



Tasting on the Bonded Premises

- “Organoleptic” tasting
- Room or area set aside for public tasting purposes
 - Not the tax-paid tasting room!
- Maintain records on date, quantity, and kind of wine transferred



27 CFR 24.97



Taxpaid Wine Storage Records

Required when taxpaid wine is stored on Bonded Wine Premises:

- Record of Receipt
- Record of Removals
- Record of Cases or Containers Filled (in wine gallons)
- Class Type and Tax Class

27 CFR 24.311



Exporting out of the U.S.

UNTAXPAID WINE EXPORT

TTB Form 5100.11 + proof that wine left the United States

- Tax must be paid if proof of export is not obtained

SEE: INDUSTRY CIRCULAR 2004-3: ALCOHOL AND TOBACCO EXPORT DOCUMENTATION PROCEDURES

TAXPAID WINE EXPORT

TTB Tax Drawback Forms 5120.24 and 5120.20 + proof of export

27 CFR Part 28; 27 CFR 24.292



Variance for Export Documentation

- Variances can be submitted and approved for maintaining export documentation on the premises instead of forwarding the documentation to NRC
- If documentation is not obtained **within 90 days** of export – tax is due on export





Evidence of Exportation

Exportation of any shipment of wine may be evidenced by:

- A copy of the export bill of lading (28.250)
- A copy of the railway express receipt (28.251)
- A copy of the air express receipt (28.252)
- A copy of the through bill of lading where exportation is to a contiguous foreign country (28.250)
- A certificate by the export carrier, as provided for in 28.253.



27 CFR 28.40



Taxpaid Wine Returned to Bond Records

- 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



27 CFR 24.312



Inventory Records

- Complete annual physical inventory of all wine and spirits
- Inventory must be taken at end of annual period:
 - **June 30**, unless TTB is notified of another date (variance request submitted to NRC); or
 - **December 31** if reporting annually
- Must include:
 - Description of wine
 - Volume of bulk and bottled wine, totaled separately by tax class
 - Inventory summary (in wine gallons or liters)



27 CFR 24.313



Inventory Records (cont'd)

- Dated, numbered consecutively, signed by person with signature authority and signed under Penalty of Perjury
- Unexplained Bottled Shortages must be taxpaid: See 24 CFR 24.266(c)
 - Cannot be offset by inventory gains and must be reported separately
- Claim must be filed for excessive Bulk Losses: See 27 CFR 24.266(b)

27 CFR 24.313



Importance of Recordkeeping

Records are key for completing:

- [TTB F 5120.17](#) (Report of Wine Premises Operations)
- [TTB F 5000.24](#) (Excise Tax Return Form), which is a requirement of 27 CFR 24.323

Records ensure accurate reporting for wine production, storage, and excise tax calculations.



Common Compliance Concerns

- Alcohol and fill tests are not being done and recorded
- Transfer in bond records are not accurate
- Operations are not recorded timely
- Cellar records are insufficient to support label claims
- Insufficient label information on transfer in bond documents
- Annual inventory not taken, recorded, or reported