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## *Rules, Regulations, Orders*

### TITLE 6—AGRICULTURAL CREDIT

### CHAPTER I—FARM CREDIT ADMINISTRATION

PART 3—FUNCTIONS OF ADMINISTRATIVE OFFICERS

FUNCTIONS, POWERS, AUTHORITY, AND DUTIES OF THE ASSISTANT CHIEF, ADMINISTRATIVE DIVISION

Section 3.71 of title 6, Code of Federal Regulations, as amended (FCA Order 314, April 7, 1941; 6 F.R. 1809), is further amended to read as follows:

§ 3.71 *Functions, powers, authority, and duties of Assistant Chief, Administrative Division.* The Assistant Chief, Administrative Division, is authorized to execute and perform all functons, powers, authority, and duties pertaining to the office of the Chief, Administrative Division, in the event the Chief, Administrative Division, is unavailable to act by reason of absence from the central office of the Farm Credit Administration or for any other cause. (Sec. 16, 48 Stat. 1221; 12 U.S.C. 1766; E.O. 6084, Mar. 27, 1933; 6 CFR 1.1 (m); Memorandum No. 846, Sec. of Agric., Jan. 6, 1940.)

[SEAL] A. G. BLACK, *Governor.*

[F. R. Doc. 42-2107; Filed, March 11, 1942; 11:37 a. m.]

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### TITLE 14—CIVIL AVIATION

### CHAPTER I—CIVIL AERONAUTICS BOARD

[Regulations, Serial No. 209]

PART 50—FLYING SCHOOL RATING

SPECIAL REGULATION AUTHORIZING PATHFINDER FLYING SERVICE TO COMPLETE THEIR 1942 SPRING CIVILIAN PILOT TRAINING CONTRACTS AT CARSON CITY, NEVADA

At a session of the Civil Aeronautics Board held at its office in Washington, D. C., on the 10th day of March, 1942.

It appearing that:

(a) The Pathfinder Flying Service in conjunction with the Stockton Junior College, Stockton, California, and the Pathfinder Flying Service in conjunction with the Modesto Junior College, Modesto, California, are holders of flying school ratings and certificates issued pursuant to the provisions of Part 50 of the Civil Air Regulations;

(b) These two schools have been required to move their locations to Carson City, Nevada, by reason of the emergency existing in California caused by the present state of war;

(c) The provisions of Part 50 of the Civil Air Regulations require the holder of a flying school rating and certificate to maintain personnel, facilities, and equipment at least equal in quality and quantity to those required for the issuance of such certificate;

(d) These two schools are unable to provide suitable hangar space, sufficient to house adequately all aircraft used for the purpose of flight instruction at Carson City, Nevada, in time to complete their Spring Civilian Pilot Training contracts;

(e) The failure to provide adequate hangar facilities will not adversely affect the instruction given in these schools;

The Board finds that:

Its action is desirable in the public interest;

Now therefore, the Civil Aeronautics Board, acting pursuant to the authority vested in it by the Civil Aeronautics Act of 1938, as amended, particularly sections 205 (a), 601, and 607 of said Act makes and promulgates the following special regulation:

The provisions of Part 50 of the Civil Air Regulations with respect to maintaining suitable hangar space, sufficient to house adequately all aircraft used for the purpose of flight instruction at least equal in quality and quantity to those required for the issuance of a flying school rating and certificate shall not apply to the Pathfinder Flying Service while conducting its operations

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at Carson City, Nevada, pursuant to the provisions of its 1942 Spring Civilian Pilot Training contracts.

By the Civil Aeronautics Board.

[SEAL] DARWIN CHARLES BROWN, *Secretary.*

[F. R. Doc. 42-2108; Filed, March 11, 1942; 11:45 a. m.]

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[Regulations, Serial Number 208]

PART 224—TARIFFS [1]

FILING, POSTING AND PUBLISHING OF TARIFFS BY AIR CARRIERS AND FOREIGN AIR CARRIERS

At a session of the Civil Aeronautics Board held at its office in Washington, D. C., on the 9th day of March, 1942.

The Civil Aeronautics Board, acting pursuant to the Civil Aeronautics Act of 1938, as amended, particularly sections 205 (a) and 403 (a) thereof, and deeming its action necessary to carry out the provisions of said Act and to exercise its powers and perform its duties thereunder, hereby makes and promulgates the following regulation:

Effective on the 20th day of March, 1942, § 224.1 (*Filing, posting and publishing of tariffs by air carriers and foreign air carriers*) of the Economic Regulations is amended by striking out paragraph (m).

By the Civil Aeronautics Board.

[SEAL] DARWIN CHARLES BROWN, *Secretary.*

[F. R. Doc. 42-2109; Filed, March 11, 1942; 11:45 a. m.]

[1] 5 F.R. 2563.

## TITLE 31—MONEY AND FINANCE: TREASURY

### CHAPTER I—MONETARY OFFICES

PART 131—GENERAL LICENSES UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO

AMENDMENT OF GENERAL LICENSE NO. 68A, AS AMENDED, UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.

MARCH 10, 1942.

General License No. 68A (§ 131.68a) is hereby amended by deleting paragraph (f) and renumbering paragraph (g) as paragraph (f). (Sec. 5 (b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Pub. No. 354, 77th Cong.; E.O. 8389, Apr. 10, 1940, as amended by E.O. 8785, June 14, 1941, E.O. 8832, July 26, 1941, E.O. 8963, Dec. 9, 1941, and E.O. 8998, Dec. 26, 1941; Regulations, Apr. 10, 1940, as amended June 14, 1941, and July 26, 1941)

[SEAL] E. H. FOLEY, Jr., *Acting Secretary of the Treasury.*

[F. R. Doc. 42-2102; Filed, March 11, 1942; 9:39 a. m.]

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## TITLE 32—NATIONAL DEFENSE

### CHAPTER IX—WAR PRODUCTION BOARD

SUBCHAPTER B—DIVISION OF INDUSTRY OPERATIONS

PART 1055—WOOL

*Amendment No. 3 to Conservation Order No. M-73 Curtailing the Use of Wool*

Section 1055.1 (*Conservation Order No. M-73*) [1] is hereby amended as follows:

By adding at the end of paragraph (e), as amended by Amendment No. 1, issued February 24, 1942, the following subparagraph:

(10) *Exception for uniform fabric.* Notwithstanding the provisions of paragraph (a) (1) (i), any person may, during the period from the date of this Amendment, to April 4, 1942, both inclusive, put in process, or cause to be put in process, on the worsted, woolen, or other single system, for the aggregate of defense and non-defense orders, wool in excess of 80 percent of his basic quarterly poundage, but only to the extent necessary to fill orders for uniform fabric to which Preference Rating A-10 is assigned under sub-paragraph (9) above. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

This amendment shall take effect immediately. Issued this 10th day of March 1942.

J. S. KNOWLSON, *Director of Industry Operations.*

[F. R. Doc. 42-2099; Filed, March 10, 1942; 4:44 p. m.]

[1] 7 F.R. 120, 543, 1541, 1570.

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PART 1086—O. D. WOOL CLIPS, O. D. WOOL RAGS AND O. D. WOOL WASTES

*General Preference Order M-87 to Conserve the Supply and Direct the Distribution of O. D. Wool Clips, O. D. Wool Rags and O. D. Wool Wastes*

Whereas the fulfillment of requirements for the defense of the United States has created a shortage of wool for the combined needs of defense, private account, and export, rendering it necessary that all O. D. Wool Clips, O. D. Wool Rags and O. D. Wool Wastes be used in the manufacture of O. D. Wool products for the Armed Forces of the United States; and it is necessary in the public interest and to promote the national defense to control the distribution of O. D. Wool Clips, O. D. Wool Rags and O. D. Wool Wastes in the manner hereinafter in this Order provided;

*Now, therefore, it is hereby ordered,* That:

§ 1086.1 *General Preference Order M-87*—(a) *Applicability of Priorities Regulation No. 1.* This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1 (Part 944), as amended from time to time, except to the extent that any provision hereof may be inconsistent therewith, in which case the provisions of this Order shall govern.

(b) *Additional definitions.* For the purposes of this Order:

(1) "O. D. wool clips" means the clippings resulting from the manufacture of woven or knitted fabric O. D. in color, containing at least 80% wool, into articles of clothing.

(2) "O. D. wool rags" means rags that are substantially all wool, O. D. in color, that are derived from fabric, either woven or knitted, that has been used by the ultimate consumer.

(3) "O. D. wool wastes" means wool wastes of any type that are O. D. in color, resulting from any phase in the manufacture of O. D. wool products.

(4) "Dealer" means any person heretofore regularly engaged, either wholly or partly, in the business of purchasing and selling O. D. wool clips, O. D. wool rags or O. D. wool wastes.

(c) *Restrictions on sales and deliveries of O. D. wool clips, O. D. wool rags and O. D. wool wastes.* No person other than the War Department or the Navy Department shall hereafter sell or deliver

any O. D. wool clips, O. D. wool rags or O. D. wool wastes except to Dealers or persons manufacturing O. D. wool products to fill orders of the War Department or Navy Department.

(d) *Restrictions on the use of O. D. wool clips, O. D. wool rags and O. D. wool wastes.* No person engaged in the manufacture of textiles, or any process thereof, shall use O. D. wool clips, O. D. wool rags or O. D. wool wastes, except in the manufacture of O. D. wool products to fill orders of the War Department or Navy Department.

(e) *Required accumulations of O. D. wool clips and O. D. wool rags.* Each person engaged in the manufacture of any product from O. D. wool cloth shall hereafter collect and segregate for sale and delivery pursuant to this Order all O. D. wool clips and O. D. wool rags which may be produced by him: *Provided, however,* That any person engaged in the manufacture of finished articles from O. D. wool cloth furnished him by the War Department or Navy Department, shall collect, segregate and return to the War Department or Navy Department, as the case may be, all such O. D. wool clips or O. D. wool rags produced by him in the performance of such contract.

(f) *Appeal.* Any person affected by this Order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him, or that it would result in a degree of unemployment which would be unreasonably disproportionate compared with the amount of O. D. wool clips, O. D. wool rags or O. D. wool wastes conserved, or that compliance with this Order would disrupt or impair a program of conversion from nondefense to defense work, may appeal to the War Production Board, by letter or telegram, Ref.; M-87; setting forth the pertinent facts and the reason he considers he is entitled to relief. The Director of Industry Operations may thereupon take such action as he deems appropriate.

(g) *Reports and correspondence.* All applications, statements or other communications filed pursuant to this Order or concerning the subject matter hereof, shall be addressed to the War Production Board, Washington, D. C., Ref.: M-87.

(h) *Violations.* Any person who wilfully violates any provision of this Order, or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this Order, may be prohibited from receiving further deliveries of any Material subject to allocation, and such further action may be taken as is deemed appropriate, including a recommendation for prosecution under section 35 (A) of the Criminal Code (18 U.S.C. 80).

(i) *Effective date.* This Order shall take effect immediately. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Public Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 10th day of March 1942.

J. S. KNOWLSON,
*Director of Industry Operations.*

[F. R. Doc. 42-2101; Filed, March 10, 1942; 4:44 p. m.]

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PART 1129—MILITARY AND NAVAL AIRCRAFT

*Preference Rating Order No. P-122 Assigning Higher Preference Ratings to Certain Deliveries Under Orders for Military and Naval Aircraft*

§ 1129.1 *Preference Rating Order P-122.* (a) All preference ratings assigned by any Preference Rating Certificate PD-1, PD-1A, PD-3, PD-3A, or PD-5 heretofore issued, and all valid extensions thereof, for military or naval aircraft except aircraft produced by the prime contractors specified in paragraph (b) hereof, or for material to be incorporated into such military or naval aircraft or into any components thereof, or for material (including machine tools) to be used directly in the production of such military or naval aircraft or components, are hereby raised to A-1-a, and the ANMB Code Number applicable thereto is hereby amended to "ANMB Code Number 21."

(b) All preference ratings assigned by any such Preference Rating Certificate, and all valid extensions thereof, for military or naval aircraft produced by the following prime contractors at the plants specified below, or for material to be incorporated into such military or naval aircraft or into any components thereof, or for material (including machine tools) to be used directly in the production of such military or naval aircraft or components, are hereby raised to A-1-b, and the ANMB Code Number applicable thereto is hereby amended to "ANMB Code Number 18":

*Prime Contractor and Plant*

Aeronca Aircraft Corporation, Middletown, Ohio Plant.

DeHavilland Aircraft, Ltd., Toronto, Ontario Plant.

Fairchild Aircraft Division of Fairchild Engine and Airplane Corp., Hagerstown, Maryland Plant.

Piper Aircraft Corporation, Lockhaven, Pa., Plant.

Spartan Aircraft Company, Tulsa, Oklahoma Plant.

Taylorcraft Aviation Corporation, Alliance, Ohio Plant.

Stinson Aircraft Division of Vultee Aircraft, Inc., Wayne, Michigan Plant.

Ryan Aeronautical Company, San Diego, California Plant.

Howard Aircraft Corporation, Chicago, Illinois Plant.

Fleet Aircraft, Ltd., Fort Erie, Ontario Plant.

St. Louis Aircraft Corporation, St. Louis, Missouri Plant.

(c) (1) The amendment of the ratings set forth in paragraph (a) and (b) hereof shall take effect immediately, without any further action by any United States Government official.

(2) All persons to whom the Preference Rating Certificates set forth in paragraphs (a) and (b) hereof have been issued, and all suppliers and subsuppliers under purchase orders or contracts rated thereby, are authorized to make a notation upon any such Preference Rating Certificate in their possession, or on any purchase order or contract which has been endorsed thereunder pursuant to Priorities Regulation No. 3, changing the preference rating and the ANMB Code Number orginally set forth therein, and stating "Changed by P-122," followed by the name or initials of the person making the notation.

(3) The higher rating shall be deemed, for the purposes of Priorities Regulation No. 1, to have been applied to any purchase order or contract on the date when such purchase order or contract was originally placed with the person furnishing material thereunder, but shall not operate to divert deliveries of material which is completed on the date of issuance of this Order, or is scheduled for completion within fifteen days thereafter.

(4) In the event that a Preference Rating Certificate or a purchase order or contract does not identify the prime contractor producing the aircraft to which it relates, or does not clearly show that it relates to military or naval aircraft, the person making the notation specified in subparagraph (c) (2) hereof, must ascertain from the person furnishing such Preference Rating Certificate, purchase order or contract to him, before he makes the notation, the facts showing that the preference rating has been amended by this Order. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong. 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 10th day of March 1942.

J. S. KNOWLSON,
*Director of Industry Operations.*

[F. R. Doc. 42-2100; Filed, March 10, 1942; 4:44 p. m.]

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PART 1114—RUBBER WORKING MACHINERY

*General Limitation Order No. L-61—To Regulate Production and Distribution of Rubber Tire Retreading and Recapping Equipment*

Whereas the shortage of crude rubber for military requirements and essential civilian uses has created an abnormal demand for Retreading and Recapping Equipment for rubber tires; and

Whereas the supply of existing Retreading and Recapping Equipment, if supplemented by careful selection of locations for small quantities of additional equipment, is adequate to satisfy the demand for Retreading and Recapping of Rubber Tires; and

Whereas the production for delivery of Retreading and Recapping Equipment, if unregulated, will duplicate existing facilities and thus utilize quantities of scarce and critical materials as to which defense requirements have created a shortage for defense, private account and export, and it is necessary, in the public interest and to promote defense of the United States, to take the measures hereinafter set forth, and to regulate the production and delivery of Retreading and Recapping Equipment.

*Now, therefore, it is hereby ordered,* That:

§ 1114.1 *General Limitation Order L-61*—(a) *Definitions.* For the purpose of this order:

(1) "Person" means any individual, partnership, association, business trust, corporation, governmental corporation or agency, or any organized group of persons, whether incorporated or not.

(2) "Retreading and Recapping Equipment" means any mechanical device which applies uncured rubber compound (in the form of camelback, or otherwise) to rubber tires for the purpose of renewing the tire tread. The term includes parts such as holders, tables, matrices, curing rings and bands, pressure plates, molds, steam chambers, and kettle-curing devices but does not include such shop equipment as section molds, tire repair and spot equipment, tube vulcanizers, tire spreaders, buffers, spacer rings, boilers, curing rims, regroovers, mandrills, breaker screws, jacks or small shop tools such as knives, rollers, and stitchers.

(b) *Restrictions on manufacture and distribution.* No manufacturer of Retreading and Recapping Equipment, or parts therefor, shall produce any such equipment, or parts therefor, except to fill orders rated on a Preference Rating Certificate PD-1A issued by the Director of Industry Operations; and no manufacturer or distributor of Retreading and Recapping Equipment, or parts therefor, shall sell, lease, lend, rent, deliver, or otherwise transfer, any new Retreading or Recapping Equipment, or parts therefor, except to fill orders rated on a Preference Rating Certificate PD-1A issued by the Director of Industry Operations.

(c) *Criteria for issuing Preference Rating Certificates.* In issuing ratings on Preference Rating Certificates, the Director of Industry Operations will consider the following factors, to the extent feasible, among others;

(1) The number and capacity of Retreading and Recapping Equipment facilities at present available in the particular locality.

(2) The anticipated need for Retreading and Recapping Equipment in the particular locality.

(3) The amount of camelback expected to be made available in the particular locality.

(4) The existence of orders placed prior to January 28, 1942, and the amount of work already done on these orders.

(d) *Non-applicability to repair or maintenance of existing equipment.* The prohibitions of paragraph (b) hereof shall not be construed to restrict the sale, lease, loan, renting, delivery or other transfer of parts to be used to repair or maintain existing equipment, or equipment delivered in accordance with the terms of this Order.

(e) *Applicability of Priorities Regulation No. 1.* This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1 (Part 944), as amended from time to time, except to the extent that any provision hereof may be inconsistent therewith, in which case the provisions of this Order shall govern.

(f) *Communications to War Production Board.* All communications concerning this Order, shall, unless otherwise directed, be addressed to: War Production Board, Washington, D. C. Ref.: L-61.

(g) *Appeals.* Any person affected by this Order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him may appeal to the Director of Industry Operations, Washington, D. C., Ref.: L-61, setting forth the pertinent facts and the reason he considers he is entitled to relief. The Director of Industry Operations may thereupon take such action as he deems appropriate.

(h) *Violations.* Any person who wilfully violates any provision of this Order, or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this Order, may be prohibited from receiving further deliveries of any Material subject to allocation, and such further action may be taken as is deemed appropriate, including a recommendation for prosecution under section 35 (a) of the Criminal Code (18 U.S.C. 80).

(i) *Reports.* Manufacturers of Retreading and Recapping Equipment shall file such monthly and other reports with the Division of Industry Operations as shall from time to time be requested by said Division.

(j) *Effective date.* This Order shall take effect immediately and shall continue in effect until revoked by the Director of Industry Operations. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 11th day of March 1942.

J. S. KNOWLSON,
*Director of Industry Operations.*

[F. R. Doc. 42-2106; Filed, March 11, 1942; 11:25 a. m.]

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PART 1118—SEXTANTS

*Limitation Order No. L-58*

The fulfillment of requirements for the defense of the United States has created a shortage in the supply of sextants for defense, for private account and for export; and the following Order is deemed necessary and appropriate in the public interest and to promote the national defense:

§ 1118.1 *Limitation Order No. L-58*—(a) *Definitions.* For the purposes of this Order:

(1) "Dealer" means any person who, prior to the effective date of this Order, was engaged as a part of a regular business in the selling of new or used sextants.

(b) *Control of imports.* From and after the effective date of this Order no person shall import any sextant into the United States from Great Britain unless the importation thereof has been approved by the Lend-Lease Administration under the terms of the Eden White Paper.

(c) *Prohibition of sales.* From and after the effective date of this Order no person shall sell, deliver, transfer or otherwise dispose of any sextant except:

(1) To the Army or Navy of the United States, United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard; or to any other department or agency of the United States.

(2) To a purchaser who files with the transferor of such sextant, a certificate from the United States Coast Guard stating that such purchaser is in immediate and legitimate need of and is entitled to obtain, a sextant;

(3) To a Dealer;

(4) To any person pursuant to a specific order of the Director of Industry Operations.

No person other than those specified above shall buy, or accept delivery or transfer of any sextant.

(d) *Applicability of Priorities Regulation No. 1.* This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1, as amended from time to time, except to the extent that any provision hereof may be inconsistent therewith, in which case the provisions of this Order shall govern.

(e) *Records.* All persons affected by this Order shall keep and preserve for not less than 2 years accurate and complete records concerning inventories, purchases, production and sales.

(f) *Reports.* All persons affected by this Order shall execute and file with the War Production Board such reports and questionnaires as said Board shall from time to time require.

(g) *Audit and inspection.* All records required to be kept by this Order shall, upon request, be submitted to audit and inspection by duly authorized representative of the War Production Board.

(h) *Violations.* Any person who wilfully violates any provision of this Order, or who by any Act or omission falsifies records to be kept or information to be furnished pursuant to this Order, may be prohibited from receiving further

deliveries of any Material subject to allocation, and such further action may be taken as is deemed appropriate, including a recommendation for prosecution under section 35 (A) of the Criminal Code (18 U.S.C. 80).

(i) *Appeal.* Any person affected by this Order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him, or that it would result in a serious problem of unemployment in the community, or that compliance with this Order would disrupt or impair a program of conversion from nondefense work, may apply for relief by addressing a letter to the War Production Board setting forth the pertinent facts and the reasons such person considers that he is entitled to relief. The Director of Industry Operations may thereupon take such action, if any, as it deems appropriate by the amendment of this Order or otherwise.

(j) *Communications.* All communications concerning this Order shall be addressed to War Production Board, Washington, D. C., Ref.: L-58.

(k) *Effective date.* This Order shall take effect immediately. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 11th day of March 1942.

J. S. KNOWLSON,
*Director of Industry Operations.*

[F. R. Doc. 42-2105; Filed, March 11, 1942; 11:20 a. m.]

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## CHAPTER XI—OFFICE OF PRICE ADMINISTRATION

### PART 1351—FOODS AND FOOD PRODUCTS

AMENDMENT NO. 1 TO REVISED PRICE SCHEDULE NO. 91[1]—TEA

A statement of the considerations involved in the issuance of this Amendment has been prepared and is issued simultaneously herewith.[2]

Sections 1351.252, 1351.254, 1351.258, 1351.259 (c) and 1351.261 (b), (c), and (d) are hereby amended; new paragraphs (f), (g), and (h) are added to § 1351.261; new § 1351.260a is added; and § 1351.259 (b) is revoked, as set forth below.

§ 1351.252 *Exempt sales.* Sales of tea, blended or unblended, in packages of less than half chest lots shall be excepted from the operation of this Schedule.

§ 1351.254 *Permission to carry out contracts entered into prior to February 3, 1942.* Any person who, prior to February 3, 1942, has entered into a contract of sale or other firm commitment calling for the delivery or transfer after that date of tea at prices higher than the maximum prices established by Revised Price Schedule No. 91 may petition the Office of Price Administration for permission to deliver such tea at its actual cost. Such petition shall be made and filed pursuant to the provisions of Procedural Regulation No. 1[3] issued by the Office of Price Administration and shall be supported by affidavits setting forth (a) the name and address of the buyer and seller; (b) the quantity, type, and grade of tea involved; (c) the cost of that tea to the applicant; (d) the price contracted for with the buyer; and (e) the delivery date provided for in the contract. Permission will be granted only when necessary to protect the applicant against loss in the disposition of inventory acquired prior to February 3, 1942, at prices higher than the established maximum prices and held by the applicant on that date. Such application must be filed with the Office of Price Administration on or before April 1, 1942. No permission will be granted, in any case, to make delivery of tea on or after June 1, 1942, at prices higher than the established maximum prices.

§ 1351.258 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 91 are subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

(b) Persons who have evidence of any violation of this Revised Price Schedule No. 91, or any price schedule, regulation, or order issued by the Office of Price Administration, or of any acts or practices which constitute such a violation, are urged to communicate with the nearest field or regional office of the Office of Price Administration or its principal office in Washington, D. C.

§ 1351.259 *Definitions.*

* * * * *

(c) "Cost of putting the tea into the warehouse" includes (1) "labor in and out"; (2) trucking and labor costs from dock to warehouse; and (3) warehouse storages for "first month."

§ 1351.261 *Appendix A: Maximum prices for tea.*

* * * * *

(b) The maximum prices for tea shall be as follows:

| | Cents per pound ex dock New York City | | |
|---|---|---|---|
| | Common | Medium | Fine |
| INDIA | | | |
| Broken Orange Pekoe, Broken Pekoe, Fannings | 42¼ | 46¼ | 53 |
| Orange Pekoe | 42¼ | 47¼ | 51 |
| Pekoe, Broken Pekoe Souchong, Pekoe Souchong | 40¼ | 44¼ | 50 |
| CEYLON AND SOUTHERN INDIA | | | |
| Broken Orange Pekoe, Broken Pekoe, Fannings | 46¼ | 50 | 56¼ |
| Orange Pekoe | 47¼ | 50 | 57¼ |
| Pekoe, Broken Pekoe Souchong, Pekoe Souchong | 45¼ | 49¼ | 57¼ |
| JAVA AND SUMATRA | | | |
| Broken Orange Pekoe, Broken Pekoe, Fannings | 40¼ | 42¼ | 51 |
| Orange Pekoe | 41¼ | 47¼ | 51 |
| Pekoe, Flowery Pekoe, Flowery Pekoe Souchong, Pekoe Souchong, Other Souchongs | 41¼ | 43¼ | 50 |

The maximum prices for tea imported from any other country or for grades of better or inferior quality not named shall be the prices at which sales of those grades were made in New York on October 15, 1941, or in the event no such sale was made on that date, the prices at which sales of the corresponding grades were last made prior to October 15, 1941, in that city.

(c) The maximum prices quoted above are ex dock New York City. The maximum prices ex dock any other port of entry shall be determined by adding to or subtracting from the New York City price the difference between the actual cost of ocean freight, war risk insurance, and marine insurance from the port of origin to New York City and the actual cost of ocean freight, war risk insurance, and marine insurance from the port of origin to such other port of entry.

(d) For any tea sold ex warehouse rather than ex dock New York City or any other port of entry, the cost of "putting the tea into the warehouse", as defined in § 1351.259, may be added by the seller who incurred the cost.

* * * * *

(f) Any person making sales of tea in amounts of ten chests or less may add to the maximum prices specified above an amount which shall not exceed ten percent of the maximum price.

(g) Any person who, for the accommodation of his customers, blends tea for sale in quantities of more than half chest lots may add to the maximum price an amount which shall not exceed one cent per pound.

(h) The maximum prices for tea sold for export, except for export to Canada, may exceed the maximum prices set forth in the above paragraphs by no more than ten percent.

§ 1351.260a *Effective dates of amendments.* (a) Amendment No. 1 (amending §§ 1351.252, 1351.254, 1351.258, 1351.259 (c), and 1351.261 (b), (c), and (d); adding §§ 1351.260a and 1351.261 (f), (g), and (h); and revoking § 1351.259 (b)) to Revised Price Schedule No. 91 shall become effective March 12, 1942. Until such date, Revised Price Schedule No. 91 continues in effect as if not amended by Amendment No. 1. (Pub. Law 421, 77th Cong., 2d Sess.)

Issued this 10th day of March 1942.

LEON HENDERSON,
*Administrator.*

[F. R. Doc. 42-2098; Filed, March 10, 1942; 4:24 p. m.]

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[1] 7 F.R. 1378.

[2] The statement of considerations has been filed with the Division of the Federal Register.

[3] 7 F.R. 971.

# TITLE 26—INTERNAL REVENUE

## CHAPTER I—BUREAU OF INTERNAL REVENUE

### SUBCHAPTER C—MISCELLANEOUS EXCISE TAXES

[Regulations 3]

### PART 182—INDUSTRIAL ALCOHOL

*Regulations Governing the Production, Tax-Payment, Etc., of Alcohol, and the Manufacture, Disposition, Transportation, and Use of Denatured Alcohol and Articles (Including the Sale by Bonded Dealers and the Use by Manufacturers of Denatured Rum)*


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182.492 Examination of packages.
182.493 Examination of tank car.
182.494 Deposit in receiving warehouse.
182.495 Method of deposit.
182.496 Return of unused alcohol withdrawn free of tax.

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182.497 General.

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182.498 Gauge on withdrawal.
182.499 Gauging to be done by proprietor.
182.500 Testing of scales.
182.501 Inspection of tank car.
182.502 Filling of tank car.
182.503 Transfer by pipe line to denaturing plant.
182.504 Filling approved containers.
182.505 Supervision of drawing off, gauging, etc.

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182.506 Drums or barrels.
182.507 Tin, glass, or similar containers.
182.508 Steel containers.
182.509 Small packages containing exactly 1, 2, 5, and 10 wine gallons.
182.510 Cases containing one-half pint to 1-gallon bottles.
182.511 Railroad tank cars.
182.512 Tank ships and barges.
182.513 Pipe-line removals.
182.514 Tank wagons and tank trucks prohibited.

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182.516 Proprietor to mark and brand packages.
182.517 Description of material from which produced.
182.518 Numbering of packages.
182.519 Marks and brands.
182.520 Previously marked packages and cases.
182.521 Tank cars.
182.522 Regauge marks.
182.523 Marks on packages repackaged or remarked.
182.524 Other marks.
182.525 Stamp numbers.
182.526 Withdrawn for tax-free use or for export.
182.527 Stamps.
182.528 Illustrations of marks and stamps.
182.529 Verification of marks, brands, and stamps.
182.530 Obscurity of stamps, etc.
182.531 Imitation stamps, labels, trade marks, or caution notices.
182.532 Packages to be stamped.

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182.533 Obliteration of stamps and marks and brands on empty packages.
182.534 Failure to efface or obliterate marks, brands, and stamps.
182.535 Intent of law.
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182.538 Liquor bottles.
182.539 Warehousing stamps.
182.540 Procurement and issuance of stamps.
182.541 Manner of affixing stamps.
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182.545 Repackaging.
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182.547 Authorized removals.
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182.549 Regauge of alcohol in packages.

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182.552 Application for renewal of withdrawal permit.
182.553 Renewal of withdrawal permit, Form 1436.
182.554 Quantity procurable under withdrawal permits.
182.555 Transfer stamps.
182.556 Report of gauge, Form 1440.
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182.558 General.
182.559 Transfer to denaturing plant on same premises.
182.560 Shipment to denaturing plant located on other premises.
182.561 Gauging, marking, and stamping upon withdrawal.
182.562 Expiration or termination of permit.

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182.563 Gauging of packages or cases.
182.564 Issuance of tax-paid stamps.
182.565 Removal of alcohol.
182.566 Gauging of alcohol.
182.567 Application for certificate of tax-payment, Form 1594.
182.568 Certificate of tax-payment, Form 1595.
182.569 Bill of lading.
182.570 Verification and affixing of certificate.
182.571 Release of tank car.
182.572 Procedure when tank car is empty; scalping certificate.
182.573 Vendee's use of Form 1440.
182.574 Comparison of scalped certificate with application.

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182.574a Gauging of alcohol.
182.574b Application for certificate of tax-payment, Form 1594.
182.574c Certificate of tax-payment, Form 1595.
182.574d Verification and affixing of certificate.
182.574e Transfer of alcohol.
182.574f Rectifier's use of Form 1440.
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182.575 Who may procure.
182.576 Gauge of alcohol.
182.577 Notification of shipment, Form 1439.
182.578 Entries of shipments on permit, Form 1450.
182.579 Permit may be retained at warehouse.

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182.580 General.
182.581 Permit, Form 1444.
182.582 Gauge of alcohol.
182.583 Bill of lading.
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182.586 Kinds of containers.
182.587 Application and entry.
182.588 Method of conveyance.
182.589 Gauging of alcohol.
182.590 Export stamps required.
182.591 Remittance to collector.
182.592 Action by collector.
182.593 Application and bond to district supervisor.
182.594 Export bonds.
182.595 Approval of bond and issuance of permit.
182.596 Marking and stamping packages.
182.597 Release of alcohol.
182.598 Delivery to carrier.
182.599 Delivery directly for customs inspection.
182.600 Exportation through border ports.
182.601 Disposition of forms.
182.602 Records.
182.603 Proceedings at port of export.
182.604 Proof of landing
182.605 Form of landing certificate.
182.606 Execution of landing certificate.
182.607 Several consignments may be covered by one landing certificate.
182.608 Collateral evidence of landing.
182.609 Extension of time for submitting proof of landing.

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182.610 Records.
182.611 Account with continuing export bonds.
182.612 Loss of alcohol withdrawn free of tax for exportation.
182.613 Notice to exporter
182.614 Claims for remission of tax.
182.615 Proof of loss at sea.
182.616 Filing of proof of loss at sea in case of exportation under bond on Form 693.
182.617 Additional evidence.
182.618 Tax to be reported for assessment.
182.619 Shipment to American possessions.

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182.621 Application and entry, Form 1603.
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182.623 Approval of bond and issuance of permit.
182.624 Export stamps.
182.625 Account with continuing bond, Form 1460.
182.626 Marking and stamping; shipment; disposition of forms; records.
182.627 Consignment of alcohol.
182.628 Regage and deposit in customs manufacturing bonded warehouse.
182.629 Action by district supervisor.
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182.630b Reciprocating foreign countries.
182.630c Application, Form 1659.
182.630d Bond.
182.630e Approval of bond and issuance of permit.
182.630f Gauging of alcohol.
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182.630i Consignment of alcohol.
182.630j Proceedings at port of lading.
182.630k Certificate of receipt.
182.630l Evidence of use on vessels and aircraft.
182.630m Account with continuing bonds, Form 1660.
182.630n Loss of alcohol withdrawn for use on vessels and aircraft.

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182.631 Remission of tax.
182.632 Losses from receiving tanks.
182.633 Losses from storage tanks.
182.634 Losses from packages.
182.635 Losses in transit.
182.636 Losses by theft, casualty, etc.
182.637 Claims.
182.638 Report by storekeeper-gauger.
182.639 Investigation by district supervisor.
182.640 Examination of claim.
182.641 Losses indicating tampering.

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182.642 General.
182.643 Form 1440.
182.644 Form 1441.
182.645 Form 1443-A.
182.646 Form 1443-B.
182.647 Disposition of Forms 1443-A and 1443-B.
182.648 Record at tax-paid premises, Record 52, and Forms 52-A, B, E, and 338.

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182.649 Audit by district supervisor.

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182.650 Change in proprietorship.
182.651 Changes in name.
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182.653 Application and withdrawal permit, Form 1450.
182.654 Application for renewal of withdrawal permit, Form 1450.
182.655 Renewal of withdrawal permit, Form 1450.
182.656 Quantity procurable under withdrawal permits.

RECEIPT OF TAX-FREE ALCOHOL

182.657 Deposit in storeroom.
182.658 Destruction of marks and brands.

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182.659 General.
182.660 States, Territories, etc., or the District of Columbia.
182.661 Hospitals, sanitariums, or clinics.
182.662 Scientific universities and colleges of learning.
182.663 Laboratories.
182.664 Return of tax-free alcohol to bonded warehouse.

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182.665 Losses in transit.
182.666 Losses at permittee's premises.
182.667 Claims.

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182.668 General.
182.669 Report, Form 1451.
182.670 Signing of Form 1451.
182.671 Audit of reports.

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182.672 Procedure.

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182.673 Denatured alcohol defined.
182.674 Formulas prescribed.
182.675 Completely denatured alcohol.
182.676 Specially denatured alcohol.
182.677 Transportation.
182.678 Unlawful possession.
182.679 Unlawful sale.
182.680 Advertising.
182.681 Samples of denatured alcohol or products made therefrom may be taken by revenue officers.
182.682 Liability for tax.

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182.683 General.

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182.684 Storekeeper-gauger to be informed.

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182.685 From industrial alcohol plant or bonded warehouse on same premises.
182.686 From other plants.
182.687 Application and withdrawal permit, Form 1463.
182.688 Application for renewal of withdrawal permit, Form 1463.
182.689 Renewal of withdrawal permit, Form 1463.
182.690 Quantity procurable under withdrawal permits.
182.691 Return of recovered denatured alcohol for restoration and redenaturation.
182.692 Distillates from distilleries.
182.693 Abandoned spirits.

RECEIPT OF ALCOHOL

182.694 By pipe line.
182.695 In packages from industrial alcohol plant or bonded warehouse on the same premises.
182.696 From industrial alcohol plant or bonded warehouse not located on the same premises.
182.697 Alcohol received in packages.
182.698 Alcohol received in tank cars.
182.699 Distillates received from distilleries.
182.700 Regauge of distillates.
182.701 Recovered denatured alcohol.

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182.702 Restoration of denatured alcohol.
182.703 Gauge of alcohol to be restored.
182.704 Redenaturation of restored alcohol.

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182.705 Receipt.
182.706 Sample for chemist.
182.707 Denaturants not required to be tested.
182.708 Certificates of origin for approved wood alcohol.
182.709 Authorized chemist.
182.710 Form 1470.
182.711 Forwarding samples to chemist.
182.712 Report of analysis by the chemist.
182.713 Denaturant approved.
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182.716 General.
182.717 Test of measuring devices.
182.718 Determining wine and proof gallons.
182.719 Denaturation.
182.720 Gauging of alcohol.
182.721 Denaturants to be measured or weighed.
182.722 Denaturants not readily soluble.
182.723 Distillates.

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182.724 Denatured alcohol formulas.

APPROVED CONTAINERS

182.725 Approved containers.
182.726 Packages of specially denatured alcohol.
182.727 Packages of completely denatured alcohol.
182.728 Railroad tank cars.
182.729 Tank ships and barges.
182.730 Pipe lines.
182.731 Tank wagons and tank trucks prohibited.

MARKS AND BRANDS

182.732 Proprietor to mark and brand packages.
182.733 Marking of packages.
182.734 Serial numbers.
182.735 Illustrations of marks.
182.736 Caution label.
182.737 Transfer marks.
182.738 Tank cars.
182.739 Samples.
182.740 Previously marked packages.
182.741 Verification of marks.
182.742 Destruction of marks and brands.

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182.743 General.
182.744 Application and withdrawal permit for specially denatured alcohol, Form 1464.
182.745 Application for renewal of withdrawal permit, Form 1464.
182.746 Renewal of withdrawal permit, Form 1464.
182.747 Quantity procurable under withdrawal permits.
182.748 Marking containers.
182.749 Additional copies of Forms 1467 and 1473.
182.750 Receipt of denatured alcohol; general.
182.751 Deposit in denaturing plant.
182.752 Method of deposit.

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182.753 Completely denatured alcohol.
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EXPORTATION OF SPECIALLY DENATURED ALCOHOL

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182.755 General.
182.756 Kinds of containers.
182.757 Application, Form 1545.
182.758 Consent of surety, Form 1533.
182.759 Approval of consent of surety and issuance of permit.
182.760 Marking packages.
182.761 Release of specially denatured alcohol.
182.762 Delivery to carrier.
182.763 Delivery directly to customs custody.
182.764 Disposition of forms.
182.765 Records.
182.766 Proceedings at port of export.
182.767 Proof of landing.
182.768 Shipments to the Philippine Islands, Puerto Rico, the Panama Canal Zone, Guam, American Samoa, and the Virgin Islands.
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182.770 Procedure.

LOSSES OF ETHYL ALCOHOL

182.771 Remission of tax.
182.772 Losses from storage tanks.
182.773 Losses from packages.
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LOSSES OF ETHYL ALCOHOL AND SPECIALLY DENATURED ALCOHOL BY THEFT, CASUALTY, ETC.

182.775 Losses by theft, casualty, etc.

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182.776 General.

LOSSES OF SPECIALLY DENATURED ALCOHOL

182.777 Allowance for losses.

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182.778 General.
182.779 Distillates.

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182.780 Registry on Form 26.

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182.782 Form 1466.
182.783 Form 1467.
182.784 Disposition of Forms 1466 and 1467.
182.785 Form 1453-A.
182.786 Form 1473.
182.787 Forms 129 and 1468-A, B, C, D, E, and F.
182.788 Filing of Forms 1440 and 1520.

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182.789 Audit by district supervisor.

CHANGE IN PROPRIETORSHIP, NAME, TRADE NAME, ETC.

182.790 Procedure.

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GENERAL

182.791 Sale and use.
182.792 Containers.
182.793 Labels.
182.794 Repackaging by dealers.
182.795 Advertising.
182.796 Records.
182.797 Destruction of marks and brands.

PROPRIETARY ANTI-FREEZE SOLUTIONS

182.798 Manufacture of proprietary anti-freeze solutions.
182.799 Formula and sample.
182.800 Containers in excess of 5 gallons.
182.801 Packages containing 5 wine gallons or less.
182.802 Prohibited containers.
182.803 Change in packages by dealers.
182.804 Reuse of containers prohibited.
182.805 Record of sales and receipts.

OPERATIONS BY DEALERS IN SPECIALLY DENATURED ALCOHOL

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182.806 Application and withdrawal permit, Form 1477.
182.807 Application for renewal of withdrawal permit, Form 1477.
182.808 Renewal of withdrawal permit, Form 1477.
182.809 Quantity procurable under withdrawal permits.

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182.810 In original packages.
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182.812 When permissible.

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182.813 Sale.
182.814 Exportation of specially denatured alcohol.
182.815 Destruction or other disposition.

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182.816 Losses in transit.
182.817 Losses at bonded dealer's premises.
182.818 Claims.

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182.819 General.
182.820 Form 1453-A.
182.821 Form 1473.
182.822 Record, Form 1478.
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CHANGE IN PROPRIETORSHIP, NAME, ETC.; DISCONTINUANCE OF SALE

182.824 Procedure.

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PROCUREMENT OF SAMPLES

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182.826 Application for permit.
182.827 Permit.
182.828 Samples to be accounted for by permittees.

PROCUREMENT OF SPECIALLY DENATURED ALCOHOL

182.829 Application and withdrawal permit, Form 1485.
182.830 Application for renewal of withdrawal permit, Form 1485.
182.831 Renewal of withdrawal permit, Form 1485.
182.832 Quantity procurable under withdrawal permits.

RECEIPT OF DENATURED ALCOHOL

182.833 In original packages.
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USE OF SPECIALLY DENATURED ALCOHOL

182.836 General.

ETHYL ACETATE

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182.838 Optional denaturants.
182.839 Receipt from other producers.
182.840 To whom may be sold.
182.841 Sales to and by dealers.
182.842 Sales and deliveries by producers and wholesale dealers.
182.843 Sales by retail dealers.
182.844 Record of sales and receipts.

PROPRIETARY SOLVENTS AND LACQUER THINNERS

182.845 General.
182.846 Sales to and by dealers.
182.847 Containers.
182.848 Record of sales and receipts.

PROPRIETARY ANTI-FREEZE SOLUTIONS

182.849 Manufacture.
182.850 Formula and sample.
182.851 Containers.
182.852 Container markings and labels.

RUBBING ALCOHOL COMPOUND

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182.856 Manufactured with isopropanol, etc.
182.857 To whom may be sold.
182.858 Sale for beverage purposes.
182.859 Noncompliance with requirements.

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182.860 General.
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182.863 General.

INTERNAL MEDICINAL PREPARATIONS AND FLAVORING EXTRACTS

182.864 General.

OTHER PRODUCTS

182.865 Labels on other products containing specially denatured alcohol.

USE OF ISOPROPYL ALCOHOL

182.866 Storage, use, and records.

DESTRUCTION AND DISPOSITION OF SPECIALLY DENATURED ALCOHOL

182.867 Destruction.
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182.869 Records.

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182.870 Losses in transit.
182.871 Losses at manufacturer's premises.
182.872 Claims.

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CHANGE IN PROPRIETORSHIP, NAME, ETC.; DISCONTINUANCE OF USE

182.877 Procedure.

DENATURED RUM

SALE AND USE OF DENATURED RUM

182.878 Denaturation.
182.879 Dealers in and users of specially denatured rum.
182.880 Forms, records, and reports.
182.881 Forms to be used.
182.882 Sale or use of both specially denatured alcohol and specially denatured rum.

RECOVERY OF DENATURED ALCOHOL AND ARTICLES

182.883 Definition.
182.884 Specially denatured alcohol.
182.885 Completely denatured alcohol.
182.886 Articles.
182.887 Stills.
182.888 Deposit in receiving tanks.
182.889 Gauge prior to removal.
182.890 Recovered denatured alcohol and new denatured alcohol.
182.891 Redenaturation; when required.
182.892 Application for redenaturation, Form 1483.
182.893 Approved denaturants.
182.894 Redenaturation of recovered alcohol.
182.895 Shipment to denaturing plant.
182.896 Records and reports.

USE OF TAX-FREE ALCOHOL AND SPECIALLY DENATURED ALCOHOL BY THE UNITED STATES OR GOVERNMENTAL AGENCY

TAX-FREE ALCOHOL

Sec.
182.897 Procurement of alcohol.
182.898 Receipt, Form 1453.
182.899 Use.
182.900 Destruction of marks and brands.
182.901 Carrier's receipt.

SPECIALLY DENATURED ALCOHOL

182.902 Procurement of specially denatured alcohol.
182.903 Receipt, Form 1453-A.

CARRIERS

182.904 Possession by unauthorized carriers.
182.905 Permits of consignees.
182.906 Permits to be filed.
182.907 Bill of lading.
182.908 Restricted use of containers.
182.909 Delivery.
182.910 Delivery to agent of consignee.
182.911 Inability to deliver.
182.912 Record book to be kept.
182.913 Change in proprietorship, etc.

MANUFACTURE, TAX-PAYMENT, REMOVAL, AND REGISTRATION OF STILLS AND WORMS

182.914 General.

RULES FOR COMPUTING CAPACITY OF STILLS

182.915 Capacity of stills.

CONCERNING LOCKS AND SEALS

182.916 General.
182.917 Defective or broken locks.
182.918 Seal locks.
182.919 Plain locks.
182.920 Custody of keys.
182.921 Use of seal lock.
182.922 Use of lock seals.
182.923 Custody of locks.
182.924 Cap seals.
182.925 Affixing cap seals.
182.926 Custody of cap seals.
182.927 Breaking of sealed connections forbidden.
182.928 Removal of cap seals.
182.929 Storekeeper-gauger's record of cap seals.
182.930 Storekeeper-gauger's report of locks and seals.
182.931 District supervisor's report of locks and seals.
182.932 Requisition for lock seals.

DUTIES OF STOREKEEPER-GAUGERS AT INDUSTRIAL ALCOHOL PLANTS, BONDED WAREHOUSES, AND DENATURING PLANTS

182.933 General.
182.934 Memoranda records.
182.935 Verification of gauge.
182.936 Denaturation of alcohol.
182.937 Verification of monthly inventory.
182.938 Receipt of reports.
182.939 Verification of daily reports.
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182.941 Initialing of reports.
182.942 Inspection of proprietor's records and files.

OFFICER'S RIGHT OF ENTRY AND EXAMINATION

182.943 Authority to enter and inspect.
182.944 Authority to break up grounds or walls.
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INSTRUCTIONS TO INSPECTING OFFICERS

182.946 Officers to keep themselves informed.
182.947 Frequency of inspections.
182.948 Scope of inspection.
182.949 Observation of storekeeper-gaugers.
182.950 Examination of records.
182.951 Examination of distilling equipment.
182.952 Materials.

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182.953 Storage of alcohol.
182.954 Additional inquiries.
182.955 Inspection reports.

GENERAL INSTRUCTIONS TO GOVERNMENT OFFICERS

182.956 Officers not to be interested in business.
182.957 Authority of officers and employees.
182.958 Inspection of records and premises.
182.959 Samples may be taken by officers.
182.960 Seizure of empty packages.
182.961 Information not to be disclosed

DISTRICT SUPERVISOR'S RECORDS AND REPORTS

182.962 Record of basic permits; Forms 1411 and 1411-A.
182.963 Receipt of reports.
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IMPORTATION OF ALCOHOL AND DENATURED ALCOHOL AND PRODUCTS CONTAINING ALCOHOL OR DENATURED ALCOHOL

182.967 Alcohol.
182.968 Denatured alcohol.
182.969 Products containing alcohol or denatured alcohol.

ALCOHOL, DENATURED ALCOHOL, AND PRODUCTS CONTAINING ALCOHOL OR DENATURED ALCOHOL COMING INTO THE UNITED STATES FROM THE PHILIPPINE ISLANDS

182.970 Alcohol.
182.971 Denatured alcohol.
182.972 Products containing alcohol or denatured alcohol.

ALCOHOL, DENATURED ALCOHOL, AND PRODUCTS CONTAINING ALCOHOL OR DENATURED ALCOHOL COMING INTO THE UNITED STATES FROM PUERTO RICO

182.973 Alcohol.
182.974 Denatured alcohol.
182.975 Products containing alcohol.
182.976 Products containing denatured alcohol.
182.977 Samples and analysis.
182.978 Action by district supervisor.
182.979 Certificate.
182.980 Marking containers.
182.981 Arrival in the United States.

ALCOHOL, DENATURED ALCOHOL, AND PRODUCTS CONTAINING ALCOHOL OR DENATURED ALCOHOL COMING INTO THE UNITED STATES FROM THE VIRGIN ISLANDS

182.982 Alcohol.
182.983 Denatured alcohol.
182.984 Products containing alcohol.
182.985 Products containing denatured alcohol.
182.986 Certificate.
182.987 Marking containers.
182.988 Arrival in the United States.

SCOPE OF REGULATIONS

§ 182.1 *Production, use, etc., of alcohol and denatured alcohol.* These regulations are prescribed pursuant to the provisions of law governing the production, tax-payment, etc., of alcohol, and the manufacture, disposition, transportation, and use of denatured alcohol and articles (including the sale by bonded dealers and the use by manufacturers of denatured rum).*

*§§ 182.1 to 182.988, except §§ 182.104 and 182.486, issued under authority contained in sections 3105, 3124 (a) (6), and 3176, Internal Revenue Code (Pub. Law 1, 77th Cong.). Citations of more specific authority and citations of statutory provisions interpreted or applied are included in parentheses at the end of particular sections.

REGULATIONS SUPERSEDED

§ 182.2 *Effective date.* These regulations shall, on and after the ninetieth day following the date of approval, supersede Regulations 2, approved March 24, 1931, Regulations No. 3, approved March 24, 1931, Regulations No. 29, revised August 18, 1914, Regulations No. 30, revised October 12, 1917, and Gauging Manual, approved November 21, 1938, and all amendments and modifications thereof to the extent that such regulations, as amended, modified, or supplemented, pertain to the manufacture, denaturation, disposition, transportation, and use, of alcohol, denatured alcohol, and articles (including the sale by bonded dealers and the use by manufacturers of denatured rum).*

§ 182.3 *Prior liability not affected.* These regulations shall not affect or limit any act done or any liability incurred under any regulations superseded hereby, or any suit, action, or proceeding had or commenced in any civil, administrative, or criminal cause or proceeding prior to the effective date of these regulations, nor shall these regulations release, acquit, affect, or limit any offense committed in violation of previously existing regulations, or any penalty, liability, or forfeiture incurred prior to such date.*

§ 182.4 *Premises and equipment heretofore approved.* All establishments covered by these regulations and the equipment therein, heretofore established and approved, may continue to operate if constructed and equipped so as to afford adequate security and protection to the revenue. The Commissioner or district supervisor may, at any time, require the proprietor to make changes therein conforming to the provisions of these regulations, if deemed necessary to safeguard the revenue or to permit more economical and efficient supervision by Government officers. All establishments hereafter constructed and all changes in existing establishments or equipment heretofore approved must be in conformance with these regulations.* (Secs. 2823, 2829, 3170, I.R.C.)

TERRITORIAL EXTENT OF REGULATIONS

§ 182.5 *Territorial extent.* The provisions of these regulations shall apply to the several States of the United States, the Territories of Alaska and Hawaii, the District of Columbia, and, as provided in paragraphs (a) and (b), to Puerto Rico and the Virgin Islands, respectively.

(a) *Puerto Rico.* These regulations are applicable to the manufacture of alcohol, denatured alcohol, and articles in Puerto Rico for shipment to the United States and disposal under the same conditions as like domestic products.

(b) *Virgin Islands.* The provisions of sections 3100 to 3124, inclusive, Internal Revenue Code, and all provisions of internal-revenue law relating to the enforcement thereof, are applicable to the manufacture of alcohol, denatured alcohol, and articles in the Virgin Islands for shipment to the United States. The Governor of the Virgin Islands, or his duly authorized agents, are authorized to issue or adopt such regulations and to issue or revoke such permits, as may be neces-

sary to carry out such provisions of law.* (Sec. 3123, I.R.C.)

DEFINITIONS

§ 182.6 *Definitions.* As used in these regulations, the following words and phrases shall have the meanings as herein defined:

(a) "Alcohol" means that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirits of wine, from whatever source or process produced, having a proof of 160 degrees or more, but does not include the substances commonly known as whisky, brandy, rum, or gin, or other spirits, produced at registered distilleries or fruit distilleries operated under Bureau of Internal Revenue Regulations 4 and 5.

(b) "Application" shall mean a formal, written, verified request, under oath, and supported by a verified statement of facts, when necessary, for a permit for one or more of the privileges authorized by law.

(c) "Approved containers" shall mean casks, barrels, or similar wooden containers, or drums, or similar metal packages, or railroad tank cars, or any other receptacle, vessel, or form of package, tank, or conduit, or other container used, or capable of use, for holding, storing, transferring, or shipping of alcohol, as authorized by these regulations.

(d) "Articles" shall mean any substance, preparation, or product in the manufacture of which denatured alcohol or denatured rum is used, and includes the product obtained by further manufacture or by combination with other materials.

(e) "Basic permit" shall mean the formal written authorization, issued pursuant to section 3114, I.R.C., conferring authority to transact a business of the nature described therein.

(f) "Bond" shall mean an obligation or undertaking authorized or required by section 3070 and sections 3100 to 3124, inclusive, I.R.C., or other law, or any regulations promulgated thereunder, executed in such form and for such penal sum as may be required by the Commissioner or prescribed by regulation.

(g) "Bonded dealer" shall mean a person who holds, or has applied for, a permit to deal in specially denatured alcohol for resale to persons authorized to purchase or receive specially denatured alcohol in accordance with the provisions of these regulations.

(h) "Carrier" shall mean a person or agency regularly engaged in the transportation of movable property by railroad, steamship, ferryboat, barge, motor truck, airplane, or other vehicle capable of being used as a means of transportation on land, in water, or through the air.

(i) "Casualty" shall mean an accident; an event not to be foreseen or guarded against.

(j) "Collector" shall mean collector of internal revenue.

(k) "Commissioner" shall mean the Commissioner of Internal Revenue and shall include the Deputy Commissioner in charge of the Alcohol Tax Unit.

(l) "Descriptive number," as applied to a permit, shall include the serial number and abbreviation for the State in which issued, together with the prescribed symbol for the permit.

(m) "Distiller" shall mean the proprietor of a registered distillery or fruit distillery.

(n) "District supervisor" shall mean the person having charge of a supervisory district of the Alcohol Tax Unit of the Bureau of Internal Revenue.

(o) "Fruit distillery" shall mean a distillery established or operated under the regulations governing the production of brandy under the exemptions of law provided pursuant to section 2825, I.R.C.

(p) "Heads and tails" shall mean distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil.

(q) "Lacquer thinners" shall mean thinners containing more than 25 per cent of alcohol by volume manufactured with specially denatured alcohol in accordance with formula submitted by the permittee or applicant and approved by the Commissioner.

(r) "Manufacturer" or "user" shall mean a person who holds, or has applied for, a permit to use specially denatured alcohol in any process or in the manufacturing of any substance, preparation, or product, including the product obtained by further manufacture or by combination with other materials; or who recovers completely or specially denatured alcohol; or who recovers articles containing denatured alcohol.

(s) "Permit" shall mean a formal written authorization by the Commissioner or district supervisor, as the case may be, issued pursuant to section 3114, I.R.C., setting forth specifically therein the things that are authorized thereunder.

(t) "Person," "proprietor," or "permittee" shall mean and include an individual, association, copartnership, and corporation, joint stock company, business trust, or other form of business enterprise, including a receiver, trustee, assignee, executor, administrator, or other fiduciary, or liquidating agent, and includes an agency of a State or political subdivision thereof, or any officer or employee of any such agency.

(u) "Premises" or "establishment" shall mean and include the land and buildings, or portions thereof, and fixtures situated on and constituting a part of such land and buildings, used in the conduct of the business for which a basic permit has been issued, and as described in the application and covered by the permit issued pursuant thereto, and as shown on the plat of the premises.

(v) "Proprietary solvents" shall mean solvents containing more than 25 per cent of alcohol by volume manufactured with specially denatured alcohol in accordance with formulas submitted by the permittee or applicant and are generally adapted for specific uses.

(w) "Recovered denatured alcohol" or "recovered articles" shall mean specially or completely denatured alcohol or articles containing denatured alcohol, which have been saved, reclaimed or salvaged and restored (where necessary), after use in a manufacturing process, but shall not include completely denatured alcohol recovered with all of the original denaturants therein or articles recovered with all of their original ingredients.

(x) "Registered distillery" shall mean a distillery established or operated under the regulations governing the production of distilled spirits, other than alcohol produced pursuant to these regulations.

(y) "Secretary" shall mean the Secretary of the Treasury.

(z) "Slop" or "spent beer" shall mean the residue that is left after the distillation of beer or fermented mash, or other distilling material.

(aa) "Tank car" shall mean a railroad tank car conforming to the requirements of these regulations.

(bb) The terms "includes" and "including" when used in these regulations shall not be deemed to exclude other things within the scope thereof.

(cc) Words in the plural form shall include the singular, and vice versa, and words in the masculine gender shall include females, associations, copartnerships, corporations, etc., as defined in paragraph (t) of this section.* (Sec. 3124, I.R.C.)

ESTABLISHMENT, LOCATION, AND USE

§ 182.7 *Industrial alcohol plants; restrictions.* Industrial alcohol plants for the production of alcohol of not less than 160 degrees of proof from any raw materials, or by any processes suitable for the production of alcohol for industrial or nonindustrial use, may not be located in any dwelling house, shed, yard, or enclosures connected therewith, or on board of any vessel or boat, or in any building, or any premises where beer, lager beer, ale, porter, or other fermented liquors, vinegar, ether, solvents, or proprietary anti-freezes or articles manufactured with denatured alcohol are manufactured or produced, or where sugars or sirups are refined or where liquors of any description are retailed, or within 600 feet in a direct line of a vinegar factory using the vaporizing process, or where any other business is carried on, except as hereinafter provided.* (Sec. 3103, I.R.C.)

§ 182.8 *Experimental industrial alcohol plants.* Experimental industrial alcohol plants may, in the discretion of the Commissioner, be established for a specific and limited period of time for the purpose of experimentation in, or development of processes and sources of materials from which alcohol may be produced, or in manufacturing processes in which alcohol is produced. The Commissioner may exempt the proprietor, insofar as consistent with law, from any of the provisions of these regulations, and the Commissioner may issue permit to operate under such conditions and restrictions as he may deem proper: *Provided,* That application, Form 1431, and bond, Form 1432-A, must be filed.*

§ 182.9 *Chemical plants producing alcohol.* Chemical plants producing alcohol as a by-product must comply with the provisions of these regulations concerning the establishment of industrial alcohol plants, except as hereinafter provided.*

§ 182.10 *Industrial alcohol bonded warehouses.* Industrial alcohol bonded

warehouses may be established exclusively for the storage of alcohol in accordance with the requirements of these regulations by the proprietor of an industrial alcohol plant on his industrial alcohol plant premises, or elsewhere. Industrial alcohol bonded warehouses may not be located in any dwelling house, and if under the same roof or in the same building in which is located a rectifying plant or tax-paid bottling house, the two premises must not have means of communication with each other within the building: *Provided,* That where an industrial alcohol bonded warehouse has heretofore been established in the same building with a rectifying plant or a tax-paid bottling house with interior communication between the two premises, it may continue to operate in such location if the revenue will not be jeopardized thereby. Industrial alcohol bonded warehouses, other than those situated upon the premises of duly established industrial alcohol plants, shall be located in important cities or at important shipping points or other places where need for the establishment of the warehouse is clearly shown, as provided in paragraph (b). The location must be such that adequate transportation facilities will be available, and compliance must be had with the following provisions:

(a) *Capacity.* The capacity must be commensurate with the prospective needs of the applicant in the area or locality in which the warehouse is to be located.

(b) *Evidence of necessity.* If the warehouse is not to be located on the industrial alcohol plant premises, the application must be accompanied by a sworn statement respecting the necessity for the establishment of the warehouse. This statement must show the approximate quantity of alcohol that will be received, stored, and withdrawn annually, the approximate number of persons to be served with alcohol withdrawn from the warehouse, and the quantity of tax-free and tax-paid alcohol which the applicant distributes monthly in that particular area or locality at the time of filing the application, together with any other data indicating the prospective volume of business at the warehouse. If the applicant has secured conditional contracts for the sale of alcohol to qualified purchasers, he shall submit certified copies thereof with his application.

(c) *Design and construction.* The design and construction of the warehouse must be such as to insure efficient and economical supervision by Government officers.

(d) *Discretion of Commissioner.* The Commissioner may disapprove any application for the establishment of a bonded warehouse not to be located on the premises of an industrial alcohol plant, or in any locality where the safety of the alcohol and the revenue would be endangered, or where satisfactory evidence as to the need for the warehouse is not submitted, or where the prospective volume of business is insufficient to warrant the expense of supervision of the warehouse by Government officers.* (Sec. 3101, I.R.C.)

§ 182.11 *Industrial alcohol denaturing plants.* Industrial alcohol denaturing plants may be established exclusively for the denaturation of alcohol and the storage of denatured alcohol, pursuant to the requirements of law and of these regulations, by a proprietor of an industrial alcohol plant. Denaturing plants may be established on the premises of an industrial alcohol plant, or of a bonded warehouse which is not located on the premises of an industrial alcohol plant, or elsewhere. The establishment of denaturing plants on premises other than industrial alcohol plant or bonded warehouse premises shall be subject to the applicable provisions of § 182.10.* (Sec. 3102, I.R.C.)

§ 182.12 *Specially denatured alcohol users' premises.* The storeroom required by these regulations for the storage of specially denatured alcohol to be used by the permittee in manufacturing shall be located on the premises of the manufactory described in the application, and covered by the basic permit. The storeroom shall be used exclusively for the storage of specially denatured alcohol received for use by the permittee.*

§ 182.13 *Specially denatured alcohol bonded dealers' premises.* Specially denatured alcohol bonded storerooms must be located on the premises described in the application and covered by the basic permit. The storeroom shall be used exclusively for the storage of all specially denatured alcohol received by the bonded dealer for sale to qualified purchasers.*

§ 182.14 *Tax-free alcohol users' premises.* Users of tax-free alcohol must maintain on the premises described in the application and covered by the basic permit issued pursuant thereto a safe and secure room or compartment for the storage of all alcohol possessed under authority of any permit. The storage room or compartment shall be used exclusively for the storage of all tax-free alcohol received and possessed by authority of the basic permit issued pursuant to these regulations.* (Sec. 3108 (c), (d), I.R.C.)

CONSTRUCTION

*Industrial Alcohol Plants*

§ 182.15 *Distilling building.* The industrial alcohol plant buildings must be securely constructed of brick, stone, wood, concrete, or other substantial material and must be completely separated from contiguous buildings not on the industrial alcohol plant premises by unbroken partitions of substantial construction extending from the ground to the roof in a direct vertical line: *Provided,* That where the furnace or boiler used for generating steam or heating water for use in the plant is located off the industrial alcohol plant premises, or where steam is to be conveyed from a boiler in the industrial alcohol plant to other premises for manufacturing or other purposes, or where distilling material or fuel is to be received by chute or pipe line, or where alcohol, distilled water, etc., is to be removed from the industrial alcohol plant by pipe line, in accordance with law and these regulations, or if distilling material is received from a contiguous bonded winery, or from a brewery and the residue of the material received from a brewery is to be returned thereto, necessary openings for the passage of the required pipe lines or chutes may be permitted in the walls or partitions separating the industrial alcohol plant from the adjoining premises: *Provided further,* That necessary openings for the passage of approved water, electric, sewer, or similar lines may be permitted in such walls or partitions. If a bonded warehouse or denaturing plant, or both, are located in the industrial alcohol plant building, the bonded warehouse or denaturing plant, or both, must be separated from the industrial alcohol plant by unbroken floors and walls of substantial construction. No door, window, or similar opening shall be made or permitted in the walls or floors leading into the bonded warehouse or denaturing plant, or into any other room or building, except as provided herein. In such cases the doors and other openings must lead into the public street or into the yard connected with the industrial alcohol plant, or into an elevator shaft or common passageway partitioned off from the bonded warehouse or denaturing plant and leading either directly or through another elevator shaft or similar passageway to the street or to the yard connected with the industrial alcohol plant. The partitions forming the passageways shall be substantially constructed of solid materials or expanded metal or woven wire of not less than 9 gauge nor more than 2-inch mesh, and shall extend from the floor to the ceiling or roof, but doors may be provided therein. The foundations, floors, walls, and roofs, and the doors, windows, and other openings of the industrial alcohol plant buildings shall be constructed, and such doors, windows, and other openings shall be protected and secured, as hereinafter provided.* (Secs. 2800 (e) (1), 3112 (a), I.R.C.)

§ 182.16 *Foundations.* The foundations of the industrial alcohol plant buildings shall be constructed of stone, brick, or concrete, or other equally substantial material, extending into the ground.*

§ 182.17 *Floors.* The industrial alcohol plant buildings must have suitable floors constructed of wood, concrete, brick, or other equally substantial material. If the floor of the receiving room or building or wine room or building is constructed of wood, the boards must be fitted together by tongue and groove, or laid double with the second layer crossing the first at an angle of more than 20 degrees, and securely nailed and fastened.*

§ 182.18 *Walls.* The outside walls of industrial alcohol plant buildings must be securely and substantially constructed. If wood, corrugated iron, or tin is used, the same must be applied over solid sheathing. Where substantial sheet metal is used and the sheets are welded together in such a manner as to constitute a solid wall, solid sheathing will not be required.*

§ 182.19. *Roofs.* The roofs of industrial alcohol plant buildings must be securely and substantially constructed. Where corrugated iron or tin is used, the same must be applied over solid sheathing. Where substantial sheet metal is used and the sheets are welded

together in such manner as to constitute a solid roof, solid sheathing will not be required.*

§ 182.20 *Doors.* The outside doors, and those on which Government locks are required, as hereinafter provided, must be securely constructed of heavy timber or iron, or other equally substantial material. The hinges must be secured by roundheaded or carriage bolts, nutted and riveted, or battered on the inside. Hinges that cannot be thus secured must be inaccessible from the outside and so attached that they cannot be removed when the doors are closed. The outside doors, and those on which Government locks are required, must be equipped with hasp and staple, securely fastened on the inside so that they may be securely locked. The doors secured from the inside must be provided with a crossbar in the middle of the door and, in addition thereto, with strong and suitable attachments for the reception of locks. Where there are double doors, one of them at least must be provided with substantial bolts at both the top and the bottom. These bolts must be so arranged as to plunge into substantial fastenings or holes in the middle of the upper and lower ends of the frame when the door is closed. Folding doors of wood or metal, vertical or horizontal sliding doors of wood or metal, and metal doors of the roller blind type, must be provided with substantial crossbars, or bolts that plunge into the upper and lower ends or the sides of the door frame, so placed as to make the door rigid and secure, unless the doors operate in grooves or tracks that make them secure.*

§ 182.21 *Windows in receiving and wine rooms.* The windows in the receiving room and wine room must be constructed as follows:

(a) *Within 12 feet of ground, etc.* All windows located within 12 feet of the ground, or within 12 feet (1) above a fire escape (except as provided in paragraph (b)), (2) above a roof, setback, or balcony within 12 feet of the ground, (3) above a roof or balcony of an adjoining building, or (4) of a roof, window, or other opening of an opposite building, must conform to the following requirements:

(1) *Wood sash.* Windows consisting of plain or wire glass panes set in wood sash must be protected by iron bars and solid shutters;

(2) *Steel sash.* Windows consisting of wire glass panes not larger than 6 by 10 inches, set in metal sash must be protected by iron bars;

(3) *Detention type.* Windows may be of the detention type, consisting of solid steel frame, sash, and grille (over the ventilating portion), combined in one unit and erected in one piece, equipped with wire glass panes not larger than 6 by 10 inches.

(b) *Opening onto fire escapes.* Windows opening onto a fire escape shall be protected by solid metal shutters, securely hinged and equipped with facilities for locking on the inside with a Government lock. Iron bars will not be required on such windows.

(c) *Extension of requirements.* The Commissioner or district supervisor may require any other windows in the receiving and wine rooms to be protected by iron bars or shutters, or both, when deemed necessary to safeguard the alcohol.

(d) *More than 12 feet from the ground.* All windows more than 12 feet from the ground and not subject to the provisions of paragraphs (a) and (b) must be securely constructed and so arranged and equipped that they may be securely fastened on the inside.

(e) *Set in casement.* All windows must be securely set into the window casement in such a manner as to prevent ready removal.

(f) *Sash locks.* All window sashes must be provided with sash locks or other suitable fastenings.

(g) *Shutters.* The shutters must be solid and substantially constructed of metal or wood, and must be fastened inside of the room or building and so secured that they cannot be opened from the outside.

(h) *Iron bars.* The iron bars must be not less than three-fourths of an inch in diameter, placed perpendicularly in the windows or walls, not more than 5 inches apart from center to center, and reinforced by iron crossbars not more than 36 inches apart. All bars and crossbars must be securely fastened to the window frames or embedded in the walls in such a manner as to prevent their removal and to afford proper security.*

§ 182.22 *Other windows.* Other windows of industrial alcohol plant buildings must be securely constructed and so arranged and equipped that they may be securely locked and fastened on the inside.*

§ 182.23 *Skylights, monitors, penthouses, etc.* Skylights, monitors, penthouses, and similar openings will be regarded as windows and treated as such, except that shutters will not be required.*

§ 182.24 *Ventilators.* Small openings in outside walls of industrial alcohol plant buildings, and in the ground floors and the roofs thereof, for ventilation or heating purposes, will be permitted, provided they are protected by substantial metal gratings, not lighter than No. 6 gauge and having openings not larger than one-half inch, securely attached to or embedded in the floor, wall, or roof. Where such openings in the walls, floors, and roofs of receiving and wine rooms are larger than 6 by 6 inches, they should be further protected by iron bars. Such opening will not be permitted in the walls or floors which separate the industrial alcohol plant from bonded warehouses or denaturing plants, or from contiguous premises.*

§ 182.25 *Drains.* Openings in floors will be permitted for drainage or sewage, provided they are permanently connected to the sewer system and protected in the same manner as ventilators.*

§ 182.26 *Wine room or building.* If, in the operation of the industrial alcohol plant, low wines, high wines, or unfinished alcohol will be produced and not redistilled immediately, the proprietor must provide a suitable wine room or building in which shall be located the low wine, high wine, and unfinished alcohol tanks. The wine room or building shall be constructed in accordance with the applicable provisions of §§ 182.15 to 182.25, inclusive. No door, window, or other opening (except necessary openings for approved pipe lines) leading from the wine room into any other building, except the distilling building, will be permitted. All doors of the wine room or building shall be locked on the inside with Government locks, except the entrance door, which shall be locked on the outside of the wine room or building with a Government seal lock. The wine room or building must be well-lighted, and a sign must be placed over the entrance door of the wine room bearing the words "Wine Room."*

§ 182.27 *Meal room.* If meal is to be stored on the industrial alcohol plant premises, the proprietor must provide for the purpose a suitable room constructed in accordance with the applicable provisions of §§ 182.15 to 182.25, inclusive, except that where substantially constructed bins of sufficient capacity, all openings of which may be closed and secured with Government locks, are installed for the storage of meal, a separate meal room need not be provided. All doors of the meal room must be equipped for locking on the inside except the entrance door, which must be equipped for locking on the outside with a Government lock. Windows and similar openings, if any, must be so equipped that they may be closed and securely fastened on the inside. Hoppers, chutes, conveyors, pipes, or openings in the walls, floor, or ceiling of the meal room used for the conveyance of meal from the meal room to the mash tubs, must be so constructed that they may be closed within the meal room and locked with Government locks: *Provided,* That where a hopper extends through the floor of the meal room, the outlet thereof may be locked outside of the meal room, if the hopper is securely covered and the inlet thereof is locked within the meal room. The meal room must be well-lighted, and a sign bearing the words "Meal Room" must be placed over the entrance door.* (Sec. 2823, I.R.C.)

§ 182.28 *Granary.* If the granary is located on the industrial alcohol plant premises it must be so constructed that the doors and other openings thereof may be closed and securely fastened on the inside, except the entrance door, which will be equipped for locking on the outside with a Government lock. If the granary is not situated on the industrial alcohol plant premises, but adjoins the industrial alcohol plant, the granary must be separated from the industrial alcohol plant on a direct vertical line by a solid and unbroken wall of substantial construction, except that an opening sufficient for the passage of grain chutes or pipe lines will be permitted in such wall. Such chutes or pipe lines shall be equipped with facilities for locking with Government locks on the industrial alcohol plant premises at the point where they enter the industrial alcohol plant building or premises.* (Sec. 2823, I.R.C.)

§ 182.29 *Fermenting room or building.* The proprietor must provide on the in-

dustrial alcohol plant premises a fermenting room or building in which shall be located the fermenting tubs or tanks: *Provided,* That where covered or otherwise sheltered tanks are used they need not be located in a room or building. Where a fermenting room is provided it may be located in the distilling building and have direct communication with other portions of such building. If carbon-dioxide gas is recovered, the necessary purifiers, scrubbers, and washwater receiving tanks should be located in the fermenting room or building or in an adjoining room or building. A sign must be placed over the entrance door of the fermenting room bearing the words "Fermenting Room."*

§ 182.30 *Receiving room.* The proprietor must provide a receiving room or building, in which shall be located the receiving cisterns or tanks. The receiving room or building must be constructed in accordance with the applicable provisions of §§ 182.15 to 182.25, inclusive. No door, window, or other opening (except necessary openings for approved pipe lines) leading into the industrial alcohol plant or into any other room or building will be permitted. The doors and other openings must lead into the yard connected with the industrial alcohol plant. All doors of the receiving room or building shall be equipped for locking on the inside with Government locks, except the entrance door, which shall be equipped for locking on the outside with a Government seal lock. The receiving room must be well lighted and of sufficient size to permit the weighing, marking, and branding of alcohol to be done conveniently, and to accommodate the necessary equipment, including a desk and chairs for the use of Government officers. A sign must be placed over the entrance door of the receiving room bearing the words "Receiving Room." Where more than one receiving room is provided, each such room will be given an alphabetical designation, as "A," "B," etc.* (Sec. 3103, I.R.C.)

§182.31 *Temporary storage room.* Where alcohol, after being drawn from the receiving cisterns or tanks into packages, is to be temporarily retained on the industrial alcohol plant premises pending tax-payment or removal for deposit in an industrial alcohol bonded warehouse or denaturing plant off the industrial alcohol plant premises, the proprietor must provide a separate room in the receiving room for the temporary storage of such packages. The construction of such temporary storage room must conform to the provisions of these regulations governing the construction of the receiving room. The entrance door of the storage room shall open into the other part of the receiving room and be so constructed that it may be securely locked with a Government lock. Where another door is provided, it must lead into the yard connected with the industrial alcohol plant and be so constructed that it may be securely locked on the inside with a Government lock, and will be used for the removal of alcohol temporarily stored in the room. If such other door is not provided, alcohol may not be removed from the temporary storage room through the other portion of the receiving room while packages are being filled therein.*

§ 182.32 *Empty container storeroom.* If empty packages are to be stored in the industrial alcohol plant, a separate room or building must be provided for such purpose. Such room or building shall not have any means of interior communication with any other room or building used in connection with the production, storage, or denaturation of alcohol. This room or building may be used for general cooperage purposes.*

§ 182.33 *Government office.* The proprietor shall provide and maintain on the industrial alcohol plant premises, for the exclusive use of Government officers, a securely constructed, well-lighted, heated, and ventilated office of suitable dimensions. The Government office shall be equipped with toilet and lavatory facilities, unless such facilities, suitably located, are provided elsewhere on the premises, and with a suitable number of desks, chairs, and file cases, and such other furniture as may be necessary for the keeping of records and the preparation of reports. The Government office shall also be provided with running water, tables, and shelves for use in connection with the testing of beer and slop, unless suitable laboratory facilities are available to Government officers elsewhere on the premises. The door of the Government office shall be equipped with a cylinder type lock and a sufficient number of keys therefor shall be furnished the district supervisor for the use of Government officers. Where deemed necessary to afford adequate security to Government property, the district supervisor may require the windows of the Government office to be protected by shutters or iron bars, and the door to be so equipped that it may be securely fastened with a Government lock.*

§ 182.34 *Government cabinet.* There shall be provided in the Government office a metal cabinet of adequate strength and size, and suitably equipped for locking with a Government seal lock, for use in safeguarding the keys to Government locks, seals, and other Government property, and stamps in the custody of Government officers. Each such cabinet shall be subject to approval by the district supervisor.*

§ 182.35 *Sign.* The proprietor shall place and keep conspicuously on the outside and at the front of the industrial alcohol plant where it can be plainly seen, a sign exhibiting in plain and legible letters, painted in oil colors or gilded, not less than 3 inches in height and of a proper and proportionate width, the name of the proprietor and the words "Industrial Alcohol Plant," followed by the registered number of the plant.* (Sec. 3103, I.R.C.)

§ 182.36 *Fences or walls and gates.* If a fence or wall is to be erected or maintained around the premises of any industrial alcohol plant, a suitable number of gates therein must be provided in order that ready access may be had to the industrial alcohol plant, and approval of the fence or wall must first be obtained from the district supervisor.*

§ 182.37 *Special application.* Where the proprietor desires to construct or maintain a fence or wall around the industrial alcohol plant, he shall file with the district supervisor a special application therefor, in triplicate, giving a complete description of the fence or wall, including information as to materials, construction, height, and number of gates, and stating the reasons for the construction or maintenance of such fence or wall. The district supervisor will take action on such special application in accordance with the procedure prescribed in §§ 182.282–182.302.*

§ 182.38 *Keys to gates.* If the gates in the fence or wall around the industrial alcohol plant are to be locked at any time, the proprietor shall furnish the district supervisor as many keys to the gates as may be required from time to time, in order to render the industrial alcohol plant readily accessible to Government officers.*

§ 182.39 *Experimental industrial alcohol plants.* The Commissioner may, in his discretion, in the case of experimental industrial alcohol plants, waive such provisions of this article, or portions thereof, concerning the construction of plants, which he deems may be done without jeopardy to the revenue.*

§ 182.40 *Chemical plants producing alcohol as a by-product.* The Commissioner may, in his discretion, in the case of chemical plants producing alcohol as a by-product, waive such requirements of this article as he may deem expedient, when such may be done without jeopardy to the revenue, including the requirement that certain apparatus and equipment be located within a room or building if the location of the apparatus or equipment within a room or building is shown to be hazardous to human life or otherwise impracticable. Application must be made to the Commissioner through the district supervisor, in triplicate, stating specifically the provisions of this article from which waiver is requested.* (Sec. 3103. I.R.C.)

*Bonded Warehouses*

§ 182.41 *Construction.* Rooms or buildings constituting the bonded warehouse must be constructed in accordance with the applicable provisions of §§ 182.15 to 182.25, inclusive, and the provisions of said sections relating to windows in receiving and wine rooms shall apply to bonded warehouses. All doors of the industrial alcohol bonded warehouse shall be constructed in accordance with § 182.20 and shall be equipped for locking on the inside with Government locks, except the entrance door, which shall be equipped for locking on the outside with a Government seal lock. The construction of the warehouse shall also conform to the following additional requirements:

(a) *Located on premises of industrial alcohol plant.* When the bonded warehouse is located on the premises of an industrial alcohol plant, it may be situated in the industrial alcohol plant building, provided it is separated from the industrial alcohol plant by solid, unbroken walls and floors of substantial construction: *Provided,* That necessary openings

for the passage of approved pipe lines will be permitted in such walls or floors. The doors and other openings thereof must lead into a public street or into the yard connected with the industrial alcohol plant, or into an elevator shaft or common passageway partitioned off from all other rooms or buildings, and leading either directly or through another elevator shaft or similar passageway to the street or yard.

(b) *Where not located on industrial alcohol plant premises*—(1) *Premises owned by proprietor unencumbered or consent of owner is obtained.* If the bonded warehouse is not located on the premises of an industrial alcohol plant and the land and buildings are owned by the proprietor in fee simple, unencumbered, or if not so owned and the consent of the owner or encumbrancer or lien holder, as the case may be, has been procured, the bonded warehouse must be completely separated from contiguous premises by unbroken partitions of substantial construction extending from the ground to the roof in a direct vertical line. The doors must lead into a public street or into the yard connected with the warehouse.

(2) *Premises covered by bond, Form 1604.* If the condition of the title to the bonded warehouse premises is such that indemnity bond, Form 1604, may be filed in lieu of the consent of the owner or encumbrancer or lien holder, the bonded warehouse may consist of a room or floor of a building, in which case it must be completely separated from all other rooms or floors of the building by solid, unbroken floors and walls of substantial construction extending from the ground or floor to the roof or ceiling. The doors and other openings must open into a public street or into the yard connected with the warehouse, or into an elevator shaft or common passageway, partitioned off from the bonded warehouse and other businesses and leading either directly or through another elevator shaft or similar passageway to the street or yard. Where the door of the warehouse opens into a common passageway, as provided above, the partitions forming the common passageway shall be solid materials or expanded metal or woven wire of not less than 9 gauge nor more than 2-inch mesh, and shall extend from the floor to the ceiling or roof, but doors may be provided therein if they do not permit interior communication with a rectifying plant or tax-paid bottling house in the same building contrary to the provisions of § 182.10. Common passageways shall be used exclusively as a means of communication.* (Secs. 3101, 3112, I.R.C.)

§ 182.42 *Tax-paid storeroom.* Where alcohol in packages, after tax-payment, is to be temporarily retained on the bonded warehouse premises pending removal, the proprietor must provide in connection with the bonded warehouse a room for the storage of such alcohol tax-paid at the warehouse. The tax-paid storeroom, if contiguous to the portion of the warehouse used for the storage of untax-paid alcohol, must be separated therefrom by solid and unbroken partitions or floors of substantial construction conforming to the provisions of §§ 182.17 and 182.18.*

§ 182.43 *Empty container storeroom.* If empty packages, other than bottles, cases, and cans, are to be stored in the bonded warehouse, a separate room or building must be provided for such purpose. Such room or building shall not have means of interior communication with any other room or building used for the storage of alcohol. This room or building may be used for general cooperage purposes.*

§ 182.44 *Storage tanks as additions to warehouses.* The Commissioner may approve permanent storage tanks not located within a room or building as an addition to a bonded warehouse which is located on the premises of an industrial alcohol plant: *Provided,* That such tanks are constructed, equipped, and enclosed in conformity with the following requirements:

(a) *Construction of tanks and foundations.* The tank, or tanks, shall be of substantial steel construction and of uniform dimensions from top to bottom, and shall be erected on a solid concrete base or foundation. Each storage tank shall have plainly and legibly painted thereon the words "Alcohol Storage Tank," followed by its serial number and capacity in wine gallons. The inlet and outlet pipe connections of each storage tank must be fitted with valves so constructed that they can be secured with Government locks, and any other openings in such tanks must also be so constructed that they can be closed and locked.

(b) *Walls.* The tanks shall be completely enclosed by a brick, concrete, or stone wall, at least 12 inches thick and extending not less than 3 feet above, and 3 feet below, the ground.

(c) *Fences.* A fence at least 12 feet in height, constructed on not less than No. 6 gauge, nor more than 2-inch mesh, expanded metal or woven wire, with at least three rows of barbed wire superimposed on the top thereof, shall be permanently affixed on the wall. The fence posts shall be substantially constructed if iron or steel and shall be solidly embedded in the wall.

(d) *Gates.* A suitable gate in such fence shall be provided, which gate shall be of the same construction as the fence, and shall be equipped with hasp and staple for the reception of a Government seal lock.

(e) *Pipe lines.* The storage tanks shall be connected with approved weighing tanks in the bonded warehouse building by permanent and continuous pipe lines constructed in accordance with § 182.82, and so arranged as to be exposed to view throughout their entire lengths. All valves, unions, flanges, and other detachable connections in the pipe lines and openings in the tanks must be so secured, by brazing, welding, fastening and sealing, or locking with Government locks, as to effectually prevent disconnection and access to the alcohol.

(f) *Additional requirements.* The Commissioner or district supervisor may require, in any case in which he deems it necessary, either the installation of electric floodlights for lighting the tank enclosure, or the maintenance of watchman's services, or both, or other protective measures or devices.* (Sec. 2823, 3101, I.R.C.)

§ 182.45 *Government cabinet.* There shall be provided in the Government office a metal cabinet conforming to the provisions of § 182.34 for use in safeguarding the keys to Government locks, seals, and other Government property.*

§ 182.46 *Government office and facilities.* The proprietor shall provide and maintain on the bonded warehouse premises for the exclusive use of Government officers, a securely constructed, well-lighted, heated, and ventilated office of suitable dimensions, equipped in accordance with the provisions of § 182.33: *Provided,* That where the bonded warehouse is located on the premises of an industrial alcohol plant or denaturing plant and a Government office conforming to the requirements of § 182.33 is provided on the industrial alcohol plant or denaturing plant premises, and such office is so located as to be suitable for the use of Government officers assigned to the bonded warehouse, a separate Government office need not be provided in the warehouse: *And provided further,* That where a Government office is not provided in the bonded warehouse, the proprietor must provide such desks, chairs, file cases, and other furniture as may be necessary for the keeping and preserving of Government records and the preparation of reports in a suitable and well-lighted space in the bonded warehouse. If the bonded warehouse is not properly heated during inclement weather, such office facilities must be located in a well-lighted, heated, and ventilated room. Such facilities shall be subject to approval by the district supervisor.*

§ 182.47 *Sign.* The proprietor shall place and keep conspicuously on the outside and at the front of the warehouse where it can be plainly seen, a sign exhibiting in plain and legible letters painted in oil colors or gilded, not less than 3 inches in height, and of a proper and proportionate width, the name of the proprietor and the words "Industrial Alcohol Bonded Warehouse," followed by the registry number of the warehouse. If the warehouse consists of two or more buildings, the required sign as described above will be placed over the entrance of each such building, and there shall also be shown on such sign the alphabetical designation of the building.*

§ 182.48 *Fences or walls and gates.* The provisions of §§ 182.36 to 182.38, inclusive, relating to fences or walls (and gates therein) around the premises of an industrial alcohol plant are hereby extended to and made applicable to bonded warehouses.*

*Denaturing Plants*

§ 182.49 *Construction.* The rooms or buildings constituting the denaturing plant must be constructed in accordance with the applicable provisions of §§ 182.15 to 182.25, inclusive, and § 182.41. The construction of the denaturing plant

shall also conform to the following additional requirements:

(a) *Located on the premises of industrial alcohol plant or bonded warehouse.* Where the denaturing plant is located on the premises of an industrial alcohol plant or bonded warehouse, it may be situated in the same building as the industrial alcohol plant or bonded warehouse, provided it is separated from the industrial alcohol plant or bonded warehouse by solid, unbroken walls and floors of substantial construction: *Provided,* That necessary openings for the passage of approved pipe lines will be permitted in such walls or floors. The doors and other openings must lead into a public street or into the yard connected with the industrial alcohol plant or bonded warehouse, or into an elevator shaft or common passageway partitioned off from all other rooms or buildings and leading either directly or through another elevator shaft or similar passageway to the street or yard.

(b) *If not located on industrial alcohol plant or bonded warehouse premises.* If the denaturing plant is not to be located on the premises of an industrial alcohol plant or bonded warehouse, pursuant to authority granted by the Commissioner, it may consist of a building or a room or floor of a building, in which case it must be completely separated from all other buildings, rooms, and floors, which are not a part of the denaturing plant by solid, unbroken floors and walls of substantial construction extending from the ground or floor to the roof or ceiling. The doors and other openings must open into a public street or into the yard connected with the denaturing plant, or into an elevator shaft or common passageway partitioned off from all other businesses, and leading either directly or through another elevator shaft or similar passageway to the street or yard in accordance with the provisions of § 182.41.*

§ 182.50 *Alcohol storeroom.* Where alcohol is received in barrels, drums, or other containers, the proprietor must provide an alcohol storeroom for use solely for the storage of alcohol, unless all alcohol received in such containers is immediately transferred into alcohol storage or mixing tanks provided in accordance with these regulations. The alcohol storeroom must be constructed in accordance with the requirements of § 182.49. The entrance door of such storeroom must be so equipped that it may be securely locked on the outside of the room with a Government lock. The proprietor shall place over the entrance door of the room a sign bearing, in plain and legible letters, the words "Alcohol Storeroom." If more than one such storeroom is provided, each shall be given an alphabetical designation, which shall appear on the sign.*

§ 182.51 *Denaturing material storeroom.* The proprietor must provide within the denaturing plant a denaturing material storeroom for use solely for the storage of denaturing materials, except that this requirement shall not apply where permanently fixed metal tanks of such size that they cannot be readily removed and so constructed that they can be securely locked with a Government lock, are installed on the denaturing plant premises, but not necessarily within a room or building, for the storage of the denaturing materials. The proprietor shall place over the entrance door of the room a sign bearing, in plain and legible letters, the words "Denaturing Material Storeroom." If more than one such storeroom is provided, each shall be given an alphabetical designation, which shall appear on the sign. If denaturants are stored in original packages or other portable receptacles, a denaturing material storeroom must be provided. The walls of the denaturing material storeroom must be securely constructed of substantial materials and extend from the floor to the ceiling. The entrance door of such storeroom must open into the denaturing plant, and be so equipped that it may be securely locked with a Government lock. All other doors of such storeroom must be locked on the inside of the room with Government locks.*

§ 182.52 *Denatured alcohol storeroom.* Where denatured alcohol is stored on the premises in barrels, drums, cans, or similar containers, the proprietor must provide on the denaturing plant premises a separate room (or building) for use solely for the storage of denatured alcohol. The denatured alcohol storeroom must be constructed in accordance with the requirements of § 182.49. The entrance door of such storeroom must be so equipped that it may be securely locked on the outside of the room with a Government lock. The proprietor shall place over the entrance door of the denatured alcohol storeroom a sign bearing, in plain and legible letters, the words "Denatured Alcohol Storeroom." If more than one such storeroom is provided, each shall be given an alphabetical designation, which shall appear on the sign.*

§ 182.53 *Empty container storeroom.* If empty packages, other than cans, are to be stored in the denaturing plant, a separate room or building must be provided for such purpose. Such room or building shall not have any means of interior communication with any other room or building used for the denaturation or storage of alcohol. This room or building may be used for general container purposes.*

§ 182.54 *Government office and cabinet.* The proprietor shall provide and maintain on the denaturing plant premises, for the exclusive use of Government officers, an office constructed and equipped in accordance with the provisions of § 182.33: *Provided,* That where the denaturing plant is located on the premises of an industrial alcohol plant or bonded warehouse, office facilities may be provided in accordance with the provisions of § 182.46. There shall be provided in the Government office a metal cabinet conforming to the provisions of § 182.34 for use in safeguarding the keys to Government locks, seals, and other Government property.*

§ 182.55 *Signs.* The proprietor shall place and keep conspicuously on the outside and at the front of the denaturing plant where it can be plainly seen, a sign exhibiting in plain and legible letters, painted in oil colors or gilded, not less than 3 inches in height and of proper and proportionate width, the name of the proprietor and the words "Denaturing Plant," followed by the registry number of the plant. If the denaturing plant consists of two or more buildings, the required sign will be placed over the entrance of each building, and there shall also be shown on such sign the alphabetical designation of the building.*

§ 182.56 *Fences or walls and gates.* The provisions of §§ 182.36 to 182.38, inclusive, relating to fences or walls and gates around the premises of an industrial alcohol plant, are hereby extended to and made applicable to denaturing plants.*

*Specially Denatured Alcohol Users' Storeroom*

§ 182.57 *Construction.* A manufacturer using specially denatured alcohol must provide on the manufacturing premises covered by the basic permit a specially denatured alcohol storeroom for use solely for the storage of specially denatured alcohol, except that this requirement shall not apply where permanently fixed metal tanks, of such size that they cannot be readily removed and so constructed that they can be securely locked, are installed on the manufacturing premises for the storage of specially denatured alcohol. The walls of the storeroom must be securely constructed of substantial materials and extend from the floor to the ceiling. The doors, windows, and other openings must be equipped with hardware for securing the same on the inside of the storeroom. The entrance door must be equipped with a cylinder lock or with a hasp and staple for the reception of a padlock so as to afford proper protection to the denatured alcohol stored therein.*

§ 182.58 *Sign.* The proprietor shall place over the entrance door of the storeroom a sign bearing, in plain and legible letters, the words "Specially Denatured Alcohol Storeroom," or the words "Specially Denatured Alcohol Storage Tank," if tanks are provided in lieu of a storeroom, followed by the symbol and basic permit number assigned by the district supervisor. If more than one such storeroom, or storage tank, is provided, each shall be given an alphabetical designation, which shall appear on the sign.*

*Specially Denatured Alcohol Bonded Dealers' Storeroom*

§ 182.59 *Construction.* A dealer in specially denatured alcohol must provide on the premises covered by the basic permit a specially denatured alcohol storeroom for use solely for the storage of specially denatured alcohol. Permanently fixed metal tanks, of such size that they cannot be readily removed and so constructed that they can be securely locked, may be located without the storeroom and used for the storage of specially denatured alcohol. Specially denatured alcohol in original packages, or other portable receptacles, must be stored in the specially denatured alcohol storeroom. The walls of the storeroom must be securely constructed of substantial materials and extend from the floor to the

ceiling. The doors, windows, and other openings must be equipped with hardware for securing the same on the inside of the storeroom. The entrance door must be equipped with a cylinder lock or with a hasp and staple for the reception of the padlock so as to afford proper protection to the denatured alcohol stored therein.*

§ 182.60 *Sign.* The proprietor shall place over the entrance door of the storeroom a sign bearing in plain and legible letters, the words "Specially Denatured Alcohol Storeroom," or the words "Specially Denatured Alcohol Storage Tank," if tanks are provided in lieu of a storeroom, followed by the symbol and basic permit number assigned by the district supervisor. If more than one such storeroom, or storage tank, is provided, each shall be given an alphabetical designation which shall appear on the sign.*

*Tax-free Alcohol Users' Storeroom*

§ 182.61 *Construction.* Users of tax-free alcohol must provide a storeroom or compartment for the storage of tax-free alcohol possessed by authority of permits issued in accordance with these regulations. Storerooms or compartments must be of sufficient capacity to hold the maximum quantity of alcohol which may be possessed at any one time, and shall be securely constructed of substantial materials, and all doors, windows, and other openings shall be equipped so that they may be securely locked.*

EQUIPMENT

*Industrial Alcohol Plants*

§ 182.62 *Laboratory apparatus.* The proprietor of the industrial alcohol plant shall provide for the use of Government officers a Kjeldahl or other distilling unit of sufficient capacity to distill samples of beer and slop, a Juerst, Lefco, or other approved ebulliometer, and other laboratory apparatus and equipment necessary for determining the alcoholic content of the beer and slop. The distilling unit shall be installed in a suitable location approved by the district supervisor. Where the proprietor maintains a laboratory which, in the opinion of the district supervisor, is properly equipped for making such tests, the proprietor may make such facilities available to Government officers in lieu of providing additional apparatus and equipment.* (Secs. 2808, 2829, I.R.C.)

§ 182.63 *Scales.* The proprietor must provide in the receiving room suitable and accurate scales for weighing packages of alcohol. The proprietor must also provide on the industrial alcohol plant premises suitable and accurate scales for the weighing of grain and other nonliquid distilling materials received and used. If the industrial alcohol plant is equipped with meal hoppers mounted on scales, the meal may be weighed therein. Beams or dials of scales used to weigh packages must indicate weight in half-pound graduations: *Provided,* That if packages containing exactly 1, 2, 5, and 10 wine gallons, which would require weighing in terms of pounds and ounces, are filled or received, scales indicating weight in ounce graduations must be provided. The beams or dials of weighing tank scales must indicate weight in 1-pound graduations, if of less than 10 tons capacity, and in 5-pound graduations, if of 10 tons or more capacity.* (Sec. 2808, I.R.C.)

§ 182.64 *Weighing tanks.* Except as provided in § 182.407, where alcohol is to be removed by pipe line to storage tanks in an industrial alcohol bonded warehouse or denaturing plant on the industrial alcohol plant premises or to tank cars for shipment, the proprietor must provide in the receiving room one or more suitable weighing tanks constructed in accordance with the provisions of § 182.65. If molasses or other liquids are used as distilling materials, a suitable weighing or measuring tank must be provided for determining the quantity thereof.* (Sec. 2808, I.R.C.)

§182.65 *Construction of weighing tanks.* Weighing tanks for alcohol shall be constructed of metal and shall be stationary and of uniform dimensions from top to bottom, and each such tank shall be calibrated and equipped with a suitable measuring device whereby the contents will be correctly indicated. Each weighing tank shall be mounted on accurate scales and shall have plainly and legibly painted thereon the words "Weighing Tank," followed by its serial number, capacity in wine gallons, and capacity per inch of depth. The inlet and outlet pipe connections of each weighing tank must be fitted with valves so constructed that they can be secured with Government locks, and any other openings in such tanks must also be so constructed that they can be closed and similarly locked. The district supervisor will have the calibration of each weighing tank verified by a Government officer.* (Secs. 2808, 2823, I.R.C.)

§ 182.66 *Test weights.* The proprietor shall provide a set of ten 50-pound cast-iron test weights, which shall be certified by the National Bureau of Standards or State departments of weights and measures as conforming to class "C" requirements of the National Bureau of Standards. If the proprietor has provided such test weights at an industrial alcohol bonded warehouse or denaturing plant operated by him on the same premises, or at a rectifying plant, etc., on contiguous premises, he need not provide a separate set of weights for the industrial alcohol plant. All test weights shall be placed under the control and in the custody of the storekeeper-gauger in charge, who shall keep them under Government lock when not in use.* (Sec. 2808, I.R.C.)

§ 182.67 *Furnace doors, steam and fuel lines.* The door of every furnace of every still or boiler located on the industrial alcohol plant premises must be so constructed that it may be closed and locked with a Government lock in such a manner as will effectually prevent it from being opened and a fire lighted in the furnace or under the boiler: *Provided,* That where the stills are heated with steam and it is necessary to use the boilers for the generation of steam for other purposes during periods when distilling operations are suspended, the doors of the furnaces of such boilers need not be equipped for locking when the pipe lines used to convey steam from the boilers to the stills are provided with valves equipped for locking with Government locks at the point where they enter each still. Where the boilers used for generating steam for the operation of the industrial alcohol plant are located off the industrial alcohol plant premises, the pipe line used to convey the steam to the industrial alcohol plant premises, the with a valve so constructed that it may be locked with a Government lock, either at the point where it enters the premises or at the point of entrance to the still. If the stills are operated with fuel conveyed to them by pipe line, such pipe line must likewise be equipped for locking.* (Ser. 3103, I.R.C.)

§ 182.68 *Distilling material storage tank.* If molasses or other liquid distilling materials are to be stored on the industrial alcohol plant premises, the proprietor must provide substantially constructed tanks for the purpose. The inlets, outlets, and other openings of such tanks must be equipped for locking with Government locks. Such tanks need not be located in a room or building.* (Secs. 2823, 2829, I.R.C.)

§ 182.69 *Off-premises material conveyors.* Where distilling materials are conveyed to the industrial alcohol plant by chute or pipe line from adjacent premises, such chute or pipe line shall be equipped for locking with Government locks at the point where it enters the industrial alcohol plant premises.* (Secs. 2823, 2829, I.R.C.)

§ 182.70 *Cookers and mash tubs.* Cookers and mash tubs must be so placed as to be easily accessible and subject to ready examination by Government officers. Each such cooker or mash tub must have painted thereon its designated use, as "Cooker" or "Mash Tub," followed by its serial number and capacity in wine gallons.*

§ 182.71 *Fermenters.* Each fermenter must be constructed of wood, metal, concrete, or other suitable material, and so arranged as to permit examination of every part thereof. Each fermenter must have plainly and legibly painted thereon in oil colors the word "Fermenter," followed by its serial number and capacity in wine gallons, depth in inches, and, if of uniform dimensions and standing on end, the capacity per inch of depth. Where such tanks are of irregular dimensions the proprietor shall furnish the district supervisor a table, in duplicate, showing the capacity of the tank for each inch of depth. The district supervisor will retain one copy of the table and forward the other to the storekeeper-gauger, who will retain the same in the Government office. The proprietor shall provide an accurate measuring rod marked in inches, or a steel tape, suitable for use in determining the contents of such tanks. When deemed necessary, the accuracy of the proprietor's calibration of fermenters will be verified by Government officers.* (Sec. 3103, I.R.C.)

§ 182.72 *Washwater receiving tanks.* If carbon dioxide is recovered, there must be provided a sufficient number of washwater receiving tanks, which shall be constructed of metal and be of uniform dimensions from top to bottom. Each such tank shall be equipped with a suit-

able measuring device whereby the actual contents will be correctly indicated. There must be painted on each tank the words "Washwater Receiving Tank," followed by its serial number and capacity in wine gallons. The outlet valve must be equipped for the reception of Government lock. Such tanks, if connected with low-wine tanks, stills, or other distilling apparatus, shall be connected by means of fixed metal pipe lines for the purpose of transferring the washwater.* (Secs. 2823, 2829, I.R.C.)

§ 182.73 *Stills.* The stills must be of substantial construction and must have a clear space of not less than 1 foot around them. The steam or fuel line to each still shall be equipped with a valve so constructed that it may be locked with a Government lock as provided in § 182.67, when the still is registered "Not for use." The drain and wash-out pipes of stills must also, wherever practicable, be equipped with valves so constructed that they may be locked with Government locks. If there is a furnace under the stills or doublers, the door thereto must, as provided in § 182.67, be so constructed that it may be secured with a Government lock. There must be a clear space of not less than 2 feet around every doubler and condenser or worm tank. The doubler and worm tanks must be elevated not less than 1 foot from the floor. Every still must be numbered, commencing with number 1, according to the flow of the alcohol, and have painted thereon its designated use, such as "Beer Still," "Doubler," "Rectifying Column," etc., and its number. The capacity in wine gallons of pot stills and doublers, the capacity in wine gallons of the charge or top chamber of charge chamber stills, and the maximum spirit producing capacity for a period of 24 hours, determined in accordance with § 182.915, of continuous stills, shall be marked on such stills. Where the still is insulated or the manufacturer's serial number is otherwise obscured, such number and capacity will likewise be painted on the covering of the still.* (Sec. 3103, I.R.C.)

§ 182.74 *General requirements for tanks and other equipment.* All tanks used as receptacles for spirits between the outlet of the first condenser or worm and the receiving tanks shall be constructed of metal, and shall be of uniform dimensions from top to bottom, and each such tank shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated. All tanks must be so constructed as to permit examination of every part thereof, and so arranged as to leave an open space of not less than 3 feet between the top and the roof or floor above. Where tanks are equipped with manholes or valves in the top, which are required to be locked with Government locks, suitable walks or landings with steps or stairways leading thereto must be provided near the top of such tanks in order that ready access may be had by Government officers to the manholes. District supervisors may require such walks or landings, with steps or stairways leading thereto, to be installed at plants now operating, where the tanks have manholes or valves in the top, which are required to be locked with Government locks, and the present method of gaining access to the top of the tanks is hazardous or unsafe to Government officers who are required to open and close the locks on such manholes or valves or to inspect the contents of the tanks from time to time. All tanks, such as low-wine tanks, high-wine tanks, heads and tails tanks, fusel oil tanks, distilled water tanks, and similar equipment, shall each have plainly and legibly painted thereon its designated use, serial number, and capacity in wine gallons. Manheads, inlets, and outlets of the tanks and all necessary openings in the distilling apparatus and equipment, except column stills, whereby access may be had to the alcohol, must be provided with facilities for locking with Government locks: *Provided,* That distilled water storage tanks need not be so equipped unless a pipe line is connected therewith for the conveyance of distilled water to contiguous establishments, as provided in § 182.76. All openings in tanks and other distilling apparatus and equipment, which are not absolutely necessary and which can be permanently closed without interference with plant operations, shall be closed by brazing, welding, or otherwise securely fastening and sealing. Tanks used as receptacles for alcohol must not be permanently connected with pipe lines used for the conveyance of air, distilled water, or other substances than alcohol.

(a) *Measuring devices.* All tanks used as receptacles for alcohol shall be equipped with floats and counterweights and a proper scale whereby the actual contents will be correctly indicated, except that tanks located in a locked room may be equipped with suitable and accurate glass gauges: *Provided,* That the use of other suitable and accurate measuring devices may be authorized by the Commissioner upon application of the proprietor. The openings in the tanks for cords or wires for floats and counterweights must be no larger than are absolutely necessary to accommodate the cords or wires. Where tanks equipped with floats and counterweights are in a locked room, the scale should be extended to the outside of the room to permit ascertainment of the contents of the tank and thus guard against overflow without the necessity of opening the door of the room. Where tanks in a locked room are equipped with glass gauges, a properly barred and secured window must be provided in the wall or door to permit reading the gauge.* (Secs. 2823, 2829, I.R.C.)

§ 182.75 *Fusel oil tanks.* Fusel oil tanks must be constructed and equipped in accordance with the provisions of § 182.74 and each such tank must have painted thereon the words "Fusel Oil Tank," followed by its serial number and capacity in wine gallons. Tanks for the temporary storage of fusel oil, after the same has been tested, need not be enclosed in a room or building, but must be located on the industrial alcohol plant premises. Fusel oil tanks shall not be connected with any pipe line used for the conveyance of alcohol. The pipe lines connecting the tanks in which fusel oil is collected during the course of distillation with the stills must be constructed and arranged in accordance with the provisions of § 182.82. Where fusel oil is to be transferred by pipe line from the tanks in which collected to storage tanks pending removal, such pipe lines must also be constructed in accordance with the provisions of § 182.82. Pipe lines connected with fusel oil tanks must be provided with valves so arranged as to control the flow of fusel oil both into and out of the tanks, and so constructed that they may be secured with Government locks.* (Secs. 2823, 2829, I.R.C.)

§ 182.76 *Distilled water storage tanks.* Distilled water storage tanks shall be so located that their contents may be readily inspected by Government officers, and each such tank shall have painted thereon the words "Distilled Water Storage Tank," followed by its serial number and capacity in wine gallons. Where distilled water is to be conveyed by pipe lines to contiguous establishments operated under the internal revenue laws and regulations, the storage tanks from which the distilled water is to be conveyed must be so constructed that any necessary openings therein may be closed and secured with a Government lock. The pipe line must be an independent one, without any connection with any other pipe, tank, vessel or utensil on the industrial alcohol plant premises: *Provided,* That where distilled water is to be so conveyed from two or more distilled water storage tanks, the pipe line may be connected with such tanks by permanent manifold connections. The pipe line must be constructed of metal and exposed to view throughout its entire length. The valves, flanges, and other connections in such pipe line on the industrial alcohol plant premises must be brazed, welded, or otherwise secured in such a manner that the pipe line and its connections cannot be detached or altered without showing evidence of tampering.* (Secs. 2823, 2829, I.R.C.)

§ 182.77 *Try boxes.* Try boxes must be provided and so constructed as to permit reading the proof of the alcohol, as well as the temperature, without unlocking the same. Such boxes shall be substantially constructed and shall be equipped for locking with a Government lock. Each try box must be provided with an overflow pipe to permit by-passing of the alcohol around the valves controlling the flow from the try box to the low or high wine tanks or the receiving tanks. The overflow pipe shall be brazed or welded to the pipe line leading to the low or high wine tanks or the receiving tanks.* (Secs. 2823, 2829, I.R.C.)

§ 182.78 *Tanks in wine room.* Where low wines, high wines, and unfinished alcohol are produced, suitable tanks for the reception of such alcohol, low wines, and high wines must be provided in the wine room or building. The tanks shall be constructed and secured in conformity with the provisions of § 182.74. Each such tank shall have plainly and legibly painted thereon the words "Low Wine

Tank," "High Wine Tank," or "Unfinished Alcohol Tank," as the case may be, followed by its serial number and capacity in wine gallons. These tanks shall be connected by means of fixed metal pipe lines with the stills or the charge or feed tanks thereof, in which the alcohol is to be redistilled. The pipe lines connected with such tanks shall be provided with valves to control the flow of alcohol into and out of the tanks and such valves shall be so constructed that they may be closed and secured with Government locks.* (Secs. 2823, 2829, I.R.C.)

§ 182.79 *Chemical receiving tanks.* If liquid chemicals are produced in the industrial alcohol plant in connection with the production of ethyl alcohol as a by-product, a sufficient number of receiving tanks for the deposit of each kind of chemical produced must be provided, and the same shall be constructed and secured as prescribed in § 182.74, and such tanks must be located in the wine room or building, or elsewhere on the industrial alcohol plant premises, but not necessarily within a room or building, and each such tank shall have painted thereon the name of the chemical to be deposited therein, and the words "Receiving Tank," followed by its serial number and capacity in wine gallons.* (Secs. 2823, 2829, I.R.C.)

§ 182.80 *Receiving tanks.* The proprietor must provide in the receiving room receiving tanks of sufficient capacity to hold at least the maximum quantity of alcohol that can be distilled during a day of 24 hours. Receiving tanks must be constructed and arranged in conformity with the requirements of § 182.74, and, in addition thereto, such tanks must be elevated not less than 18 inches from the floor and so separated that Government officers may pass completely around each. Each receiving tank must be equipped with a suitable measuring device whereby the actual contents will be correctly indicated, and shall have plainly and legibly painted thereon the words "Receiving Tank," followed by its serial number and capacity in wine gallons. Pipe lines connected with receiving tanks must be brazed, welded, or otherwise secured and sealed, to the tanks in such a manner that they cannot be detached or altered without showing evidence of tampering. Pipe lines for the conveyance of air, distilled water, or other substances than alcohol may not be permanently connected with receiving tanks.* (Secs. 2823, 2829, 3103, I.R.C.)

§ 182.81 *Stopcocks of receiving tanks.* The stopcocks which control the flow of alcohol into the receiving tanks must be so arranged that the alcohol may be run into any of the tanks, and if the stopcocks are in the receiving room, they must be controlled by rods, the handles of which must extend into the distilling building or through the wall to the outside of the receiving room and be under Government lock. If such stopcocks are outside of the receiving room, they must be securely boxed and the box locked with a Government lock. If the stopcocks or the handles thereof are located in the distilling building, each such stopcock or handle shall be securely locked with a Government lock, but need not be enclosed within a box. The storekeeper-gauger will keep the keys to the Government locks which control the stopcocks of receiving tanks in his possession. The flow of the alcohol from one tank to another will, however, be changed by the proprietor under the immediate supervison of the storekeeper-gauger.* (Secs. 2823, 2829, I.R.C.)

§ 182.82 *Pipe lines.* The distilling apparatus and equipment must be closed and continuous, commencing with the first still in which the vapors rise and continuing with securely closed vessels and pipes to the receiving tanks in which the finished product is deposited. All such pipe lines must be of a fixed and permanent character, constructed of metal, and so arranged as to be exposed to view throughout their entire lengths. All valves, unions, flanges, and other detachable connections in the pipe lines of the distilling equipment from the point where the vapors rise in the first or beer still to the receiving tanks must be so secured by brazing, welding, fastening and sealing, or locking with Government locks as to effectually prevent disconnection and access to the alcohol. Pipe lines from the receiving room to tanks in an industrial alcohol bonded warehouse or denaturing plant on the industrial alcohol plant premises or to a rectifying plant on contiguous or nearby premises (as authorized by § 182.82a) shall be constructed and secured in a like manner and similarly exposed to view throughout their entire lengths: *Provided,* That such pipe lines may be connected with weighing tanks by means of flexible metal hose with the ends brazed or welded to the inlet or outlet of the tank and to the pipe line, or by means of short, detachable hose connections if the end of the pipe line is fitted with a valve so constructed that it may be secured with a Government lock. The pipe line may likewise be connected with railroad tank cars by short, detachable hose connections.

(a) *Preparation for sealing.* Where flanges, unions, valves, and other detachable connections in the pipe lines are not secured by welding or brazing, and are not to be secured by Government locks, they must be prepared by the proprietor for sealing with "cap" seals. Flanges, unions, and valves will be prepared for sealing, in accordance with the following instructions:

(1) *Sealing flanges.* Flanges may be prepared for sealing by one of the following methods:

(i) By applying a "castle" nut with a hole drilled through the bolt, so the sealing wire may be passed through like a cotter pin, two such nuts being applied to each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts and bolts will be applied at approximately equal distances apart;

(ii) By drilling a small hole through both nut and bolt, two such bolts and nuts being drilled for each flange, opposite each other; or

(iii) By drilling a hole through the corner of the head of the bolt and one through the corner of the nut so the two will be sealed together, two such bolts and nuts being drilled for each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts and bolts will be applied at approximately equal distances apart.

(2) *Sealing unions.* Unions will be prepared for sealing by enclosing the same in a metal box with holes for the sealing wire.

(3) *Sealing valves.* Small gate and globe valves may be prepared for sealing by enclosing the packing nut and hood with a metal band or strip drawn tightly around the flange and fitted for the reception of the sealing wire, or by drilling a hole in the packing nut so that sealing wire may be passed through and drawn around the pipe and sealed. Where valves have large flanges, such flanges may be sealed in the same manner as other flanges.* (Secs. 2823, 2829, 3103, I.R.C.)

§ 182.82a *Pipe lines to rectifying plants.* The Commissioner may, in his discretion, authorize the installation of a pipe line for the transfer of alcohol in accordance with §§ 182.574a to 182.574g, from the weighing tank in an industrial alcohol plant or bonded warehouse, after tax-payment, to storage tanks in a rectifying plant for use in rectification and bottling, when such rectifying plant is contiguous to, or is in the immediate vicinity of the industrial alcohol plant or bonded warehouse. The Commissioner will determine from all the circumstances in each case whether the rectifying plant is in the immediate vicinity of the industrial alcohol plant or bonded warehouse.

(a) *Application and sketch.* The proprietor of an industrial alcohol plant or bonded warehouse who desires to install a pipe line for the transfer of tax-paid alcohol to a contiguous rectifying plant, or rectifying plant in the immediate vicinity of the industrial alcohol plant or bonded warehouse, must file application, in triplicate, with the district supervisor, setting forth the relative position of the industrial alcohol plant or bonded warehouse and the rectifying plant, the proprietorship thereof, and a full description of the proposed pipe line, including all connections with tanks, etc. There must be attached to each copy of the application, a sketch, showing the proposed pipe line throughout its entire length, including its connections with the weighing tank in the industrial alcohol plant or bonded warehouse and the storage tank in the rectifying plant. The sketch shall also show the relative location of the industrial alcohol plant or bonded warehouse and the rectifying plant, the exact distance between the two premises, and any intervening buildings and the use of such buildings.

(b) *Action on application.* Upon receipt of the application, the district supervisor will make such inquiry as he may deem necessary to determine whether the revenue will be endangered and the propriety of granting the permission sought, and will then forward all copies of the application to the Commissioner with his recommendation thereon together with a statement of his findings and conclusions. The Commissioner will indicate

his approval or disapproval on all copies of the application and return two copies to the district supervisor, who will retain one copy and forward one copy to the applicant.

(c) *Construction.* The pipe line shall be constructed in accordance with § 182.82 and kept painted in accordance with § 182.83. The weighing tank with which the pipe line is connected, either directly or by manifold, shall conform with the requirements of § 182.65, and shall have securely affixed thereto a board at least 10 by 12 inches in size for attaching the certificates of tax-payment in accordance with § 182.574d. A separate and permanent pipe line must be installed to each rectifying plant to which it is desired to transfer alcohol. Such pipe line shall not be connected with any other pipe line, tank, vessel, or utensil on the industrial alcohol plant or bonded warehouse or rectifying plant premises, other than the weighing tank in the industrial alcohol plant or bonded warehouse and the storage tank in the rectifying plant, except that the pipe line may be connected with a weighing tank in the rectifying plant where it is desired to gauge the alcohol prior to deposit in the storage tank. Where alcohol is to be conveyed from two or more weighing tanks, or to two or more rectifying plants, or both, the pipe line, or lines, may be connected with the weighing tank, or tanks, by manifold connections so arranged as to control the flow of alcohol from each weighing tank and into each pipe line. There shall be painted on each pipe line extending to and from the manifold a number corresponding with the serial number of the weighing tank or the registry number of the rectifying plant with which the pipe line is connected. Where there are separate pipe lines leading directly from the weighing tanks to two or more rectifying plants, the registry number of the rectifying plant to which each pipe line leads, shall be painted thereon. Registry numbers of rectifying plants painted on pipe lines shall be preceded by the letter "R," as "R-37."

(d) *Form 1431, plat and plans*—If the application is approved, the proprietor of the industrial alcohol plant or bonded warehouse will, upon installation of the pipe line, file application, Form 1431, and plat and plans (original, amended, or supplemental, as the case may be), showing the pipe line, its connections, intervening premises, etc., in the same manner as required by paragraph (a) of this section.

(e) *Change in proprietorship.* Where a change occurs in the proprietorship of the industrial alcohol plant or bonded warehouse or the rectifying plant in connection with which a pipe line for the transfer of tax-paid alcohol has been installed and approved, a new application must be filed by the proprietor and approved by the Commissioner before any alcohol may be transferred by the pipe line.* (Secs. 2823, 2829, 3101, 3106, 3124 (a) (2), I.R.C.)

§ 182.83 *Colors for pipe lines.* The pipe lines in the industrial alcohol plant used for conveying the following substances shall be painted and kept painted in the colors indicated:

| | |
|---|---|
| Black | Alcohol. |
| Blue | Vapor, low wines, high wines, or other unfinished spirits. |
| Red | Mash, beer, or other distilling material. |
| Gray | Molasses or other fermenting material. |
| Brown | Spent beer or slop. |
| Yellow | Fusel oil. |
| Yellow with red stripe | Ether. |
| Yellow with green stripe | Butyl alcohol. |
| Yellow with purple stripe | Acetone. |
| White | Water. |
| Aluminum | Steam. |
| Orange | Air. |
| Olive green | Carbon dioxide. |
| Purple | Refrigerants. |

These colors are intended for such pipe lines only, and are prescribed for the purpose of distinguishing such pipe lines from each other and from all other pipe lines on the premises which are painted but for which colors are not prescribed. The painting in one of the prescribed colors, or a color similar thereto, of a pipe line for which a color is not prescribed is prohibited. Pipe lines for ether, butyl alcohol, and acetone shall be "striped" conspicuously in the prescribed colors. Pipe lines for which colors are not prescribed may be painted in sections of not more than 3 feet in contrasting colors.* (Sec. 3103, I.R.C.)

*Bonded Warehouses*

§ 182.84 *Scales.* The proprietor of an industrial alcohol bonded warehouse must provide suitable and accurate scales conforming to the requirements of § 182.63 for weighing alcohol.* (Sec. 2808, I.R.C.)

§ 182.85 *Weighing tanks.* Where alcohol is to be removed by pipe line to tank cars for shipment, or to a denaturing plant on the same premises, or to a rectifying plant on contiguous or nearby premises (as authorized by § 182.82a), or alcohol is to be received in tank cars, the proprietor of the warehouse must provide for use in weighing such alcohol one or more suitable weighing tanks, constructed and secured in accordance with the provisions of § 182.65.* (Sec. 2808, I.R.C.)

§ 182.86 *Test weights.* The proprietor shall provide a set of test weights conforming to the requirements of § 182.66 unless he has provided such test weights at the industrial alcohol plant or denaturing plant on the same premises, or at a rectifying plant, etc., on contiguous premises. Such test weights shall be under the control and in the custody of the storekeeper-gauger in charge, who shall keep them under Government lock when not in use.* (Sec. 2808, I.R.C.)

§ 182.87 *Alcohol storage tanks.* The proprietor of a bonded warehouse must provide a sufficient number of alcohol storage tanks for the storage of alcohol received by pipe line or in railroad tank cars. Each such tank must be constructed and secured in accordance with the provisions of § 182.74, and have painted thereon the words "Storage Tank," followed by its serial number and capacity in wine gallons. Each storage tank must be equipped with a suitable measuring device whereby the actual contents will be correctly indicated. Valves must be provided in the pipe connections and so arranged as to control completely the flow of alcohol both into and out of tanks, and so constructed that they may be locked with a Government lock. Storage tanks must not be permanently connected with pipe lines for the conveyance of air, distilled water, or other substances than alcohol.* (Sec. 2829, I.R.C.)

§ 182.88 *Pipe lines.* Pipe lines for the conveyance of alcohol to and from storage tanks shall be continuous and of a fixed and permanent character, constructed of metal, secured, and so arranged as to be exposed to view throughout their entire lengths in conformity with the requirements of § 182.82. The pipe lines connecting with the storage tanks shall be directly connected with such tanks and be brazed, welded, or otherwise fastened and sealed, thereto in such a manner that they cannot be detached or altered without showing evidence of tampering.

(a) *Colors prescribed.* The pipe lines in bonded warehouses shall be kept painted in conformity with the applicable provisions of § 182.83* (Sec. 2829, I.R.C.)

*Denaturing Plants*

§ 182.89 *Scales.* The proprietor of an industrial alcohol denaturing plant must provide suitable and accurate scales conforming to the requirements of § 182.63 for weighing alcohol and denaturants. Scales for weighing small quantities of denaturants shall have ounce graduations.* (Sec. 2808, I.R.C.)

§ 182.90 *Weighing tanks.* Where alcohol is stored in storage tanks or is received by pipe line from a bonded warehouse on the same premises, and the alcohol is not weighed at the time of transfer in a weighing tank located in the bonded warehouse, or where alcohol is received in tank cars, or denatured alcohol is to be removed in tank cars, or by pipe line pursuant to § 182.98, the proprietor of the denaturing plant must provide for use in weighing such alcohol and denatured alcohol one or more suitable weighing tanks, constructed and secured in accordance with the provisions of § 182.64.* (Sec. 2808, I.R.C.)

§ 182.91 *Test weights.* The proprietor shall provide a set of test weights conforming to the requirements of § 182.66 unless he has provided such test weights at the industrial alcohol plant or bonded warehouse on the same premises, or at a rectifying plant, etc., on contiguous premises. Such test weights shall be under the control and in the custody of the storekeeper-gauger in charge, who shall keep them under Government lock when not in use.* (Sec. 2808, I.R.C.)

§ 182.92 *Alcohol storage tanks.* Where alcohol is received by pipe line from a bonded warehouse on the same premises, or in railroad tank cars, a sufficient number of alcohol storage tanks must be installed in the denaturing plant, unless the

alcohol is run directly, or through weighing tanks, to mixing tanks, as provided in §§ 182.694 to 182.698, inclusive. If alcohol is received in barrels or drums only, storage tanks are not required, but the proprietor may, if he so desires, provide such tanks for the storage of alcohol received in packages. Alcohol storage tanks must be constructed and secured in conformity with the provisions of § 182.74 and must be equipped with a suitable measuring device whereby the actual contents will be correctly indicated. Each such tank shall have plainly and legibly painted thereon the words "Alcohol Storage Tank," followed by its serial number and capacity in wine gallons. Valves must be provided in the pipe connections and so arranged as to control completely the flow of spirits both into and out of tanks, and so constructed that they may be locked with a Government lock. Storage tanks must not be permanently connected with pipe lines for the conveyance of air, distilled water, or other substances than alcohol.* (Sec. 2829, I.R.C.)

§ 182.93 *Mixing tanks.* There must be provided in the denaturing plant a sufficient number of closed mixing tanks of adequate capacity. The mixing tanks shall be constructed and secured in conformity with the provisions of § 182.74, and be equipped with a suitable measuring device whereby the actual contents will be correctly indicated: *Provided,* That wooden mixing tanks may be used for denaturation by formulas for which metal mixing tanks are unsuitable. Each such tank shall have plainly and legibly painted thereon the words "Mixing Tank," followed by its serial number and capacity in wine gallons. The district supervisor may, in his discretion, authorize mixing tanks to be used for the storage of denatured alcohol, in which case the tanks shall have marked thereon "Mixing and Storage Tank," in lieu of "Mixing Tank," as provided above.* (Sec. 2829, I.R.C.)

§ 182.94 *Denatured alcohol storage tanks.* The proprietor of the denaturing plant shall provide substantially constructed denatured alcohol storage tanks for the storage of all alcohol denatured by him, unless permission is granted by the district supervisor to use mixing tanks for the storage of denatured alcohol or the denatured alcohol is drawn into packages or other portable containers for immediate shipment or storage in the denatured alcohol storeroom, or transferred to tank cars for immediate shipment, or transferred by pipe line to contiguous premises operated by the denaturer. Where denatured alcohol storage tanks are provided, they shall be constructed and secured in conformity with the provisions of § 182.74, and must be equipped with a suitable measuring device whereby the actual contents will be correctly indicated: *Provided,* That wooden storage tanks may be used for formulas for which metal storage tanks are unsuitable. Each such tank shall have plainly and legibly painted thereon the words "Denatured Alcohol Storage Tank," followed by its serial number and capacity in wine gallons. The denatured alcohol storage tanks must be located in the denaturing plant: *Provided further,* That the proprietor may be permitted to store denatured alcohol in tanks constructed in conformity with these provisions not necessarily located in a room or building, provided they are permanently fixed and of such size that they may not be readily removed.* (Sec. 2829, I.R.C.)

§ 182.95 *Denaturing material storage tanks.* There must be provided a sufficient number of denaturing material storage tanks for each denaturant to be used by the proprietor, except where denaturants are received in small quantities and will be stored in the original containers in the denaturing material storeroom. The tanks shall be constructed and secured in conformity with the provisions of § 182.74, and equipped with a suitable measuring device whereby the actual contents will be correctly indicated: *Provided,* That wooden denaturing material storage tanks may be used for materials for which metal storage tanks are unsuitable. Each such tank shall have plainly and legibly painted thereon the name of the denaturant and the words "Denaturing Material Storage Tank," followed by its serial number and capacity in wine gallons. Denaturing material storage tanks must be located in the denaturing material storeroom, unless permanently fixed metal tanks are used for such purpose in accordance with the provisions of § 182.51.* (Sec. 2829, I.R.C.)

§ 182.96 *Denaturing material measuring tanks.* The proprietor of each denaturing plant must provide tanks for measuring or weighing quantities of liquid denaturants to be used in the denaturation of alcohol, constructed and secured in conformity with the provisions of § 182.74. The tanks shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated: *Provided,* That wooden denaturing material measuring tanks may be used for materials for which metal measuring tanks are unsuitable. Denaturing material measuring tanks may be mounted on accurate scales if desired. The tanks must have plainly and legibly painted thereon the words "Denaturing Material Measuring Tank," followed by its serial number and capacity in wine gallons.*

§ 182.97 *Equipment for the restoration of denatured alcohol*—(a) *Stills.* If completely or specially denatured alcohol, recovered in manufacturing processes, is to be restored in the denaturing plant, duly registered stills for the redistillation thereof will be permitted in the denaturing plant. The stills must be constructed and secured in conformity with the provisions of § 182.73.

(b) *Recovered denatured alcohol storage tanks.* If recovered denatured alcohol is received in tank cars, there must be provided a sufficient number of tanks for the storage of such recovered denatured alcohol, which shall be constructed and secured in conformity with the provisions of § 182.74. Each such tank must be equipped with a suitable measuring device whereby the actual contents will be correctly indicated, and shall have plainly and legibly painted thereon the words "Recovered Denatured Alcohol Storage Tank," followed by its serial number and capacity in wine gallons.

(c) *Restored alcohol receiving tanks.* There must be provided and located in the denaturing plant a sufficient number of tanks for the deposit of the redistilled or restored alcohol, which shall be constructed and secured in conformity with the provisions of § 182.74. Each such tank shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated, and have plainly and legibly painted thereon the words "Restored Alcohol Receiving Tank," followed by its serial number and capacity in wine gallons.

(d) *Continuous system required.* The distilling apparatus and equipment must be closed and continuous, commencing with the first still in which the vapors rise and continuing with securely closed vessels and pipes to the restored alcohol receiving tanks, in which the finished product is deposited. All such pipe lines must be constructed, secured, and exposed to view in conformity with the provisions of § 182.82.* (Secs. 2810 (a), 2829, I.R.C., Supp.)

§ 182.98 *Pipe lines.* Pipe lines for the conveyance of alcohol to and from alcohol storage tanks, from such tanks to weighing or mixing tanks, and from mixing tanks to denatured alcohol storage tanks, if provided, and pipe lines for the conveyance of liquid denaturants and denatured alcohol, shall be of a fixed and permanent character, constructed, secured, and exposed to view throughout their entire lengths, in conformity with the provisions of § 182.82. Pipe lines for the conveyance of specially denatured alcohol to contiguous premises operated by the proprietor of the denaturing plant, pursuant to withdrawal permit, Form 1485, and pipe lines for the transfer of completely denatured alcohol to contiguous premises operated by the proprietor of the denaturing plant, shall be constructed, secured, and exposed to view throughout their entire lengths, in conformity with the above provisions: *Provided,* That such pipe lines shall be equipped with a valve within the denaturing plant, in order that the same may be locked with a Government lock, when denatured alcohol is not being removed.

(a) *Colors prescribed.* All pipe lines in denaturing plants shall be kept painted in the colors prescribed by § 182.83, and, further, the following additional colors are prescribed:

| | |
|---|---|
| Light green | Denaturants. |
| Dark green | Denatured alcohol. |

* (Sec. 2829, I.R.C.)

*Specially Denatured Alcohol Users' Premises*

§ 182.99 *Tanks.* If the proprietor desires to receive specially denatured alcohol in tank cars or by pipe line from a denaturing plant on contiguous premises operated by him, he must provide tanks for the storage of the specially denatured alcohol so received by him. Each such tank must be constructed of metal, and shall be of uniform dimensions and equipped with a suitable measuring device whereby the actual contents will be

correctly indicated: *Provided,* That wooden tanks may be used for formulas for which metal tanks are unsuitable. Each such tank shall have plainly and legibly painted thereon the words "Specially Denatured Alcohol Storage Tank," followed by its serial number and capacity in wine gallons. The tanks shall be equipped for locking in such a manner as to prevent access to the denatured alcohol.* (Sec. 2829, I.R.C.)

§ 182.100 *Equipment for the restoration of denatured alcohol*—(a) *Stills.* If completely or specially denatured alcohol is to be restored on the users' premises, the stills for the redistillation thereof must be located on the permit premises.

(b) *Recovered denatured alcohol storage tanks.* There must be provided a sufficient number of tanks for the storage of recovered denatured alcohol to be restored, which shall be constructed and secured in conformity with the provisions of § 182.99. Each such tank must be equipped with a suitable measuring device whereby the actual contents will be correctly indicated, and shall have plainly and legibly painted thereon the words "Recovered Denatured Alcohol Storage Tank," followed by its serial number and capacity in wine gallons.

(c) *Restored alcohol receiving tanks.* There must be provided and located on the users' premises a sufficient number of tanks for the deposit of the redistilled or restored alcohol, which shall be constructed and secured in conformity with the provisions of § 182.99. Each such tank shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated, and have plainly and legibly painted thereon the words "Restored Alcohol Receiving Tank," followed by its serial number and capacity in wine gallons.

(d) *Continuous system required.* The distilling apparatus and equipment must be closed and continuous, commencing with the first still in which the vapors rise and continuing with securely closed vessels and pipes to the restored alcohol receiving tanks, in which the finished product is deposited. All such pipe lines must be constructed, secured, and exposed to view in conformity with the provisions of § 182.82.* (Sec. 2829, I.R.C.)

§ 182.101 *Denaturing material storage tanks.* If the proprietor redenatures alcohol, suitable denaturing material storage tanks for each kind of denaturant must be provided and equipped for securing with locks, unless all denaturants to be used are stored in packages in the specially denatured alcohol storeroom or compartment.* (Sec. 2829, I.R.C.)

*Specially Denatured Alcohol Bonded Dealers' Premises*

§ 182.102 *Tanks.* If specially denatured alcohol is received in tank cars, the proprietor must provide suitable storage tanks for the storage of such alcohol. Each such tank must be constructed in the manner prescribed in § 182.99 and all openings affording access to the contents shall be equipped for locking. Each such tank must have plainly and legibly painted thereon the words "Specially Denatured Alcohol Storage Tank," followed by its serial number and capacity in wine gallons, and be equipped with a suitable measuring device, whereby the actual contents will be correctly indicated.* (Sec. 2829, I.R.C.)

DETAILS OF CONSTRUCTION AND EQUIPMENT

§ 182.103 *General.* Where details of construction and equipment are not covered by these regulations, such construction and equipment must afford the same degree of security and protection to alcohol or denatured alcohol as is intended by the construction and equipment specifications herein prescribed. The Commissioner may approve details of construction and equipment in lieu of those specified herein where it is shown that it is impracticable to conform to the prescribed specifications, and the proposed construction and equipment will afford as much security and protection as the construction and equipment prescribed. Where it is proposed to substitute construction and equipment for that for which specifications are prescribed, or where any doubt prevails in regard to the security and protection which will be afforded by construction and equipment not covered by these regulations, approval of the Commissioner should be first obtained.* (Secs. 2808, 2823, 2829, I.R.C.)

FEDERAL ALCOHOL ADMINISTRATION ACT PERMIT

*Industrial Alcohol Plants and Bonded Warehouses*

§ 182.104 *Permit required for manufacturing or warehousing and bottling alcohol for nonindustrial use.* Under the Federal Alcohol Administration Act and the regulations issued pursuant thereto (27 CFR, Part 1), any person, except an agency of a State or political subdivision thereof, or any officer or employee of any such agency, intending to engage in the business of producing alcohol, or warehousing and bottling alcohol, for nonindustrial use, is required to procure a permit therefor. Such permit is in addition to the basic permit required by section 3114, I.R.C., and §§ 182.226–182.259 of these regulations. (Sec. 3, 49 Stat. 978; 27 U.S.C., Sup. 203)

QUALIFYING DOCUMENTS

*Industrial Alcohol Plants, Bonded Warehouses, and Denaturing Plants*

§ 182.105 *Application, Form 1431.* Every person desiring the establishment of an industrial alcohol plant, bonded warehouse, and denaturing plant; industrial alcohol plant and bonded warehouse or denaturing plant; bonded warehouse and denaturing plant; or bonded warehouse or denaturing plant, must file Form 1431. "Application by Proprietor of Industrial Alcohol Plant, Bonded Warehouse, or Denaturing Plant." This application must be filed, in triplicate, with the district supervisor for a basic permit to engage in such business. Except as provided in § 182.117 in the case of amended and supplemental applications, all of the information indicated by the lines of the form and the instructions printed thereon, and by these regulations, shall be furnished. Applications on Form 1431 must be filed in accordance with the instructions printed on the form and be sworn to before an officer authorized to administer oaths. Such applications must be numbered serially, commencing with number 1 and continuing in regular sequence for all applications thereafter filed, whether annual, amended, or supplemental. All data, written statements, affidavits, and other documents submitted in support of the application shall be deemed to be a part thereof.* (Secs. 3100, 3101, 3102, 3114 (a), I.R.C.)

§ 182.106 *Conditions of approval*—(a) *Violations, etc.* Under section 3114, I.R.C., no application shall be approved and permit issued pursuant thereto to any person who, within one year prior to the application therefor, or issuance thereof, shall not in good faith have conformed to the provisions of sections 3100 to 3124, inclusive, I.R.C., or shall have violated the terms of any permit issued under said provisions of law, or made any false statement in the application therefor, or willfully failed to disclose any information required by regulations to be furnished, or violated any law of the United States relating to intoxicating liquor, or willfully violated any law of any State, Territory, or possession of the United States, or of the District of Columbia, relating to intoxicating liquor.

(b) *Previous convictions.* The application, Form 1431, may be disapproved if the individual, firm, partnership, corporation, or association filing the same, or any person owning, controlling, or actively participating in the management of the business of such individual, firm, partnership, corporation, or association shall have been previously convicted, in a court of competent jurisdiction of any fraudulent noncompliance with any provision of any law of the United States, if such provision related to internal revenue or customs taxation of distilled spirits, wines, or fermented malt liquor, or if such an offense shall have been compromised with the individual, firm, partnership, corporation, or association, upon payment of penalties or otherwise.

(c) *Situation.* The application, Form 1431, may also be disapproved if the situation of the premises is such as would enable the proprietor to defraud the United States.

(d) *Other reasons.* The application may also be disapproved for the other reasons for disapproval set forth in §§ 182.282–182.302.* (Sec. 3114 (a), (b), I.R.C.)

§ 182.107 *Fermenting capacity.* In the case of industrial alcohol plants, the estimated maximum quantity of each kind of material it is proposed to use that can be mashed in a day of 24 hours must be stated in the space provided therefor on Form 1431. The estimated quantity of the material that can be mashed daily will be based upon the capacity of the fermenters, using a maximum strength beer and a minimum fermenting period.*

§ 182.108 *Distilling capacity.* The estimated maximum number of proof gallons of alcohol that can be distilled in a day of 24 hours, in the case of an

industrial alcohol plant, must also be stated in the space provided therefor on the Form 1431. The estimated quantity of alcohol that can be distilled daily will be based on the capacity of the stills and the use of a maximum strength beer. The capacity of stills will be computed in accordance with the rules set forth in § 182.915.*

§ 182.109 *Daily production.* The estimated maximum quantity of each kind of material that the proprietor of an industrial alcohol plant intends to mash in a day of 24 hours, and the estimated maximum quantity in proof gallons of alcohol that will be produced from such materials in a like period shall be stated on Form 1431. Where the proprietor intends to mash different kinds of materials than those covered by Form 1431, or a larger quantity of specified materials than the maximum indicated on such form, or to produce a larger quantity of alcohol than the maximum indicated on the form, he must file with the district supervisor an amended application, Form 1431, in triplicate, and if the tax on the quantity of alcohol to be produced during a period of 15 days will exceed the penal sum of the bond (if such penal sum is less than the maximum as set forth in § 182.133), a new or additional bond, Form 1432-A, must be filed, as provided in § 182.133 (g). Likewise, where the quantity of alcohol actually produced during any period of 15 days exceeds the estimated maximum quantity to be produced during such period, the proprietor must file an amended application, Form 1431, and, where required, a new or additional bond, Form 1432-A, in accordance with § 182.133 (g).* (Secs. 3100, 3114 (a), I.R.C.)

§ 182.110 *Description of premises.* The lot or tract of land on which the industrial alcohol plant, bonded warehouse, or denaturing plant or any combination thereof, is situated must be described on Form 1431 by courses and distances, in feet and inches, with the particularity required in conveyance of real estate. If the premises consist of two or more lots or parcels, the condition of the title to which is not the same, the entire premises shall be first described, followed by a separate description by courses and distances, in feet and inches, of each such lot or parcel. The continuity of the premises must be unbroken, except that the premises may be divided by a public street or highway, if parts of the premises so divided abut on such street or highway directly and immediately opposite each other. The premises may be similarly divided by a railroad right of way, if the railroad is a common carrier. In such cases, each tract of land constituting the premises shall be described separately on the form. If a portion of the premises is owned in fee, unencumbered, by the proprietor, or a portion is owned by the proprietor but is encumbered, or a portion is not owned by the proprietor and he has procured consent, Form 1602, from the owner and from any encumbrancer, the entire premises shall be described first, followed by a separate description, by courses and distances, in feet and inches, of the portions thereof which are encumbered and/or of the tract which is not owned by the proprietor.* (Secs. 2800 (e) (1), 3112 (a), I.R.C.)

§ 182.111 *Description of buildings and rooms.* All buildings and rooms on the premises shall be accurately described on the Form 1431. The description shall include the designated name of the building or room, which shall be according to its use, such as distilling building, receiving room, wine room, etc., the materials of which constructed, the dimensions thereof, the location of doors, windows, and other openings, and the manner in which they are secured and protected. Each floor of each building shall be described separately. If more than one room or building is used for the same purpose, the name shall include an alphabetical designation to distinguish them, as "Fermenting Room A," "Fermenting Room B," etc.*

§ 182.112 *Estimated quantity of alcohol to be received at bonded warehouse or denaturing plant*—(a) *Bonded warehouse.* The estimated maximum quantity of alcohol in proof gallons to be on hand and in transit to the bonded warehouse at any one time must be stated in the Form 1431.

(b) *Denaturing plant.* The estimated maximum quantity of alcohol in proof gallons to be on hand and in transit to the denaturing plant at any one time and the estimated maximum quantity in wine gallons of specially denatured alcohol and recovered denatured alcohol to be on hand and in transit to the denaturing plant at any one time must be stated in the Form 1431.* (Secs. 3101, 3102, 3114 (a), I.R.C.)

§ 182.113 *Condition of title to premises.* The condition of title to the premises shall be shown on Form 1431. If the proprietor is not the owner in fee, unencumbered by any mortgage, judgment, or other lien, of the lot or tract of land on which the industrial alcohol plant, bonded warehouse, or denaturing plant is situated, the name and address of the owner of the fee and of any mortgagees, judgment-creditors, or other person having a lien thereon, shall be stated. Where the written consent of the owner of the fee and of any mortgagees, judgment-creditors , or other lienors, is filed for an industrial alcohol plant or bonded warehouse as provided in § 182.119, or where an indemnity bond is filed in lieu of such written consent, as provided in § 182.122, such fact, together with information as to the kind, date, and amount of the encumbrance and the balance due thereon shall be shown on the Form 1431 in connection with the statement of the present condition of the title. In cases where an indemnity bond is filed, the date of the Commissioner's approval of the filing of such bond shall also be given.* (Secs. 2800 (e) (1), 2815 (b) (1), 3112 (a), I.R.C.)

§ 182.114 *Condition of title to apparatus and equipment.* The proprietor's title to, or interest in, the distilling, warehousing, or denaturing apparatus and equipment shall be shown on Form 1431. If the proprietor is not the owner of such apparatus and equipment, unencumbered by any mortgage, judgment, or other lien, the name and address of the owner thereof and of any mortgagee, judgment-creditor, conditional sales vendor, or other lienor, shall be stated. Where the written consent of the owner and of the mortagees, judgment-creditors, conditional sales vendors, or other lienors, is filed for an industrial alcohol plant or bonded warehouse as provided in § 182.119, or where an indemnity bond is filed in lieu of such written consent, as provided in § 182.122, such fact, together with information as to the kind, date, and amount of the encumbrance and the balance due thereon, or, if the apparatus was purchased under a conditional sales contract, or other form of title retaining contract, the purchase price and the balance due shall be shown in connection with the statement of the proprietor's title to, or interest in, the property. In cases where an indemnity bond, Form 1604, is filed, the date of the Commissioner's approval of the filing of such bond shall also be given.* (Secs. 2800 (e) (1), 2815 (b) (1), 3112 (a), I.R.C.)

§ 182.115 *Stipulations in application.* Each application, Form 1431, shall contain the stipulations and conditions to be contained in the basic permit, which may be issued pursuant to application, Form 1431.*

§ 182.116 *Applications for renewal of permits.* Basic permits issued pursuant to application, Form 1431, shall remain in force during the calendar year in which issued, unless voluntarily surrendered, revoked, or otherwise terminated, as provided in these regulations, except that any permit issued after August 31 in any calendar year may remain in full force and effect until the 31st day of December of the next succeeding calendar year. Applications for renewal of basic permits shall be filed in triplicate with the district supervisor not later than September 15 of each year, except where the permit was issued after August 31 and will not expire until December 31 of the succeeding year. Such applications shall be executed in full conformity with the provisions of these regulations.* (Sec. 3114 (a), I.R.C.)

§ 182.117 *Amended and supplemental applications.* Amended and supplemental applications on Form 1431 may be executed in skeleton form, except as to items amended or supplemented. All other items which are correctly set forth in prior applications, and in which there has been no change since the last preceding application, may be incorporated in the amended or supplemental application by reference to the respective application previously filed. Such incorporation by reference shall be made by entering for each such item in the space provided therefor the statement "No change since filing Form 1431, Serial No. ——" (the number being inserted), and the date of such form.* (Sec. 3114 (a), I.R.C.)

§ 182.118 *New applications may be required.* The Commissioner or the district supervisor may at any time, in his discretion, require the filing of new applications on Form 1431, together with any additional information that may be desired.* (Sec. 3114 (a), I.R.C.)

§ 182.119 *Consent, Form 1602.* Where the proprietor is not the owner in fee of the lot or tract of land on which the industrial alcohol plant or bonded warehouse is situated, unencumbered by any mortgage, judgment, or other lien, or is not the owner of the distilling apparatus and equipment, unencumbered by any mortgage, judgment, or other lien, he must file the written consent of the owner and of any mortgagee, judgment-creditor, conditional sales vendor, or other lienor, that the premises or property may be used for the purpose of distilling alcohol or the storage of alcohol, subject to the provisions of law, and expressly stipulating that the lien of the United States for taxes and penalties shall have priority over any right, title, or interest of the person giving the consent, and that in the case of the forfeiture of the premises or property, or any part thereof, the title to the same shall vest in the United States, discharged from any such right, title, or interest, except that where such consent cannot be obtained, the proprietor may file in lieu of such consent, an indemnity bond, Form 1604, as hereinafter provided. This consent shall be executed on Form 1602, "Consent," in triplicate, in accordance with the instructions printed thereon, duly acknowledged before an officer authorized to take acknowledgment of deeds, properly recorded, and submitted to the district supervisor with the application, Form 1431, and made a part thereof. The acknowledgment and certificate of recordation shall be executed on all three copies of the form. A new consent will be required for each year beginning on the 1st day of January, unless the consent is given for a definite period of time exceeding one year, in which event the consent should be given in terms to expire at the beginning of an annual period, January 1. If after such consent is filed, the premises are extended and the proprietor of the industrial alcohol plant or bonded warehouse is not the owner in fee unencumbered of the additional premises, or additional apparatus and equipment are installed and the proprietor of the industrial alcohol plant or bonded warehouse or the party who executed the consent then in effect is not the owner thereof unencumbered, a consent on Form 1602 must be filed for such additional premises or apparatus and equipment. A new consent will also be required whenever there is a change of proprietorship, including a succession for a temporary period by a lessee or fiduciary, unless the consent procured by the predecessor specifically covers operation of the premises by his successor or assigns. In the event of failure of such consent, the proprietor will be no longer qualified, unless an indemnity bond on Form 1604 is filed.* (Sec. 2815(b)(1), I.R.C.)

§ 182.120 *Permission required for filing bond, Form 1604.* Where the proprietor cannot obtain the written consent of the owner of the fee of the industrial alcohol plant or bonded warehouse premises, and of any mortgagee, judgment-creditor, or other person having a lien thereon, or where he cannot obtain such consent of the owner of the apparatus and equipment, and of any mortgagee, judgment-creditor, conditional sales vendor, or other lienor, and desires to file an indemnity bond, Form 1604, in lieu of such consent, he shall file application, in triplicate, with the district supervisor for permission so to do.* (Sec. 2815 (b) (1), I.R.C.)

§ 182.121 *Application.* The application shall contain (1) an accurate description of the lot or tract of land on which the industrial alcohol plant or bonded warehouse is situated, and of the buildings, and the distilling apparatus and equipment thereon; (2) a full and clear statement of the condition of the title to the premises and apparatus and equipment, including the name and address of the owner and of all mortgagees, judgment-creditors, conditional sales vendors, and other persons having liens thereon, the kind, date, and amount of each encumbrance and the balance due thereon, and, in the case of apparatus and equipment purchased under a conditional sales contract, or other form of title retaining contract, the purchase price and the balance due; and (3) a full and clear statement of the reasons why the applicant cannot obtain the prescribed written consent. The district supervisor and Commissioner will take action on such application in accordance with the provisions prescribed in §§ 182.282–182.309.* (Sec. 3103, I.R.C.)

§ 182.122 *Bond, Form 1604.* If the application is approved by the Commissioner, the applicant shall execute bond on Form 1604, "Indemnity Bond," in triplicate, in conformity with the provisions of §§ 182.184–182.205, and file the same with the district supervisor. The penal sum of the bond shall be equal to the appraised value of the lot or tract of land on which the industrial alcohol plant or, except as provided in paragraph (a), the bonded warehouse is situated, and the buildings, apparatus, and equipment thereon: *Provided,* That the maximum penal sum of the bond shall be $50,000 for an industrial alcohol plant, or an industrial alcohol plant and bonded warehouse situated on the same premises, and $10,000 for a bonded warehouse situated elsewhere. If such bond is filed in less than the maximum penal sum and the value of the premises, buildings, or apparatus or equipment is increased by additional land, buildings, or apparatus or equipment, an additional bond on such form to cover the increase in value will be required: *Provided further,* That if such increase in value is less than $500, no additional bond will be required, nor will an additional bond be required in excess of the maximum penal sums specified herein. In the event of the failure of bond on Form 1604, the proprietor will be no longer qualified unless a new and satisfactory bond is filed, or consent, as required by § 182.119 is obtained.

(a) *Bonded warehouse consisting of a portion of a building not on the premises of an industrial alcohol plant.* Where a bonded warehouse consists of a portion of a building not located on the premises of an industrial alcohol plant, the penal sum of bond, Form 1604, covering such bonded warehouse, shall be in a sum equal to the proportionate appraised value of the building as the space occupied by the warehouse is to the entire space of the building, but not in excess of the maximum sum specified herein. For example, if the warehouse occupies 10 per cent of the space of a building, the penal sum of the bond shall be in a sum equal to 10 per cent of the appraised value of the entire building, but not in excess of the maximum specified herein.* (Secs. 3103, 3112 (a), I.R.C.)

§ 182.123 *Appraisal.* The appraisal to determine the penal sum of the bond on Form 1604 shall be made by two or more competent persons designated by the district supervisor. The appraisers shall render to the district supervisor a report, in duplicate, showing separately the value of the land and buildings and the apparatus and equipment, and containing a full and clear statement of the methods employed by them in determining their valuations. Where the value of the property is clearly in excess of the maximum penal sum of the required bond, it will be sufficient for the appraisers to determine such fact, rather than the precise value of the property. In such cases, the value of the property may be specified in the appraiser's report as "more than $50,000" or "more than $10,000," as the case may be. The appraisal shall be at the expense of the applicant or permittee, unless it is made by Government officers.* (Sec. 3103, I.R.C.)

§ 182.124 *Certificate of title.* The proprietor of an industrial alcohol plant or bonded warehouse shall submit a certificate and, when required, an abstract, in triplicate, of the title to the premises, prepared by a person authorized by the laws of the State in which the premises is located to prepare such documents. The document must contain an accurate description of the industrial alcohol plant or bonded warehouse premises corresponding to that set forth in the application, Form 1431, and any liens or other encumbrances on the property must be fully described. Such certificate shall accompany the application, Form 1431, and be made a part thereof.* (Sec. 3103, I.R.C.)

§ 182.125 *Corporate documents.* There must be submitted with, and made a part of, the original or initial application, Form 1431, given by a corporation for a basic permit to operate an industrial alcohol plant, bonded warehouse or denaturing plant, properly certified copies, in triplicate, of the following documents:

(1) Articles of incorporation and any amended articles of incorporation.

(2) Certificate of incorporation.

(3) Certificate authorizing corporation to operate in State where premises is located, if other than that in which incorporated.

(4) Extracts of minutes of meetings of stockholders, showing election of directors.

(5) By-laws.

(6) Extracts of the minutes of meetings of the board of directors, showing the election of officers.

(7) Extracts of the minutes of meetings of the board of directors, authorizing certain officers or other persons to sign for the corporation.

(8) List of names and addresses of the officers and directors.

(9) List of stockholders, as provided in the following section.

* (Sec. 3103, I.R.C.)

§ 182.126 *List of stockholders.* In the case of corporations and similar legal entities, there must be submitted with Form 1431 at the commencement of business and annually thereafter on May 1 a list of the names and addresses of all stockholders and other persons interested in the corporation or other legal entity and the amount and nature of the stock holding or other interests of each, whether such interest appears in the name of the interested party or in the name of another for him: *Provided,* That, where more than 100 persons are interested in the corporation or other legal entity as stockholders or otherwise, there need be furnished only the names and addresses and the amounts and nature of the stock holding or other interest of the 100 persons having the largest ownership or other interest in each of the respective classes of stock or other interest, except where more complete information shall be specifically required by the Commissioner: *Provided further,* That where there has been no change in the stockholders and other persons interested in the corporation or other legal entity, or in the extent of the stock holding or other interest of such persons, the proprietor may furnish on May 1 of each year a certified statement, in triplicate, to that effect in lieu of the prescribed list. Where a corporation operates two or more industrial alcohol plants, bonded warehouses or denaturing plants or other plants situated in the same supervisory district, or wholly owns one or more subsidiaries operating plants under the internal revenue laws and regulations so situated, and in connection with qualifying for the operation of one of such plants files a list of stockholders and other persons interested, as prescribed herein, the filing of an additional list for each plant will not be required, provided that in lieu of such additional list there is submitted with the application, Form 1431, a certificate, in triplicate, definitely identifying the corporation and plant with whose application the list of stockholders and other persons interested is filed, and giving the date of the filing thereof.* (Sec. 3103, I.R.C.)

§ 182.127 *Affidavit.* In the case of a corporation, there must be submitted with each list of stockholders an affidavit, in triplicate, executed by an officer of the corporation authorized so to do, showing the number of shares of each class of stock or other evidence of ownership, such as voting trust certificates, authorized and outstanding, the par value thereof, and the voting rights of the respective owners or holders, and certifying to the correctness of the list of stockholders or the statement authorized to be furnished with the application, in lieu of such list. In the case of an individual owner, copartnership, or association, there must be submitted with Form 1431, at the commencement of business and annually thereafter on May 1, an affidavit, in triplicate, giving the name of every person interested or to be interested in the operation, whether such interest appears in the name of the interested party or in the name of another for him.*

§ 182.128 *Articles of copartnership or association.* In the case of a copartnership or association, a certified copy, in triplicate, of the articles of copartnership or association, if any, and, where the business is to be conducted under a firm or trade name, a trade name certificate or statement in lieu thereof, in accordance with § 182.261 (a) (1), shall be submitted with and constitute a part of the application, Form 1431.* (Sec. 3103, I.R.C.)

§ 182.129 *Power of attorney Form 1534.* If the application or other qualifying documents are signed by an attorney in fact for an individual, partnership, association, or corporation, or by one of the members of a copartnership or association, or, in the case of a corporation, by an officer or other person not authorized to sign by the corporate documents described in § 182.125, such application or other qualifying documents must be supported by a duly authenticated copy of the power of attorney conferring authority upon the person signing the document to execute the same. Such powers of attorney will be executed on Form 1534, in triplicate, and submitted to the district supervisor.*

§ 182.130 *Execution of power of attorney.* Where the principal giving the power of attorney is an individual, it must be executed by him in person, and not by an agent. In the case of a copartnership or association, powers of attorney authorizing one or more of the members, or another person, to execute documents on behalf of the copartnership or association must be executed by all the members constituting the copartnership or association. However, if one or more members less than the whole number constituting the copartnership or association have been delegated the authority to appoint agents or attorneys in fact, the power of attorney may be executed by such member or members, provided it is supported by a duly authenticated copy, in triplicate, of the document conferring authority upon the member or members to execute the same. Where, in the case of a corporation, powers of attorney are executed by an officer thereof, such documents must be supported by triplicate copies of the authorization of such officer so to do, certified by the secretary or assistant secretary of the corporation, under the corporate seal, if any, to be true copies.*

§ 182.131 *Duration of power of attorney.* Powers of attorney authorizing the execution of documents in behalf of a person engaged in, or intending to be engaged in, the business covered by a basic permit issued pursuant to application, Form 1431, shall continue in effect until written notice, in triplicate, of the revocation of such authority is received by the district supervisor, unless terminated by operation of law.*

§ 182.132 *Bond, Form 1432-A.* Every person filing an application for a basic permit to operate an industrial alcohol plant, bonded warehouse, or denaturing plant, upon filing his application, Form 1431, and before issuance of basic permit pursuant thereto, and before proceeding with such business, shall execute a bond on Form 1432-A, "Bond for Industrial Alcohol Plant, Bonded Warehouse, or Denaturing Plant," in triplicate, in conformity with the provisions of §§ 182.184–182.205, and file the same with the district supervisor.* (Secs. 3100, 3101, 3102, 3114 (a), I.R.C.)

§ 182.133 *Penal sum.* The penal sum of bonds, Form 1432-A, shall not be less than $10,000, except, however, in the case of experimental industrial alcohol plants the penal sum shall not be less than $5,000. The penal sum shall be computed as follows:

(a) *Industrial alcohol plant, bonded warehouse, and denaturing plant.* In the case of an industrial alcohol plant, bonded warehouse, and denaturing plant located on the same premises, the penal sum of the bond shall not be less than the amount of the internal revenue tax at the rate prescribed by law on the maximum quantity of alcohol (in proof gallons) that will be produced in the industrial alcohol plant during a period of 15 days of 24 hours each; plus a sum sufficient to cover the tax on all alcohol (in proof gallons) authorized to be on hand, in transit, and unaccounted for at any one time at the warehouse; and plus an additional sum sufficient to cover the tax on the maximum quantity of undenatured alcohol (in proof gallons), and double the rate of tax on each wine gallon of specially denatured and recovered or restored denatured alcohol authorized to be on hand, in transit, and unaccounted for at any one time at the denaturing plant: *Provided,* That the maximum penal sum of the bond shall be $200,000.

(b) *Industrial alcohol plant and bonded warehouse.* In case of an industrial alcohol plant and bonded warehouse on the same premises, the penal sum of the bond shall be sufficient to cover the internal revenue tax on the maximum quantity of alcohol (in proof gallons) that will be produced during a period of 15 days of 24 hours each, in the industrial alcohol plant; and to cover the tax on all alcohol (in proof gallons) authorized to be on hand, in transit, and unaccounted for at any one time at the warehouse: *Provided,* That the maximum penal sum of the bond shall be $150,000.

(c) *Industrial alcohol plant and denaturing plant.* The penal sum of the bond in the case of an industrial alcohol plant and denaturing plant located on the same premises shall be sufficient to cover the internal revenue tax at the rate prescribed by law on the maximum quantity of alcohol (in proof gallons) that will be produced in the industrial alcohol plant during a period of 15 days of 24 hours each, plus a sum sufficient to cover the maximum quantity of undenatured alcohol (in proof gallons), and double the rate of tax on each wine gallon of specially denatured and recovered or restored denatured alcohol authorized to be on hand, in transit, and unaccounted for at any one time at the denaturing plant: *Provided,* That the maximum penal sum of the bond shall be $150,000.

(d) *Bonded warehouse and denaturing plant.* The penal sum of the bond to cover a bonded warehouse and denaturing plant on the same premises must be sufficient to cover the internal revenue tax at the rate prescribed by law on all alcohol (in proof gallons) authorized to be on hand, in transit, and unaccounted for at any one time at the warehouse; and

to cover the tax on the maximum quantity of undenatured alcohol (in proof gallons), and double the rate of tax on each wine gallon of specially denatured and recovered or restored denatured alcohol authorized to be on hand, in transit, and unaccounted for at any one time at the denaturing plant: *Provided,* That the maximum penal sum of the bond shall be $150,000.

(e) *Bonded warehouses.* The penal sum of the bond to cover the operation of a bonded warehouse shall be sufficient to cover the internal revenue tax at the rate prescribed by law on all alcohol (in proof gallons) authorized to be on hand, in transit, and unaccounted for at any one time at the warehouse: *Provided,* That the maximum penal sum of the bond shall be $100,000.

(f) *Denaturing plants.* Bond to cover the operation of a denaturing plant shall be executed in a penal sum sufficient to cover the internal revenue tax at the rate prescribed by law on the maximum quantity of undenatured alcohol (in proof gallons), and double the rate of tax on each wine gallon of specially denatured and recovered or restored denatured alcohol authorized to be on hand, in transit, and unaccounted for at any one time at the denaturing plant: *Provided,* That bonds for denaturing plants must be in multiples of $5,000 and the maximum penal sum shall not exceed $100,000.

(g) *Increase in penal sum of bond.* Where the permittee has not furnished bond in the maximum penal sum, in accordance with paragraphs (a) to (f), and he intends to produce, or have on hand, in transit, or unaccounted for a larger quantity of alcohol than that covered by his bond, he must file a new or additional bond in a sufficient penal sum to cover the tax on the increased quantity to be produced. Likewise, where the quantity of alcohol actually produced during any period of 15 days in the case of an industrial alcohol plant, or the quantity of alcohol, or specially denatured and recovered or restored denatured alcohol actually on hand, in transit, and unaccounted for at any one time at the bonded warehouse or denaturing plant, as the case may be, exceeds the penal sum of the bond on file, he must furnish immediately a new or additional bond in a sufficient penal sum, effective as of the beginning of such period. If an additional bond is furnished in either case, it must be in accordance with § 182.203.* (Sec. 3114 (a), I.R.C.)

§ 182.134 *Registry of stills, Form 26.* Every person having in his possession or custody, or under his control, any still or distilling apparatus set up must register the same with the district supervisor for the district in which it is located, on Form 26, "Registry of Stills," in triplicate, immediately it is set up.* (Sec. 3103, I.R.C.)

§ 182.135. *Plat and plans.* Every person filing an application for basic permit to operate an industrial alcohol plant, bonded warehouse, or denaturing plant must submit to the district supervisor with his application, Form 1431, an accurate plat of the premises and accurate plans of the buildings, apparatus, and equipment thereon, in triplicate, conforming to the requirements of §§ 182.206–182.219.*

§ 182.136 *Statement of process.* There must be submitted to the district supervisor with the application, Form 1431, for basic permit to operate an industrial alcohol plant, a statement of process, in triplicate. Such statement shall describe in detail the materials to be used and process to be followed in the production of alcohol.*

§ 182.137 *Additional information.* The Commissioner or district supervisor may at any time, in his discretion, require the proprietor to furnish such additional information as he may deem necessary.*

§ 182.138 *Instruments and papers made part of regulations.* The terms, conditions, and instructions contained in instruments and papers required to be furnished by law or regulations, or contained in any permit, are hereby made a part of these regulations as fully and to the same extent as if incorporated herein at length.*

*Users of Specially Denatured Alcohol*

§ 182.139 *Use of specially denatured alcohol.* Specially denatured alcohol manufactured in accordance with these regulations and the formulas prescribed in the Appendix to these regulations, may be procured and used, free of tax, for manufacturing purposes under permits, as provided herein.* (Secs. 3109, 3114 (a), I.R.C.)

§ 182.140 *Application, Form 1479.* Every person desiring to use specially denatured alcohol for manufacturing purposes, or to recover completely or specially denatured alcohol; or recover articles as defined in § 182.6 in the form of denatured alcohol, must file Form 1479, "Application for Permit to Use Specially Denatured Alcohol." This application must be filed in triplicate, with the district supervisor. The provisions of §§ 182.105, 182.106, 182.115, 182.117, and 182.118 are hereby extended, insofar as applicable, to applications, Form 1479.* (See Sec. 3114 (a), I.R.C.)

§ 182.141 *Articles to be manufactured.* The name of each article or preparation to be manufactured, the formula of specially denatured alcohol to be used in the manufacture of each such article or preparation, and the quantity of each formula of specially denatured alcohol to be withdrawn during a calendar month must be stated in the application.*

§§ 182.142 *Formula with optional or substitute denaturants.* Where the forula of specially denatured alcohol to be withdrawn authorizes the use of optional denaturants, or where the Commissioner authorizes the use of substitute denaturants (as in the case of Special Formulas 29 and 38–B), the kind and quantity of denaturants to be used must be specified in the application.* (Sec. 3114 (c), I.R.C.)

§ 182.143 *Restoration and redenaturation of alcohol or articles.* If denatured alcohol or articles are to be recovered, the manner of recovering the same must be completely described. The condition when recovered as to purity and proof, the per cent of alcohol used in the business which the applicants estimates will be recovered, and the estimated maximum amount to be recovered during a period of one month in proof gallons must be stated.* (Sec. 3073, I.R.C.)

§ 182.144 *Affidavit.* There must be submitted with, and made a part of, the original or initial application, Form 1479, an affidavit, in triplicate, executed by the applicant, showing in detail his previous business and experience. If the applicant is not himself of technical training and proposes to employ a chemist or chemically trained man, there must also be submitted an affidavit, in triplicate, showing the previous training and experience of the chemist or technical man to be employed.*

§ 182.145 *Inventory of equipment and supplies.* The manufacturing equipment and supplies of the applicant must be ample for the business to be conducted, and an itemized inventory, in triplicate, showing the value of each item, must be submitted with the application, Form 1479. Where toilet articles or various preparations, such as deodorants or sprays, are to be manufactured, the applicant must have on hand in the nature of raw materials, manufacturing apparatus, and packages for finished products of a value which, in the opinion of the district supervisor, evidences the bona fides of the proposed business and which is commensurate with the volume of business the applicant proposes to conduct.*

§ 182.146 *Estimate of business in certain articles.* There must be submitted with, and made a part of, application, Form 1479, by applicants for permit to use specifically denatured alcohol in the manufacture of any product, including ethyl acetate, lacquers, thinners, bay rum, lotions, toilet waters, and similar preparations, evidence, in triplicate, with respect to the extent of the business proposed to be conducted in such articles. The district supervisor may require submission of orders, contracts, or other evidence of prospective business, the bona fides of which shall be subject to examination and investigation.*

§ 182.147 *Formulas, Form 1479–A.* Except as provided in paragraph (a), the applicant must submit direct to the Commissioner quantitative formulas and processes, in quadruplicate, on Form 1479–A, "Formula or Process for the Use of Specially Denatured Alcohol." A separate form must be used for each formula or process, and there must be stated thereon the name and address of the applicant, name of preparation, and whether such preparation will be in conformity with the requirements of U. S. Pharmacopoeia or National Formulary, the specially denatured alcohol formula and proof to be used, and, if selection of denaturants is permitted, the kind and quantity of denaturants to be used must be specified. Each copy must be signed by the applicant or permittee, or his authorized agent.

(a) *Rubbing alcohol compound.* Manufacturers desiring to manufacture rubbing alcohol compound, or prepartions purported to be used as rubs, must submit to the district supervisor the quantitative formula of their product on Form 1479–A, in quadruplicate, and the labels and caution notices to be used, must be attached to each copy of Form 1479–A. The district supervisor will examine the formula to ascertain if it conforms to the requirements specified for this product in the Appendix to Regulations 3, and will examine the brand labels and caution notices or facsimiles thereof to determine

that they likewise conform with the requirements of § 182.855. If all requirements have been complied with, the district supervisor will note his approval on each copy of Form 1479-A, return one copy to the permittee, forward one copy to the Commissioner, furnish one copy to the chemist in charge, and retain the remaining copy for his files. If the formula for the rubbing alcohol compound does not specify one of the specially denatured alcohol formulas authorized for use in the manufacture of rubbing alcohol compound, or does not comply with the type formulas and other requirements set forth in the Appendix to Regultions 3, or labels and caution notices or facsimiles thereof are not in conformity with the regulations in this part, all copies of Form 1479-A, with attachments, will be returned to the manufacturer with the statement of the reason for the disapproval. Where brand labels bearing the name and address of a wholesale or retail druggist in lieu of the name and address of the manufacturer, is approved, the following statement should be stamped or typed on Form 1479-A to which the brand label is attached: "Label approved contingent on the druggist named thereon being authorized by these regulations to sell rubbing alcohol compound."* (Sec. 3114 (c), I.R.C.)

§ 182.148 *Statement of process.* Where specially denatured alcohol is used in a manufacturing process in which none of the specially denatured alcohol remains in the finished product, or where specially denatured alcohol, completely denatured alcohol, or articles, are used in a manufacturing process and are to be recovered, a complete description of such process shall be submitted direct to the Commissioner on Form 1479-A, in quadruplicate.

(a) *Drawings.* There must be submitted with the statement of process, drawings or sketches, in quadruplicate, of the apparatus and equipment including pipe lines, valves, etc., used in the process. If denatured alcohol or articles are to be recovered, a drawing, in quadruplicate, showing the location of each still and each receiving and storage tank, and all pipe connections, shall be furnished.* (Sec. 3073, I.R.C.)

§ 182.149 *Labels and advertising matter.* Samples of labels or facsimiles thereof (or sketches, subject to the filing of the actual labels, if approved) must be attached to each copy of the Form 1479-A. Advertising matter also must be attached when required by these regulations or by the Commissioner. Where permittees change labels which have been previously approved, or provide new labels for products, the formula for which has been previously approved, samples of the changed or new labels or facsimiles thereof (or sketches, subject to the filing of the actual labels, if approved) must be submitted, attached to Form 1479-A, in quadruplicate, to the Commissioner for approval. In such cases, the formula need not be restated on Form 1479-A, but the form should be marked "For label approval only" and should give the name under which the preparation was previously approved, the laboratory number of the approved sample, if any, and the date of approval. The Commissioner will take action on the proposed changes in accordance with § 182.151.* (Sec. 3114(c), I.R.C.)

§ 182.150 *Samples of preparations.* Where it is desired to manufacture articles or preparations (except rubbing alcohol compound) containing specially denatured alcohol, duplicate 8-ounce samples of all such articles or preparations shall be submitted, in connection with Form 1479-A, direct to the Commissioner for examination: *Provided,* That where perfumes contain more than 6 ounces of perfume oils per gallon, 2-ounce samples will be sufficient. Where the applicant proposes to use mixtures of oils and ingredients which he procures from some other person, the composition of which is unknown to him, duplicate 1-ounce samples of the oils or ingredients must be submitted with the samples of the finished product when required by the Commissioner. In all cases where formulas and samples of preparations which would be made with specially denatured alcohol are submitted to the Commissioner for approval, it will be understood that the specially denatured alcohol proposed to be used is to be manufactured from alcohol of 190 degrees proof, unless otherwise stated in the Form 1479-A.* (Sec. 3114(c), I.R.C.)

§ 182.151 *Approval or disapproval of samples, formulas, processes, labels, and advertising matter.* Upon examination of the samples, formulas, processes, labels, and advertising matter by the Commissioner, he will note his approval or disapproval on all copies of Form 1479-A, retain one copy of the form, and forward the other three copies to the district supervisor, who will retain one copy for his files, furnish one copy to the branch laboratory for his district, and forward the third copy to the applicant. Both sets of the samples will be retained by the Commissioner one of which will be furnished to the branch laboratory when needed. In addition to the other limitations in these regulations, the Commissioner may, in approving Forms 1479-A, specify thereon the maximum size of the containers in which any preparation may be sold and the maximum quantity that may be sold to any person during a calendar month. The approval of the article or preparation by the Commissioner will be based on laboratory examination of the finished product, ingredients, formulas and processes. Such approval shall mean only that the sample, formula, or process has been approved as conforming to the standards of the Bureau of Internal Revenue and such approval shall in no way require the district supervisor to issue a basic permit to use specially denatured alcohol in such process, formula, or preparation. No permit shall be issued to use specially denatured alcohol unless the processes, formulas, preparations, labels, and advertising matter, when required to be submitted to the Commissioner, have been approved by him. All processes, formulas, and samples of preparations submitted to the Bureau must be treated as strictly confidential by its employees, who will be held accountable for any unwarranted disclosure of information respecting such processes, formulas, or samples.*

§ 182.152 *Applications for renewal of permits.* The provisions of § 182.116 are extended to and made applicable to renewal applications, Form 1479. Permittees must attach to each copy of application, Form 1479, for renewal of basic permit to use specially denatured alcohol a list showing the names of all approved preparations, formulas, or processes in which specially denatured alcohol is to be used, the formula of specially denatured alcohol to be used, the laboratory number of the sample, if any, approved by the Commissioner, the date of approval of the formula or process, and the code number prescribed in the Appendix to these regulations for the preparation or process. The permittee should not include in his application, Form 1479, and the list appended thereto formulas of specially denatured alcohol which have been revoked or discontinued, preparations which are no longer manufactured, processes which have been discontinued, or formulas of specially denatured alcohol which are no longer used. Where the files of the district supervisor do not contain copies of the approved formula or process, the permittee will be required to file with the district supervisor copies of Form 1479-A, in quadruplicate, for submission to the Commissioner for approval, in conformity with §§ 182.147 to 182.151, inclusive.* (Sec. 3114 (a), I.R.C.)

§ 182.153 *Other qualifying documents.* There must be submitted with, and made a part of, the original or initial application, Form 1479, for a permit to use specially denatured alcohol, copies, in triplicate, of the applicable documents enumerated in §§ 182.125 to 182.131, inclusive. The provisions of §§ 182.137 and 182.138 shall be applicable to users of specially denatured alcohol.*

§ 182.154 *Bond, Form 1480.* Every person filing an application for permit to use specially denatured alcohol, or to recover completely or specially denatured alcohol or articles in the form of denatured alcohol, upon filing the application, Form 1479, and before issuance of basic permit pursuant thereto, and before proceeding with such business, shall execute a bond on Form 1480, "Bond of Specially Denatured Alcohol User," in triplicate, in conformity with the provisions of §§ 182.184-182.205, and file the same with the district supervisor: *Provided,* That no bond will be required where the quantity of specially denatured alcohol specified in basic permit, Form 1481, does not exceed 5 wine gallons; nor where application is filed by the United States or any governmental agency thereof, or by a State or Territory, or any municipal subdivision thereof, or the District of Columbia.* (Secs. 3070, 3114 (a), I.R.C.)

§ 182.155 *Penal sum.* The penal sum of the bond, Form 1480, shall be in a maximum of $100,000 and a minimum of $500, and shall be computed at the rate of $8 on each wine gallon of specially denatured alcohol, including recovered and restored denatured alcohol, authorized to be on hand, in transit, and unaccounted for at any one time: *Provided,* That the penal sum of bonds covering specially denatured alcohol, For-

mulas 18 and 19 shall be computed at the rate of $4 per wine gallon. In the case of manufacturers recovering completely denatured alcohol or articles in the form of denatured alcohol only, the penal sum of the bond, Form 1480, shall be calculated at the same rate on the maximum quantity in wine gallons of recovered and restored denatured alcohol that may be on hand and unaccounted for at any one time.* (Sec. 3114 (a), I.R.C.)

*Dealers in Specially Denatured Alcohol*

§ 182.156 *Bonded dealer defined.* Every person who sells specially denatured alcohol, except a proprietor of a denaturing plant who sells at the place of manufacture, shall be classed as a dealer in specially denatured alcohol, and must obtain a basic permit to conduct such business as hereinafter provided.* (Sec. 3114 (a), I.R.C.)

§ 182.157 *Application for permit, Form 1474.* Application for permit to deal in specially denatured alcohol, Form 1474, "Application for Permit to Deal in Specially Denatured Alcohol," must be filed, in triplicate, with the district supervisor. The maximum quantity of specially denatured alcohol in wine gallons which will be on hand, in transit, or unaccounted for, during any calendar month must be stated in the application. The provisions of §§ 182.105, 182.106, 182.115, 182.117, and 182.118 are hereby extended, insofar as applicable, to applications by bonded dealers on Form 1474.* (Sec. 3114 (a), I.R.C.)

§ 182.158 *Other qualifying documents.* There must be submitted with, and made a part of, the original or initial application, Form 1474, copies, in triplicate, of the applicable documents enumerated in §§ 182.125 to 182.131, inclusive. The provisions of §§ 182.137 and 182.138 shall be applicable to dealers in specially denatured alcohol.*

§ 182.159 *Bond, Form 1475.* Every person filing an application for a basic permit to deal in specially denatured alcohol, upon filing his application, Form 1474, and before issuance of basic permit pursuant thereto, and before proceeding with such business, shall execute a bond on Form 1475, "Bond of Dealer in Specially Denatured Alcohol," in triplicate, in conformity with the provisions of §§ 182.184–182.205, and file the same with the district supervisor.* (Secs. 3070, 3114 (a), I.R.C.)

§ 182.160 *Penal sum.* The penal sum of the bond shall be computed at the rate of $8 on each wine gallon of specially denatured alcohol authorized to be on hand, in transit, and unaccounted for at any one time: *Provided,* That the minimum penal sum of such bond shall not be less than $10,000 and the maximum more than $100,000.* (Sec. 3114 (a), I.R.C.)

§ 182.161 *Plats and plans.* Every person filing an application, Form 1474, for a permit to deal in specially denatured alcohol for resale must submit to the district supervisor with his application, Form 1474, an accurate plan of the building, tanks, etc., to be used as his bonded storeroom.*

*Users of Tax-free Alcohol*

§ 182.162 *Who may procure.* Section 3108, I.R.C., provides that alcohol may be withdrawn, under regulations, from any industrial alcohol plant or bonded warehouse tax-free by the United States or any governmental agency thereof, or by the several States and Territories or any municipal subdivision thereof or by the District of Columbia, or for the use of any scientific university or college of learning, any laboratory for use exclusively in scientific research, or for use in any hospital or sanatorium, or for the use of any clinic operated for charity and not for profit, including use in the compounding of bona fide medicines for treatment outside of such clinics of patients thereof, but not for sale; but any person permitted to obtain alcohol tax-free, except the United States and the several States and Territories and subdivisions thereof, and the District of Columbia, shall first apply for and secure a permit to purchase the same and give the bonds prescribed under section 3114, I.R.C., but alcohol withdrawn for nonbeverage purposes for use of the United States and the several States, Territories, and subdivisions thereof, and the District of Columbia, may be purchased and withdrawn subject only to such regulations as may be prescribed.*

§ 182.163 *Other than Federal, State, and municipal agencies.* Under the provisions of law above referred to, the privilege of withdrawing alcohol in bond, free of tax, is held to apply to all scientific universities incorporated or organized under any Federal, State, or Territorial law, or any colleges of learning which have a recognized curriculum and confer degrees after specified periods of attendance at classes or research work, upon proper showing of the facts, to any laboratory for use exclusively in scientific research, or to any permanently established hospital or sanatorium in good standing, whether operated for profit or not, or to any bona fide clinic in good standing, operated for charity and not for profit. Any other colleges of learning than those above referred to desiring to withdraw alcohol free of tax shall be permitted to do so only after the Commissioner is satisfied from evidence submitted to him that such institutions are entitled to the privilege under the law governing tax-free withdrawals.*

§ 182.164 *Use*—(a) *By Federal, State, and municipal agencies.* Tax-free alcohol withdrawn under the foregoing provisions of law and regulations for use of the United States must be used solely for nonbeverage purposes. Such alcohol, when withdrawn by States and Territories, or any municipal subdivision thereof, or the District of Columbia, must be used solely for mechanical and scientific purposes, and such use, or the use of any resulting product, must be confined to premises under the control of the State or Territory, or municipal subdivision thereof, or the District of Columbia.

(b) *By hospitals, sanatoriums, clinics, colleges, and laboratories.* Tax-free alcohol withdrawn by hospitals or sanatoriums, or by clinics operated for charity and not for profit, may be used only for medicinal, mechanical, and scientific purposes and in the treatment of patients. Scientific universities or colleges of learning shall use such alcohol only for scientific, mechanical, and medicinal purposes, and any laboratory withdrawing alcohol free of tax must use the same exclusively in scientific research. The use of the alcohol and resulting products shall be confined strictly to the premises of the institution withdrawing the alcohol, except that bona fide medicines compounded with alcohol withdrawn by clinics operated for charity and not for profit, may be used outside of such clinics for treatment of the patients thereof, but such medicines may not be sold.

(c) *Prohibited use.* In no case shall alcohol withdrawn tax-free be used in food products in any manner, or in preparations used in food products, and under no circumstances shall such alcohol be used for beverage purposes or in any product which may be so used.*

§ 182.165 *Application for permit, Form 1447.* Where it is desired to withdraw alcohol, tax-free, by the several States and Territories or any municipal subdivision thereof, or by the District of Columbia, or for the use of any scientific university or college of learning, any laboratory for use exclusively for scientific research, or for use in any hospital or sanatorium, or for the use of any clinic, in accordance with §§ 182.162, 182.163, and 182.164, application shall be made on Part I of Form 1447, "Application for Permit to Use Tax-Free Alcohol," in triplicate, to the district supervisor, for a basic permit to use such alcohol. Applications by the United States or any governmental agency thereof for a permit to use tax-free alcohol shall be made on Form 1444, in accordance with § 182.171.

(a) *Applications by States, Territories, and municipal subdivisions, and the District of Columbia.* Applications by States and Territories, and municipal subdivisions thereof, or the District of Columbia for the withdrawal of tax-free alcohol may be made to the district supervisor by the head of the department, or head of bureau or commission not under the control of any department, for which the alcohol is to be purchased, or by some other person duly authorized by him, evidence of which authority should be furnished the district supervisor. Applications by municipal subdivisions of a State or Territory shall be made to the district supervisor by the officer duly authorized to procure such alcohol and evidence of such authority shall be submitted with the application.

(b) *Applications by others.* In the event application is made by a scientific university or college of learning, any laboratory for use exclusively in scientific research, or any hospital or sanatorium, and the applicant is an incorporated or chartered institution, such application shall be made by the institution, the corporate name and seal being affixed by some duly authorized officer of the corporation, which officer shall affix his signature and official title below the corporate name preceded by the word "by" and in such cases a copy of the charter or articles of incorporation certified by an officer of the applicant must be annexed to the first application forwarded to the district supervisor. In the event the institution is a scientific university or college of learning created under a general law of a State or Territory, that fact must be shown and an extract of the law given. Application

may be made for such institution by an officer or any other authorized person in its behalf. In other cases the application must be made by some duly accredited representative of the applicant.* (Secs. 3108, 3114 (a), I.R.C.)

§ 182.166 *Quantity to be used.* The annual quantity of alcohol in proof gallons it is desired to withdraw free of tax shall be stated in the application, which quantity should be based upon the estimated requirement for one year.*

§ 182.167 *Uses.* There must be stated in the application, Form 1447, the specific use which will be made of the alcohol, that is, the purpose or purposes for which the alcohol will be used must be stated explicitly, and not in general terms.*

§ 182.168 *Other qualifying documents.* There must be submitted with, and made a part of, the original or initial application, Form 1447, copies, in triplicate, of the applicable documents enumerated in §§ 182.125 to 182.131, inclusive. The provisions of §§ 182.137 and 182.138 shall be applicable to users of tax-free alcohol.*

§ 182.169 *Bond, Form 1448.* Every person filing an application for a basic permit to use alcohol free of tax upon filing his application, Form 1447, and before issuance of permit pursuant thereto, shall execute a bond on Form 1448, "Tax-Free Alcohol User's Bond," in triplicate, in conformity with the provisions of §§ 182.184–182.205, and file the same with the district supervisor: *Provided,* That no bond will be required where applications are filed by a State or Territory, or municipal subdivision thereof, or by the District of Columbia; or where the quantity of alcohol covered by basic permit, Form 1447, does not exceed 60 wine gallons per annum.* (Sec. 3114 (a), I.R.C.)

§ 182.170 *Penal sum.* The penal sum of bond, Form 1448, must be sufficient to cover the amount of the internal revenue tax at the rate prescribed by law on all alcohol authorized to be on hand, in transit, or unaccounted for at any one time: *Provided,* That the penal sum shall not be less than $500 or more than $100,000.* (Sec. 3114 (a), I.R.C.)

*United States or Governmental Agency to Procure Tax-free Alcohol*

§ 182.171 *Application, Form 1444.* Alcohol may be withdrawn tax-free by the United States or any governmental agency thereof, upon filing application on Part I of Form 1444, "Application by the United States or Governmental Agency for Permit to Procure Alcohol Free of Tax," and issuance of Permit therefor. The Form 1444 shall be executed in duplicate and forwarded direct to the Commissioner. The application must state the name of the department or independent bureau or agency, and the name of the proprietor of the industrial alcohol plant or bonded warehouse, the registry number and location thereof, from which alcohol will be withdrawn tax-free.* (Sec. 3114 (a), I.R.C.)

§ 182.172 *Signing of application.* The application shall be signed by the head of the department or independent bureau or agency to which such tax-free alcohol is to be shipped, or by some other person duly authorized by such head of a department or independent bureau or agency. Evidence of such authority shall be furnished the Commissioner.*

*United States or Governmental Agency To Procure Specially Denatured Alcohol*

§ 182.173 *Application, Form 1486.* Specially denatured alcohol may be withdrawn by the United States or any governmental agency thereof upon filing application on Part I of Form 1486, "Application by the United States or Governmental Agency for Permit to Procure Specially Denatured Alcohol," and issuance of permit therefor. The Form 1486 shall be executed in duplicate and forwarded direct to the Commissioner. The application must state the name of the department or independent bureau or agency and the name of the proprietor of the denaturing plant or of the bonded dealer from whom the specially denatured alcohol is to be purchased.* (Sec. 3114 (a), I.R.C.)

§ 182.174 *Signing of application.* The application shall be signed by the head of the department or independent bureau or agency to which such specially denatured alcohol is to be shipped, or by some other person duly authorized by such head of a department or independent bureau or agency. Evidence of such authority shall be furnished the Commissioner.*

*Carriers*

§ 182.175 *Application, Form 144.* Every person desiring to transport tax-free alcohol or specially denatured alcohol must file Form 144, "Application for Permit to Transport Tax-free or Specially Denatured Alcohol," in triplicate, for permit so to do. The carrier will specify the mode of transportation, such as railroad, express company, steamship, barge line, truck, etc., and the supervisory districts in which tax-free or specially denatured alcohol will be transported. Where steamship or barge lines or motor carriers operate between certain points and over certain courses or routes, such points and courses or routes will be specified in the application. In cases where transportation is in more than one supervisory district, the application shall be filed with the district supervisor in whose district the principal office or place of business of the applicant is located. The provisions of §§ 182.105, 182.106, 182.115, 182.117, and 182.118 are hereby extended, insofar as applicable, to carriers.

(a) *Persons entitled to permit.* Basic permits to transport tax-free or specially denatured alcohol shall be issued only to reputable carriers who are actively and regularly engaged generally in the legitimate business of transportation, and who possess adequate facilities to insure safe delivery at destination of any tax-free or specially denatured alcohol transported by them.* (Sec. 3114 (a), I.R.C.)

§ 182.176 *Use of motor trucks by railroad, steamship, and express companies.* If the applicant is a railroad, steamship, or express company and operates motor trucks pursuant to contracts with the owners of such trucks in transporting tax-free alcohol or specially denatured alcohol under the carrier's bill of lading, express receipt, waybill, etc., there must be stipulated in the application that "In consideration of the issuance of the basic permit herein applied for, the applicant agrees to assume full responsibility for the safe transportation and proper delivery of any and all such alcohol so possessed for transporting by his said trucking agents; and said applicant further covenants and agrees to pay to the United States all internal revenue taxes, assessments and penalties due by reason of any diversion of said alcohol in the hands of any of his said agents, or as the result of the delivery by any such agent of said alcohol to any person not authorized to receive the same."*

§ 182.177 *Applications by nonresidents.* A copy of application, Form 144, made by a person not residing in the United States, but operating as a carrier therein, together with all documents filed therewith, and report of investigation, if any, before action thereon by the district supervisor, shall be forwarded to the Commissioner.*

§ 182.178 *Permit to transport included in certain permits.* Unless otherwise provided in the appropriate basic permit, or in these regulations, any basic permit authorizing the delivery or procurement of tax-free or specially denatured alcohol confers upon the permittee the right to have the same transported by a carrier holding a basic permit to transport; or confers upon the consignor the right to transport the tax-free or specially denatured alcohol to the person to whom he is authorized to deliver it or to a carrier holding a basic permit to transport; or confers upon the consignee the right to transport tax-free or specially denatured alcohol to his permit premises from the premises of a carrier holding permit to transport.

(a) *Transportation must be by permittee.* In order that a person may be authorized to transport tax-free or specially denatured alcohol under his basic permit the transportation must be by the permittee personally, or by some person regularly and exclusively in his employ, and the right to the possession of any vehicle used for such transportation must be vested in the permittee.*

§ 182.179 *Conditions of approval.* No application shall be approved unless and until it is established by the applicant to the satisfaction of the district supervisor that he is a reputable carrier and is actively and regularly engaged generally in the legitimate business of transportation and that he possesses adequate facilities to insure safe delivery at destination of any tax-free alcohol or specially denatured alcohol which may be transported by him.*

§ 182.180 *Possession by unauthorized carrier.* Specially denatured alcohol possessed or transported by a carrier not authorized to transport the same shall be deemed subject to tax and forfeiture. Tax-free alcohol transported by an unauthorized carrier shall likewise be subject to forfeiture.* (Secs. 3111, 3116, I.R.C.)

§ 182.181 *Other qualifying documents.* There must be submitted with, and made a part of, the original or initial application, Form 144, copies, in triplicate, of the applicable documents enumerated in §§ 182.125 to 182.131, inclusive. The provisions of §§ 182.137 and 182,138 shall be applicable to carriers of tax-free or specially denatured alcohol.*

§ 182.182 *Bond, Form 49.* Every person filing an application for a basic permit to transport tax-free alcohol or

specially denatured alcohol, upon filing his application, Form 144, and before issuance of basic permit pursuant thereto, and before transporting any tax-free alcohol or specially denatured alcohol, shall execute a bond on Form 49, "Bond to Transport Specially Denatured or Tax-free Alcohol," in triplicate, in conformity with the provisions of §§ 182.184–182.205, and file the same with the district supervisor: *Provided,* That a bond will not be required if the applicant is a railroad or steamship company, or an express company operating thereon, or a motor carrier who has qualified with the Interstate Commerce Commission as a "self-insurer."* (Sec. 3114 (a), I.R.C.)

§ 182.183 *Penal sum.* The penal sum of the bond must be computed at the rate of not less than $500 for each vehicle to be used by the permittee, nor more than a total of $5,000 for all such vehicles so used.* (Sec. 3114 (a), I.R.C.)

BONDS AND CONSENTS OF SURETY

§ 182.184 *General requirements.* Every person required to file a bond or consent of surety under these regulations shall prepare and execute it on the prescribed form, in triplicate, in accordance with these regulations and the instructions printed on the form, and shall submit it to the district supervisor.* (Secs. 3070, 3114 (a), I.R.C.)

§ 182.185 *Surety or security.* The bonds required by these regulations shall be given with surety or collateral security.* (Sec. 1, 28 Stat. 279 (6 U.S.C. 6); Sec. 1126, 44 Stat. 122; Sec. 7, 49 Stat. 22 (6 U.S.C. 15).)

§ 182.186 *Corporate surety.* Bonds may be given with corporate surety authorized by the Secretary of the Treasury to become surety on Federal bonds, subject to the limitations prescribed by the Secretary in Treasury Department Form 356, Commissioner of Accounts, Section of Surety Bonds, which is issued semiannually, and subject to such amendatory circulars as may be issued from time to time.* (Sec. 1, 28 Stat. 279; 6 U.S.C. 6.)

§ 182.187 *Two or more corporate sureties.* A bond executed by two or more corporate sureties shall be the joint and several liability of the principal and the sureties: *Provided,* That each corporate surety may limit its liabilities in terms upon the face of the bond in a definite, specified amount which amount shall not exceed the limitations prescribed for such corporate surety by the Secretary, as set forth in Treasury Department Form 356. When the sureties so limit their liabilities, the aggregate of such limited liabilities must equal the required penal sum of the bond.*

§ 182.188 *Powers of attorney.* Powers of attorney and other evidence of appointment of agents and officers to execute bonds on behalf of corporate sureties are required to be filed with, and passed upon by, the Commissioner of Accounts, Section of Surety Bonds, Treasury Department. Such powers and other evidence of appointment need not be filed with, or submitted to, district supervisors.*

§ 182.189 *Individual sureties.* Bonds may be given with individual sureties, of which there must not be less than two, each of whom must qualify by executing Form 33, "Affidavit of Individual Surety on Bond," in triplicate. Individual sureties must be citizens of the United States and reside in the State in which the business of the principal is to be conducted.*

§ 182.190 *Ownership of real property.* Each individual surety must own unencumbered real property, in fee simple, the appraised value of which, over and above any exemptions from execution allowed by the laws of the State, is equal to the penal sum of the bond. The amount of unencumbered real property which individual sureties are required to own must be located within the State where the business of the principal is to be conducted.*

§ 182.191 *Description of real property.* The real property must be described in the surety's affidavit, Form 33, with all the formalities required in conveyances of real estate by the laws of the State in which it is situated.*

§ 182.192 *Execution of Form 33.* The surety's affidavit on Form 33 shall contain all of the information required by these regulations and the instructions printed on the form. The form shall be subscribed and sworn to before an officer duly authorized to administer oaths, and one copy thereof shall be attached to each copy of the bond to which it relates.*

§ 182.193 *Certificate of title.* There must be submitted with the surety's affidavit, Form 33, a certificate of title, in triplicate, showing that the surety has a fee simple title, free of encumbrances, to the realty described in the form.*

§ 182.194 *Appraisal.* There will also be submitted with Form 33 an appraisal, in triplicate, by two or more competent persons designated by the district supervisor for the purpose, showing separately the value of the land and buildings, and a full and clear statement of the method employed by them in determining their valuation. The appraisal shall be at the expense of the principal on the bond, unless it is made by Government officers.*

§ 182.195 *Investigation.* The district supervisor must cause an investigation to be made of all the facts stated in the surety's affidavit on Form 33 and supporting documents, and shall forward one copy of the report of such investigation to the Commissioner with the bond and accompanying Form 33.*

§ 182.196 *Requalification.* The Commissioner or district supervisor may at any time, in his discretion, require the requalification of individual sureties on Form 33.*

§ 182.197 *Interest in business.* The surety, whether individual or corporate, must have no interest whatever in the business covered by the bond.*

§ 182.198 *Deposit of collateral.* Bonds or notes of the United States or other obligations which are unconditionally guaranteed as to both interest and principal by the United States, may be pledged and deposited by pricipals as collateral security in lieu of individual or corporate surety. District supervisors on receiving such bonds or notes, or other obligations, pledged and deposited by principals as collateral security in lieu of surety, shall deposit such securities in accordance with the requirements of Department Circular No. 154, revised (31 CFR, Part 225).* (Sec. 1126, 44 Stat. 122; Sec. 7, 49 Stat. 22; 6 U.S.C. 15)

§ 182.199 *Consents of surety.* Consents of surety to a change in the terms of a bond must be executed on Form 1533, "Consent of Surety to Change in Terms of Bond," in as many copies as are required in the bonds which they affect, by the principal and all sureties with the same formality and proof of authority to execute as are required for the execution of bonds. Form 1533 will be used by obligors on collateral bonds as well as those on surety bonds. The Form 1533 must properly identify the bond affected thereby and state specifically and precisely what is covered by the extended terms thereof. If the surety is a corporation, the consent may be executed by an agent or attorney in fact duly authorized so to do by power of attorney filed by the surety with the appropriate district supervisor through the office of the Commissioner, or the consent may be executed by the home office officials of such corporate surety; except that, in cases where the saving of time is an element, the consent may be executed by an agent or attorney in fact where the home office officials, by specific direction, order its execution. A copy of such specific direction should be attached to each copy of such consent.* (Secs. 3070, 3114 (a), I.R.C.)

§ 182.200 *Approval required.* No individual, firm, partnership, corporation, or association, intending to commence or to continue in a business covered by these regulations, shall commence or continue such business until all bonds in respect to such business required by any provision of law or regulations have been approved.*

§ 182.201 *Authority to approve.* District supervisors are authorized to approve or disapprove all bonds and consents of surety filed by an individual, firm, partnership, corporation, or association relating to the conduct of a business pursuant to the provisions of these regulations: *Provided,* That bonds, Form 1432–A, Form 1604, and Form 1617, and consents of surety extending the terms of such bonds, will be approved or disapproved by the Commissioner.* (Sec. 3170, I.R.C.)

§ 182.202 *Cause for disapproval.* Bonds or consents of surety submitted by any individual, firm, partnership, corporation, or association, in respect to a business covered by these regulations may be disapproved if the individual, firm, partnership, corporation, or association giving the same, or owning, controlling, or actively participating in the management of such business of the individual, firm, partnership, corporation, or association giving the same, shall have been previously convicted in a court of competent jurisdiction of any fraudulent noncompliance with any provision of any law of the United States, if such provision relates to internal revenue or customs taxation of distilled spirits, wines, or fermented malt liquors, or if such an offense shall have been compromised with the individual, firm, partnership,

corporation, or association upon payment of penalties, or otherwise.

(a) *Situation of premises.* The bond may also be disapproved if the situation of the premises covered by the bond is such as would enable the principal to defraud the United States.* (Sec. 3103, I.R.C.)

§ 182.203 *Additional or strengthening bonds.* In all cases where the penal sum of a bond on file and in effect is not sufficient, computed as prescribed by law and regulations, the principal may give an additional or strengthening bond in a sufficient penal sum, provided the surety thereon is the same as on the bond already on file and in effect; otherwise a new bond covering the entire liability will be required. Such additional or strengthening bonds being filed to increase the bond liability of the principal and the surety, they are in no sense substitute bonds, and the district supervisor will refuse to approve, or recommend the approval of, any additional or strengthening bond where any notation is made thereon, intended, or which may be construed, as a release of any former bond, or as limiting the amount of either bond to less than its full penal sum. Additional or strengthening bonds must show the current date of execution and the effective date in the blank spaces provided therefor. Such bonds must have marked thereon, by the obligors at the time of execution, "Additional Bond" or "Strengthening Bond." * (Secs. 3070, 3114 (a), I.R.C.)

§ 182.204 *New or superseding bonds.* The principal on any bond filed pursuant to these regulations may, at any time, substitute a new bond therefor. A new bond may be required at any time in the discretion of the Commissioner or district supervisor. A new bond shall be required immediately in case of death or insolvency of an individual surety, or the insolvency of a corporate surety. Executors, administrators, assignees, receivers, trustees, or other persons acting in a fiduciary capacity, continuing or liquidating the business of the principal, must execute and file a new bond or obtain the consent of the surety or sureties on the existing bond or bonds. When, in the opinion of the Commissioner or district supervisor, the interests of the Government demand it or in any case where the security of the bond becomes impaired in whole or in part for any reason whatever, the principal will be required to give a new bond. Where a bond is found to be not acceptable, the principal shall be required to file immediately a new and satisfactory bond, or discontinue business forthwith.

(a) *Liability under superseding bond.* The inventories and records of the principal as to the quantity of alcohol, specially denatured alcohol, and recovered denatured alcohol and articles in his possession or in transit on the effective date of any substituted, superseding, or additional bond given under these regulations shall be conclusive and binding upon the obligors on such bonds for the purpose of fixing and determining liability thereunder.* (Secs. 3070, 3114 (a), I.R.C.)



§ 182.205 *Termination of superseded bonds.* Where a new bond is submitted by the principal to supersede a bond or bonds then in effect, and such superseding bond has been approved, notice of termination of the superseded bond may be issued and as provided in §§ 182.310–182.321. Superseding bonds must show the current date of execution and the date they are to be effective, and each such bond shall have marked thereon, by the obligors at the time of execution "Superseding Bond."

PLATS AND PLANS FOR INDUSTRIAL ALCOHOL PLANTS, BONDED WAREHOUSES, OR DENATURING PLANTS

§ 182.206 *Plat and plans required.* Every person intending to engage in business as the proprietor of an industrial alcohol plant, a bonded warehouse, or a denaturing plant, pursuant to the provisions of these regulations, must, as provided in § 182.135, file an accurate plat and accurate plans of the premises, apparatus, and equipment, in triplicate, with the district supervisor.* (Sec. 3103, I.R.C.)

§ 182.207 *Preparation.* Every plat and plan shall be drawn to scale and each sheet thereof shall bear a distinctive title, and the complete name and address of the proprietor, enabling ready identification. The cardinal points of the compass must appear on each sheet, except those of elevational plans. Each sheet of the original plat and plans shall be numbered, the first sheet being designated number 1 and the other sheets numbered in consecutive order. Plats and plans shall be submitted on sheets of tracing cloth or sensitized linen. The dimensions of plats and plans shall be 15 by 20 inches, outside measurement, with a clear margin of at at least 1 inch on each side of the drawing, lettering, and writing. Plats and plans may be original drawings, or reproductions made by the "ditto process," or by blue, brown, or black line lithoprint, if such reproductions are clear and distinct.*

§ 182.208 *Depiction of premises.* Plats must show the outer boundaries of the premises by courses and distances, in feet and inches, in a color contrasting with those used for other drawings on the plat, and the point of beginning with respect to its distance and bearings from some near and well-known landmark must be shown. The plat must also contain an accurate depiction of the building or buildings comprising the premises. The depiction of the premises on the plat should agree with the description thereof in the application. In the case of an industrial alcohol plant or bonded warehouse, if the premises consists of two or more lots or parcels of land the condition of title to which is not the same, each such lot or parcel shall be separately depicted by courses and distances, in feet and inches, and such lots or parcels shall be delineated or cross-hatched in contrasting colors. If the premises are separated by a public highway, or railroad right of way, and the tracts of land comprising the premises, or parts thereof, abut on such highway, or right of way, directly opposite each other, the different tracts will be depicted separately by courses and distances, in feet and inches, and outlined in a color contrasting with those used for other drawings on the plat. If two or more buildings are to be used, they must be shown in their relative positions, the designated name of each indicated, and all pipe lines or other connections, if any, between the same depicted. Where two or more buildings are used for the same purpose the name of each such building shall include an alphabetical designation, beginning with "A," and they shall be so shown on the plat. If the establishment consists of a room or floor of a building, an outline of the building, the precise location and the dimensions of the room or floor, and the means of ingress from and egress to a public street or yard, shall be shown. All first floor openings of each building on the premises will be shown on the plat. Except as provided in § 182.216, all pipe lines leading to or from the premises, the purpose for which used, and the points of origin and termination, will be indicated on the plat.*

§ 182.209 *Contiguous premises.* Where a distillery, internal revenue bonded warehouse, rectifying plant, brewery, winery, tax-paid bottling house, or other premises on which liquors are manufactured, stored, or sold, or where solvents or proprietary anti-freezes or articles manufactured with denatured alcohol, or where another business is conducted pursuant to the internal revenue laws and regulations, is contiguous to the applicant's premises, the plat must show the relative location of the premises and such contiguous premises, and all pipe lines, if any, and other connections between them. The outlines of such contiguous premises and the permit premises depicted on the plat must also be shown in contrasting colors.*

§ 182.210 *Floor plans.* The plans shall include a floor plan of each floor of each building, showing the dimensions of the rooms and floors and the location of all doors, windows, and other openings, and their dimensions, and how such openings are protected. All apparatus and equipment must be shown in their exact location on the floor plans and their designated use indicated. In the case of stills, tanks, and similar equipment, the serial number and capacity shall also be shown. The exact location of pipe lines and Government lock shall be shown.*

§ 182.211 *Elevational plans of equipment.* Vertical, sectional, or elevational plans of apparatus and equipment shall be submitted, and such plans shall clearly depict the construction of all equipment, and all pipe lines and other connections of the equipment, and the location of valves, flanges (except as provided in § 182.214), Government locks, measuring devices, etc. The plans must be so drawn that all fixed pipe lines, except those indicated by § 182.216, may be traced from beginning to end.*

§ 182.212 *Elevational plans of buildings.* The plans shall also include an exterior, elevational view of each exposure of each building or room, showing the construction and the foundations

(except where the bonded warehouse or denaturing plant consists of an upper floor or floors), floors, and walls, and the type of security afforded the openings. The number of stories, and the height of each story, will be indicated on the elevational plans.*

§ 182.213 *Pipe lines in colors.* The pipe lines must be shown on the plans in the colors in which they are required to be painted, as follows:

| | |
|---|---|
| Black | Alcohol. |
| Blue | Vapor, high wines, low wines, or other unfinished spirits. |
| Red | Mash, beer, or other distilling material. |
| Gray | Molasses or other fermenting material. |
| Brown | Spent beer or slop. |
| Yellow | Fusel oil. |
| Yellow with red stripe. | Ether. |
| Yellow with green stripe. | Butyl alcohol. |
| Yellow with purple stripe. | Acetone. |
| White | Water. |
| Aluminum | Steam. |
| Orange | Air. |
| Olive green | Carbon dioxide. |
| Light green | Denaturants. |
| Dark green | Denatured alcohol. |
| Purple | Refrigerants. |

Other fixed pipe lines must be shown in the colors in which they are painted.*

§ 182.214 *Location of valves, flanges, locks, etc.* All valves, flanges, and other connections in pipe lines must be properly indicated on the plans: *Provided,* That where flanges, unions, or other connections in pipe lines are brazed, welded, or otherwise permanently secured in such a manner as to constitute a continuous, single pipe line, the location of such flanges, unions, or other connections, and the manner of securing the same, need not be shown on the plans. The location of all Government locks required to secure the apparatus and equipment, and the doors of rooms and buildings, must be indicated on the plans by the symbol "GL" at the points where the locks are attached.* (Sec. 3103, I.R.C.)

§ 182.215 *Direction of flow.* The direction of the flow of the distilling material, vapor, alcohol, etc., through pipe lines must be indicated on the plans by arrows.*

§ 182.216 *Pipe lines exempted.* Approved public or private utility service lines, such as sewers, electric or gas conduits or pipes, and approved sprinkler, refrigeration, or heating systems which have no connection with the distilling system, etc., or any apparatus or pipe line connected therewith, need not be shown on the plans, provided that the point of entry to the bonded premises shall be indicated on the plans.*

§ 182.217 *Process flow sheet.* A diagrammatic or isometric process flow sheet must be filed, in the case of industrial alcohol plants, showing the receipt of the fermenting or distilling material on the premises and the flow thereof through the mash tubs, fermenters, beer wells, stills, doublers, try boxes, and high and low wine tanks, and other equipment, the deposit of the finished alcohol in the receiving tanks, and the removal of such alcohol from the receiving room.*

§ 182.218 *Certificate of accuracy.* Every sheet of every plat and plan, whether original, supplemental, or superseding, shall bear a certificate of accuracy, dated and signed by the draftsman, proprietor, and district supervisor. The certificate shall be placed in the lower right-hand corner of each sheet and shall be in the following form:

--------*Supervisory District,*
----------*19*-----.

It is hereby certified that this is an accurate---------- sheet No.------
Original, supplemental or superseding)
of the ---------- of ----------
(Plat or plan) (Kind of establishment)
No. ------ of ---------- ----------
(Name of proprietor) (Street and number)
---------- in this district.
(City and State)
Date of district supervisor's approval.
----------, 19-----.
(Date)

---
(Draftsman)

---
(Proprietor)

---
(District supervisor)

*(Sec. 3103, I.R.C.)

§ 182.219 *Supplemental, superseding, and additional plats and plans.* The sheets of superseding plats or plans shall bear the same numbers as the sheets superseded. The sheets of supplemental plats or plans shall bear the same numbers as the sheets supplemented, and will be further identified by letter designation, as "1-A," "5-B," etc. Additional sheets of plans, filed to cover extensions of the premises, will be given the next number in sequence to the last sheet of the plan on file. Additional sheets of plats, filed to cover extensions of the premises, will be given the same number as the last sheet of the plat on file, further identified by an additional number, as "1-1," "2-1," etc.*

HEARINGS ON DISAPPROVAL OF APPLICATIONS

§ 182.220 *Application for hearing.* In the event of disapproval of an application for a basic permit by the district supervisor, as provided in §§ 182.282–182.302, the applicant may file application in writing with the district supervisor within 15 days after receipt of notice of the disapproval in whole or in part (which notice shall be served in the same manner as provided in § 182.244) for a hearing in support of his application.* (Sec. 3114, I.R.C.)

§ 182.221 *Time and place of hearing.* Should application be made for a hearing within the time specified, the district supervisor will notify the applicant of the time and place of the hearing, which shall be held within 30 days after receipt of a request therefor, unless continued for cause.

(a) *Failure to appear.* Failure of the applicant to appear at the hearing will constitute a relinquishment of the applicant's appeal.* (Sec. 3114, I.R.C.)

§ 182.222 *Proof.* At such hearing the burden of proof shall be on the applicant, but the district supervisor or his agent shall incorporate in the record of the proceedings the testimony, reports, affidavits, and other documents upon which he based his disapproval of the application. If requested, the applicant may be furnished a copy of the record of the proceedings.* (Sec. 3114, I.R.C.)

§ 182.223 *Production of records.* The applicant may be directed by the district supervisor to produce such records as may be deemed necessary for examination.* (Sec. 3114, I.R.C.)

§ 182.224 *Hearings.* Hearings on disapproved applications shall be governed, insofar as applicable, by the provisions of §§ 182.226–182.259 of these regulations.* (Sec. 3114, I.R.C.)

§ 182.225 *Appeal to the Commissioner.* Petitions for review of the action of the district supervisor in disapproving applications for basic permits shall be filed with the Commissioner in the manner and within the time specified in section 182.257 of these regulations.* (Sec. 3114, I.R.C.)

BASIC PERMITS

*General*

§ 182.226 *Scope of article.* The provisions of §§ 182.226-182.259 are applicable to all basic permits covering operations included in these regulations, which are as follows:

(1) Permit to Operate Industrial Alcohol Plant, Bonded Warehouse, or Denaturing Plant, Form 1433. (A single basic permit will be issued for an industrial alcohol plant, bonded warehouse and denaturing plant; industrial alcohol plant and bonded warehouse; industrial alcohol plant and denaturing plant; or bonded warehouse and denaturing plant, if located on the same premises.)

(2) Permit to Use Alcohol Free of Tax, Form 1447. (The execution and approval of Part II of this form shall constitute the basic permit to use alcohol free of tax.)

(3) Permit to Procure Alcohol Free of Tax by the United States or Governmental Agency, Form 1444. (The execution and approval of Part II of application, Form 1444, shall constitute the basic permit to procure alcohol free of tax.)

(4) Permit to Deal in Specially Denatured Alcohol, Form 1476.

(5) Permit to Use Specially Denatured Alcohol, Form 1481.

(6) Permit to Procure Specially Denatured Alcohol by the United States or Governmental Agency, Form 1486. (The execution and approval of Part II of application, Form 1486, shall constitute the basic permit to procure specially denatured alcohol.)

(7) Permit to Transport Tax-Free or Specially Denatured Alcohol, Form 145. (A copy of the basic permit, Form 145, when issued, should be forwarded by the district supervisor to each district supervisor in whose district the permit privileges will be exercised.)*

*Issuance of Original Basic Permits*

§ 182.227 *Issuance.* If the application, bond (if required), and supporting documents have been approved, as provided

in §§ 182.282–182.309, a basic permit will be issued, in triplicate, on the appropriate form by the district supervisor, except permits issued to the United States or governmental agency thereof, which will be issued by the Commissioner. The basic permit shall give the name and address of the person to whom it is issued, which shall be the same as that specified in the application for basic permit, and shall designate and limit the acts that are permitted and the time when and place where such acts may be performed.

(a) *Record of permits.* The district supervisor shall keep a current card index record on Forms 1411 and 1411–A, of all persons to whom a basic permit has been issued, or who has filed application therefor, pursuant to these regulations.

(b) *Notice of termination, revocation, etc.* If the basic permit held by a person to whom a withdrawal permit was issued should be canceled, revoked, or terminated, the district supervisor shall forthwith notify each vendor or consignor named in the withdrawal permit to surrender it to the district supervisor issuing such permit for cancellation, after which notification, no further shipments may be made by the vendor.* (Sec. 3114, I.R.C.)

§ 182.228. *Terms and conditions of permit.* All of the provisions of these regulations relating to the conduct of the business for which basic permit has been applied for, and all statements, conditions, and stipulations contained in the application for permit, and all statements, evidence, affidavits and other documents filed in support thereof, shall be considered as a part of such permit and shall be deemed to be included in the provisions and conditions of every permit, the same as if set out at length therein.

(a) *Business subject to inspection.* All permits and authorizations given and effective under the provisions of sections 3070 to 3124, I.R.C., and these regulations, are on the condition and with the understanding that the operations which they authorize shall at any time within the usual business hours or at any other time when operations are carried on be subject to inspection by any officer of the Bureau of Internal Revenue as to any requirement of the internal revenue laws and regulations, as authorized in section 3121 (c), I.R.C., and any denial of or intereference with such inspection shall be deemed grounds for citation for revocation of the permit.* (Sec. 3114, I.R.C.)

§ 182.229 *Limitations under permit*—(a) *Permit to Operate Industrial Alcohol Plant, Bonded Warehouse, or Denaturing Plant, Form 1433*—(1) *Industrial alcohol plant.* If the quantity of alcohol that will be produced during a period of 15 days does not require a bond in the maximum penal sum, and bond in such sum has not been filed, the quantity of alcohol that may be produced during such period will be limited in the permit to the quantity covered by the bond.

(2) *Bonded warehouse and denaturing plant.* If the bond, Form 1432–A, for (1) the bonded warehouse and denaturing plant, or (2) for the bonded warehouse, or (3) for the denaturing plant, is in less than the specified maximum penal sum, the quantity that may be received during any calendar month and the quantity that may be on hand, in transit, and unaccounted for at any one time shall be limited in the permit to the quantity covered by the bond.

(b) *Permit to Procure Alcohol Free of Tax by the United States or Governmental Agency Thereof, Form 1444.* Permits on Form 1444 will not limit the quantity of alcohol authorized to be procured. Such permits, however, shall name the proprietor of the bonded warehouse, the number and location thereof, from which alcohol, free of tax, shall be procured. If it is desired to procure alcohol from more than one warehouse a separate permit must be procured, authorizing withdrawal from each such warehouse.

(c) *Permit to Use Alcohol Free of Tax, Form 1447.* The quantity of alcohol in proof gallons authorized to be used free of tax by the applicant per annum will be stated in the permit.

(d) *Permit to Deal in Specially Denatured Alcohol, Form 1476.* The permit shall authorize the procurement, possession, sale, and disposition of specially denatured alcohol and shall state the maximum quantity of specially denatured alcohol which may be procured during any calendar month, and the quantity that may be on hand, in transit, or unaccounted for at any one time. If bond, Form 1475, has been filed in less than the prescribed maximum penal sum, the quantity specified in the permit shall not exceed that covered by the bond.

(e) *Permit to Use Specially Denatured Alcohol, Form 1481.* The permit shall specifically set forth each preparation authorized to be manufactured, the formula of specially denatured alcohol (and the kind and quantity of denaturants, if optional or substitute denaturants have been approved on Form 1479–A) permitted to be used in the manufacture of each preparation, the quantity in wine gallons of each formula of specially denatured alcohol authorized to be received during a calendar month, and the total quantity in wine gallons of specially denatured alcohol which may be on hand, in transit, or unaccounted for at any one time. The total quantity that may be on hand at any one time shall include recovered or restored denatured alcohol and recovered or restored articles (which are in the form of denatured alcohol).

(f) *Permit to Procure Specially Denatured Alcohol by the United States or Governmental Agency, Form 1486.* The quantity of specially denatured alcohol which may be withdrawn by the United States or governmental agency will not be limited.

(g) *Permit to Transport Tax-Free and Specially Denatured Alcohol, Form 145.* The permit will specify the supervisory districts in which the carrier will be permitted to transport tax-free or specially denatured alcohol. If the carrier is a steamship or barge line or motor carrier operating between certain points and over certain courses or routes, such points and courses or routes will be specified in the permit. If the carrier is other than a railroad, steamship, express company, or motor carrier qualified with the Interstate Commerce Commission as a "self-insurer," or has filed bond in less than the maximum penal sum of $5,000, the permit shall specify the number of vehicles to be used by the permittee in transporting tax-free or specially denatured alcohol.* (Sec. 3114, I.R.C.)

§ 182.230 *Filing of permits.* Every person receiving a basic permit under the provisions of these regulations must file the same, together with a copy of the application and all qualifying documents in support of the application, in such manner, at the place of business covered by the basic permit, that they may be examined by Government officers. Whenever tax-free or specially denatured alcohol is transported other than by railroad or steamship company, or express company operating thereon, there shall be posted in or on the vehicle of transportation, including motor trucks authorized to be used or be in the possession of the person in charge thereof, a copy of the basic permit under which such transportation is authorized which has been duly certified as a true copy by the district supervisor issuing the same.*

§ 182.231 *Duration of permits.* All basic permits issued pursuant to the provisions of these regulations shall remain in force during the calendar year in which issued, unless voluntarily surrendered, revoked, or otherwise terminated, as provided in these regulations, except that any permit issued after August 31 of any calendar year shall expire on December 31 of the succeeding calendar year, unless otherwise provided in the permit: *Provided,* That permits issued to the United States or any governmental agency thereof, to procure and use tax-free or specially denatured alcohol shall remain in force until surrendered or canceled.* (Sec. 3114, I.R.C.)

*Amendments of Permits*

§ 182.232 *Amendments*—(a) *Increase in the quantity of alcohol or denatured alcohol to be used or withdrawn.* In any case where, after operations have been commenced, it is found that the quantity of alcohol or denatured alcohol authorized to be produced, received, withdrawn, or used, as the case may be, is not sufficient to meet the demands of the permittee, an amended basic permit may be issued in accordance with the conditions prescribed for the issuance of the original basic permit, upon the filing of application for an increased quantity, if the bond on file is sufficient to cover the increased quantity or an additional or new bond is filed in a penal sum sufficient to cover the tax on the total quantity authorized to be produced, received, withdrawn, or used, as the case may be, under the amended permit.

(b) *Other changes.* An amended basic permit may be issued to cover other changes in the terms and conditions of the original permit, upon the filing of application therefor, under the same conditions as those prescribed for the issuance of the original permit.*

§ 182.233 *Recalled for correction.* Whenever (1) it shall be discovered that

these regulations containing any mistake as to kind or quantity of alcohol or denatured alcohol authorized to be produced, received, withdrawn, or used, or alcoholic preparations or articles authorized therein, or conferring privileges, or a combination of privileges, which may not properly under the laws and regulations be conferred or combined, or any other material mistake relating to the privileges authorized thereby, or (2) a formula of denatured alcohol authorized by the permit is rescinded or its use in the manufacture of an article authorized by the permit is discontinued, or a prescribed formula or approved process for the manufacture of an article is changed or rescinded, the Commissioner, or district supervisor who issued such basic permit, or his successor, shall serve on the permittee a written order for such permit to be returned to the district supervisor within 10 days for correction. If the permittee fails to return such permit for correction within the time specified from the date of service of such order upon him, revocation proceedings shall be initiated immediately for revocation of such permit.*

*Renewal of Permits*

§ 182.234 *Permits to be renewed annually.* All permittees other than the United States or any governmental agency thereof, desiring to continue in the business covered by the basic permit after December 31, are required to file application and procure permit so to do pursuant to the requirements of these regulations: *Provided,* That where a basic permit is issued after August 31, such permit shall continue in force and effect until December 31 of the next succeeding calendar year, unless otherwise provided in the permit.* (Sec. 3114, I.R.C.)

*Expiration and Termination*

§ 182.235 *Date specified.* All basic permits issued pursuant to the provisions of these regulations shall expire on the date specified therein, except as hereinafter provided.* (Sec. 3114, I.R.C.)

§ 182.236 *Surrender*—(a) *Voluntary.* Any permittee may at any time voluntarily surrender his basic permit or permits to the district supervisor for cancellation, and the privileges thereunder shall not be effective after the date of cancellation by the district supervisor.

(b) *Involuntary.* Applications shall stipulate—

(1) *Disapproval of new manager.* Failure to notify the district supervisor of change in manager within 5 days after such change or to discontinue the services of such new or additional manager within 5 days after notice of disapproval of the change and to make a change in the management of the business and operations satisfactory to the district supervisor within 30 days after such notice of disapproval, will amount to, and constitute, the surrender to the United States of the basic permit.

(2) *Change in officers or directors of a corporation.* The provisions of paragraph (1) are applicable to changes in officers or directors of a corporation or similar legal entity, and failure to notify the district supervisor of the changes or to discontinue operations upon disapproval of the change, or to make a change in the officers or directors satisfactory to the district supervisor, will amount to, and constitute, the surrender to the United States of the basic permit.

(3) *Sale or transfer of business.* The sale or transfer of the business or any part thereof; or the sale, pledge, or other disposition of stock or other interest, in the case of a corporation or association, which results in transferring the control and management of the business; or in the case of a co-partnership, the withdrawal of one or more members of a copartnership or the taking in of a new partner, whether active or silent, or the bankruptcy or adjudicated insolvency of one or more of the partners, will amount to, and constitute, the surrender to the United States of the basic permit.* (Sec. 3114, I.R.C.)

§ 182.237 *Death, insolvency, or bankruptcy of permittee.* In the event of the death, insolvency, or bankruptcy of the permittee, if his property and estate, in connection with which such permit was issued, should pass to his successor or legal representative, or, in the event that such property of the permittee should otherwise, by operation of law or the order of any court, as a result of insolvency, bankruptcy, etc., pass to any receiver, trustee, or other fiduciary, such action automatically terminates the basic permit issued to the deceased, insolvent, or bankrupt, as the case may be.* (Sec. 3114, I.R.C.)

*Revocation*

§ 182.238. *By whom may be revoked.* The authority and power of revoking basic permits issued pursuant to the provisions of these regulations is conferred upon the Commissioner and upon the district supervisor of any supervisory district in which such basic permit was issued.* (Secs. 3114, 3121 (b), 3170, I.R.C.)

§ 182.239 *Hearing officers.* The Commissioner or district supervisor may conduct hearings, or may, in writing, designate and appoint some official or employee of the Treasury Department as a hearing officer to conduct and hold hearings and make findings of fact as hereinafter provided. Such appointments and designations may be general to perform the duties aforesaid in respect to any revocation proceedings during the life of such appointment or designation, or special to perform said duties in respect to a particular revocation proceeding specified therein. When deemed necessary by the district supervisor more than one hearing officer may be so designated and appointed in any district at the same time.* (Sec. 3114, I.R.C.)

§ 182.240 *Grounds for citation.* The permittee shall be cited to appear at a hearing and show cause why his permit should not be revoked—

(1) If at any time there shall be filed with the Commissioner or district supervisor a complaint, under oath, setting forth facts showing that the permittee is not in good faith conforming to the provisions of law and regulations, or has violated the terms or conditions of such permit, or has made any false statement in the application therefor, or has willfully failed to disclose any information required to be furnished, or has violated any law of the United States, or of any State, Territory, or possession of the United States, or of the District of Columbia, relating to intoxicating liquor; or

(2) Whenever the Commissioner or district supervisor has reason to believe, from facts coming officially to his knowledge from investigations and written reports made by an investigator, inspector, or other officer, that a permittee has violated any of the provisions in paragraph (1) above; or whenever he has reason to believe that denatured alcohol or articles do not correspond with the descriptions and limitations as to such alcohol or articles provided by law and regulations, an analysis of said alcohol or articles will be made and if, upon such analysis, he shall find that said alcohol or articles do not so correspond.* (Secs. 3114, 3121 (b), 3170, I.R.C.)

§ 182.241 *Citation.* All citations for revocation of permits must be signed by the Commissioner or district supervisor, as the case may be, but the Commissioner or district supervisor may in writing designate any officer under his jurisdiction to sign his name to any citation: *Provided,* That in no event shall a hearing officer be required to prepare or sign a citation in any particular case in which he will sit as hearer.* (Secs. 3114, 3121 (b), 3170, I.R.C.)

§ 182.242 *Form of order*—(a) *Form 1430.* Citations, upon complaint of others than the Commissioner or district supervisor, shall be issued on Form 1430 "Order to Show Cause Why Permit Should Not Be Revoked, Copy of Complaint Attached," naming the complainant, and there shall be attached thereto a copy of the complaint.

(b) *Form 1430-A.* If revocation proceedings are instituted at the instance of the Commissioner or district supervisor, the order to show cause shall be issued on Form 1430-A, "Order to Show Cause Why Permit Should Not Be Revoked," and the grounds for such citation shall be set forth on the form.

(c) *Execution and disposition.* The order, Form 1430 or 1430-A, shall be executed in quadruplicate. The original copy will be served on the permittee, one copy placed in the official file containing certificate of manner of service, one copy included in the record of the case, and the remaining copy will be placed in the file of such orders maintained in the district supervisor's office.* (Secs. 3114, 3121 (b), 3170, I.R.C.)

§ 182.243 *Time and place of hearing.* The citation shall direct the permittee to appear before a designated hearing officer at a time and place named therein, to show cause why his permit should not be revoked. The time specified for the hearing shall not be less than 15 days nor more than 30 days from the date on which such citation is served on the permittee, and the designated place of hearing shall be within the same Federal judicial district, and within 50 miles of

the place where the acts constituting the violation are alleged to have occurred. The hearing may be waived by the permittee, or continued for cause or held at another place by agreement, in writing, as provided in §§ 182.248 and 182.249.* (Sec. 3114, I.R.C.)

§ 182.244 *Service.* The service of the citation shall be made by mailing an original copy thereof to the permittee by registered mail (with request for registry return receipt card, P. O. Form 3811) at the address stated in his permit; or by the delivery of such original copy to such permittee personally, or, in the case of a corporation, partnership, or other unincorporated association, by delivery of the same to an officer, or managing or general agent thereof. Such personal service shall be made by an investigator, inspector, or official of the Alcohol Tax Unit, or other Federal officer legally authorized to serve civil process. A certificate of mailing and the registry receipt card (P. O. Form 3811), or certificate of the investigator, inspector, or other officer making personal service shall be filed as a part of the record in each case.* (Secs. 3114, 3121 (b), 3170, I.R.C.)

§ 182.245 *Suspension of withdrawals or transportation.* After citation for revocation of basic permit has been issued, withdrawals of alcohol or specially denatured alcohol by such permittee may, in the discretion of the district supervisor or Commissioner who issues the citation, be suspended or restricted to the quantity which, together with the quantity then on hand, is necessary to carry on legitimate operations under such permit until the final order is made in the revocation proceedings by the Commissioner or district supervisor before whom the same is pending. The district supervisor may, for cause, refuse to issue any purchase or withdrawal permit during such period. In the case of carriers, transportation of tax-free or specially denatured alcohol by the carrier may be similarly suspended or restricted.* (Secs. 3114, 3121 (b), 3170, I.R.C.)

§ 182.246 *Attorneys for permittee.* A permittee may be represented in a revocation hearing by an attorney, provided such attorney is duly enrolled and admitted to practice before the Treasury Department under the provisions of Treasury Department Circular No. 230.* (Sec. 3114, I.R.C.)

§ 182.247 *Time of filing agreements or waivers.* Whenever practicable to do so, waivers of the hearing, or agreements changing the place, or postponing the time of the hearing, should be filed with the hearing officer, or Commissioner, or district supervisor, as the case may be, within 10 days after the service of the citation.* (Sec. 3114, I.R.C.)

§ 182.248 *Waiver of hearing.* After the service of the citation upon the permittee, he may, if he so desires, file with the hearing officer a written stipulation, duly signed by him, waiving the taking of evidence on the charges contained in the citation and agreeing that the hearing may be held on the date fixed in the citation, but at the office of the district supervisor or at the place of hearing, if the waiver is filed at such place, and that an order may be entered on the stipulation sustaining the charges and revoking the permit.

(a) *Surrender without stipulation.* Any other surrender of a permit, pending hearing on citation, shall be treated as a waiver of a hearing, as above provided, and an order of revocation may be entered accordingly.

(b) *Surrender before citation.* If a permittee surrenders his permit before citation, in any case where the evidence, in the opinion of the district supervisor, or Commissioner, warrants citation for revocation, such citation shall be issued and the permittee shall at the same time be notified that he may file a formal waiver, as above provided. Should such formal waiver not be filed after notice, the district supervisor, Commissioner, or the duly authorized hearing officer, will proceed with the hearing on citation, as provided for herein.* (Sec. 3114, I.R.C.)

§ 182.249 *Hearing.* Unless waived by the permitee, or postponed, or transferred to another place, by a written agreement signed by the permittee and the attorney representing the United States and approved and filed by the hearing officer, or the Commissioner, or district supervisor, or by order of the hearing officer, Commissioner, or district supervisor, for good cause shown by either party, the hearing shall be held at the time and place stated in the citation, by the hearing officer named in the citation, or any other duly designated and appointed hearing officer assigned to hold such hearings.* (Secs. 3114, 3121 (b), 3170, I.R.C.)

§ 182.250 *Evidence at hearing.* The hearing officer shall, at the beginning of the hearing and throughout the proceedings, require that the parties attempt to arrive at such stipulations as will eliminate the necessity of taking evidence with respect to facts concerning which there is no substantial dispute. The evidence introduced at the revocation hearing on behalf of the United States or the permittee must consist of affidavits, depositions, duly authenticated copies of records and documents, and oral testimony of witnesses. Affidavits should not be used if the personal attendance of the affiant as a witness is reasonably possible, and the hearing officer may require a showing that the personal attendance of the affiant is not reasonably available before admitting an affidavit in evidence. When the record is made to show that the personal attendance of the witness is not reasonably possible, or such witness will not execute an affidavit or sign a written statement, the official report of the investigator or inspector of the results of his investigation in that particular regard, identified by him as a witness at such hearing, as having been made immediately following the investigation, may be introduced in evidence.

(a) *Further evidence.* Before closing a hearing the hearing officer shall definitely inquire of each party whether he has any further evidence to offer, which inquiry and the response thereto must be shown in the record.* (Sec. 3114, I.R.C.)

§ 182.251 *Stenographic report of testimony*—(a) *Stenographic record.* A stenographic record shall be made of the testimony and proceedings, including stipulations and admissions of fact (but not arguments of counsel), at all revocation hearings and hearings on disapproval of applications for basic permits. A transcript of the evidence and proceedings at the hearing shall be made in all cases.

(b) *Oath of reporter.* The reporter making stenographic record shall subscribe an oath before the hearing officer, to be filed in the record of the case, that he will truly and correctly stenographically report the oral testimony and proceedings at such hearing and accurately transcribe the same to the best of his ability.* (Sec. 3114, I.R.C.)

§ 182.252 *Arguments and briefs.* At the conclusion of the testimony the hearing officer may hear arguments of counsel for the Government and for the permittee and may limit the time of such arguments at his discretion, and may also allow briefs to be filed on behalf of either party and fix a time within which the same shall be filed.* (Sec. 3114, I.R.C.)

§ 182.253 *Findings of the hearing officer.* Within a reasonable time after the conclusion of a hearing, the hearing officer shall render written findings of fact, in which he shall state briefly the issues of fact involved in the hearing, his conclusions thereon from the evidence adduced, and a summary of the evidence offered by both parties, and immediately transmit the original thereof, together with the original transcript of record, to the district supervisor or Commissioner, as the case may be.* (Sec. 3114, I.R.C.)

§ 182.254 *Order revoking permit or dismissing proceedings.* If the Commissioner or district supervisor, as the case may be, after consideration of the record of evidence taken at the hearing, approves the findings and conclusions of the hearing officer he shall make an order revoking the permit or dismissing the proceedings in accordance therewith. If he disapproves such findings or conclusions, he shall make such findings and order as in his opinion are warranted by the law and facts of the case. An original copy of the order made by the Commissioner or district supervisor, and a copy of the findings of the hearing officer, if they are approved, or a copy of the findings of the Commissioner or district supervisor, if the findings of the hearing officer are disapproved, shall be forwarded to the permittee or his attorney of record in the proceedings.

(a) *Notice to Commissioner.* When the district supervisor makes an order revoking a permit, he will furnish a copy of the order to the Commissioner. Should such order be subsequently set aside upon reconsideration, or review by a court of equity, the district supervisor will so advise the Commissioner.* (Secs. 3114, 3121 (b), 3170, I.R.C.)

§ 182.255 *Reconsideration of order revoking permit*—(a) *Time for filing application.* Within 20 days after an order is made by the Commissioner or district supervisor revoking a basic permit, the permittee may file an application with such Commissioner or district supervisor,

for a reconsideration of such order, on one or more of the following grounds:

(1) The order is contrary to law, or
(2) Is not supported by the evidence, or
(3) Because of newly discovered evidence which the permittee, with due diligence, was unable to produce at the hearing.

If the application is based on grounds (1) or (2), the permittee shall specify therein, by reference to the record, in what respects the order is contrary to law or is not supported by the evidence, as the case may be. If the application is based on ground (3), the permittee shall summarize therein the newly discovered evidence and set forth why he was unable to produce such evidence prior to the closing of the record.

(b) *Time of hearing.* The Commissioner or district supervisor, with whom such application is filed, may hear the application on a date and at a place to be fixed by him. The Commissioner or district supervisor, as the case may be, after hearing such application, may either affirm the order of revocation previously made, or may vacate and set aside such order and dismiss the proceedings or order a new hearing of the evidence before a designated hearing officer.

(c) *Permit privileges.* During the period above provided for filing application for reconsideration, and until final order is duly made after such reconsideration, if such application is filed within the time provided therefor, the permit involved shall continue in force and effect, except as to restrictions on withdrawals or transportation as may be ordered by the Commissioner or district supervisor, as provided in § 182.245.* (Secs. 3114, 3121 (b), 3170, I.R.C.)

§ 182.256 *Proceedings when violation occurs outside of district where permit was issued.* If violations which furnish the basis for proceedings to revoke permits are alleged to have occurred at a place not within the district where the permit was issued, the citation shall be issued by the district supervisor of the district having jurisdiction of the place where the violation occurred and the hearing shall be held by a hearing officer designated by him.

(a) *Certified transcript of proceedings.* In all such cases, upon the conclusion of the hearing, the hearing officer shall make findings of fact, as provided in § 182.253, and the district supervisor of the district in which the hearing is held shall forward to the district supervisor of the district in which the basic permit was issued a complete and duly certified transcript of the entire record of such proceedings and the findings of the hearing officer.

(b) *Review of transcript and record.* The district supervisor of the district in which the permit was issued shall immediately upon the receipt of such transcript review the said findings and record and issue an order revoking the permit or dismissing the proceedings, as the facts and the law may warrant.* (Secs. 3114, 3121 (b), 3170, I.R.C.)

§ 182.257 *Appeal to the Commissioner.* Appeal to the Commissioner is not required. However, the Commissioner may, in his discretion, in order to insure uniformity of administrative action, entertain an appeal, after review and reconsideration as provided in § 182.255, from an order of revocation of a basic permit by a district supervisor, if filed with the Commissioner within 10 days of the date of the final order.

(a) *Petition.* The petition for review must set forth facts tending to show action of an arbitrary nature, or of a proceeding and action contrary to law or regulations. No objection to the final order of the district supervisor will be considered by the Commissioner unless such objection was urged before the district supervisor in the permittee's application for reconsideration, or unless reasonable grounds for failure to urge such objections are set forth in the petition for review.

(b) *Permit privileges.* If such request is filed within the required time, the permit involved shall continue in force and effect until the final order by the Commissioner, except as to such restrictions upon withdrawals or transportation as may be imposed by the district supervisor, as provided in § 182.245.* (Sec. 3114, I.R.C.)

§ 182.258 *Review by court of equity.* If the Commissioner or district supervisor makes an order revoking a permit and the permittee intends to have such action and order reviewed on appeal by a court of equity, as provided in the law, the Commissioner or district supervisor, upon request therefor, will have prepared, in triplicate, a complete transcript of the record of the revocation proceedings, including all exhibits introduced at such hearing, the findings of fact and conclusions upon which the revocation was based, and the order of revocation.

(a) *Certification.* The Commissioner or district supervisor, as the case may be, will certify as to the correctness of such transcript of the record and furnish two copies thereof to the permittee or his attorney of record, and one copy to the attorney who will represent the United States in the review of such case in such court.

(b) *Court may issue restraining order.* Under the law, the court may, in its discretion, affirm, modify, or reverse the finding of the Commissioner or district supervisor, as the facts and law of the case may warrant, and during the pendency of such proceedings may restrain the manufacture, sale, use, or other disposition of alcohol, denatured alcohol, or articles.* (Sec. 3114, I.R.C.)

§ 182.259 *Disposition of alcohol or specially denatured alcohol after revocation.* When any basic permit is finally revoked, all alcohol or specially denatured alcohol in transit and in possession of the permittee, by virtue of such permit, may continue to be lawfully possessed by him for a period of 60 days after such revocation, but only for the purpose of making lawful disposition thereof, pursuant to proper permit therefor, which the permittee shall do within said period.

(a) *Other permits.* After revocation of a basic permit no permits to withdraw alcohol or specially denatured alcohol will be issued on which the permittee is named as vendor, vendee, or carrier, except such as may be necessary and proper in order to dispose of the stock of alcohol or specially denatured alcohol in transit and in possession of such permittee.

(b) *Seizure and forfeiture.* Unless a special permit shall be issued for the disposition of such stocks of alcohol or specially denatured alcohol, such stocks are subject to seizure and forfeiture.

(c) *Recovered denatured alcohol or articles; articles in process of manufacture; completed articles.* Recovered denatured alcohol or articles, articles in process of manufacture, and completed articles in possession of the permittee at the time of final revocation of his basic permit, shall be disposed of similarly or as directed by the district supervisor.* (Secs. 3114, 3116, I.R.C.)

REQUIREMENTS GOVERNING CHANGES IN NAME, PROPRIETORSHIP, CONTROL, LOCATION, PREMISES AND EQUIPMENT; AND IN THE TITLE TO INDUSTRIAL ALCOHOL PLANT OR BONDED WAREHOUSE PROPERTY OR THE ENCUMBRANCE THEREOF

*Changes in Name*

§ 182.260 *Change in individual, firm, or corporate name.* Where there is a change in the individual, firm, or corporate name of the permittee, he must comply with the following requirements:

(a) *Amended Federal Alcohol Administration Act permit.* In the case of an industrial alcohol plant or bonded warehouse (if alcohol is produced, or warehoused and bottled for nonindustrial use), the permittee, if other than an agency of a State or political subdivision thereof, or an officer or employee of any such agency, must procure from the district supervisor pursuant to the Federal Alcohol Administration Act and regulations thereunder, an amended permit authorizing operation of the premises under the new name.

(b) *Application.* Submit to the district supervisor application on the appropriate form, in triplicate, covering the new name, which application must be approved and an amended basic permit procured before operations may be commenced under the new name.

(c) *Amended articles of incorporation, etc.* In the case of a corporation, submit to the district supervisor certified copies, in triplicate, of the amended articles of incorporation and the amended certificate of incorporation issued under the laws of the State in which incorporated, covering the change in the corporate name. If the operations are conducted in a State other than the State in which incorporated, there must be submitted to the district supervisor certified copies, in triplicate, of the amended certificate issued under the laws of the State in which the operations are conducted authorizing the corporation to operate under its new name in such State. If documents other than those specified are required under the laws of the State to effect a change in the name of the corporation, certified copies, in triplicate, of such documents must be submitted with the application, in lieu of those specified.

(d) *Amended articles of copartnership or association.* If the permittee is a co-

partnership or association, submit to the district supervisor certified copies, in triplicate, of the amended articles of copartnership or association, if any.

(e) *Registry of stills.* Register the stills, if any, on Form 26, in triplicate, in accordance with § 182.134.

(f) *Formulas, Form 1479-A.* In the event of a change in the name of a permittee holding a basic permit, Form 1481, in connection with which formulas or processes on Form 1479-A have been filed and approved in accordance with section 182.147 of these regulations, the permittee, in lieu of filing new Form 1479-A, may submit to the district supervisor an affidavit, in quadruplicate, to the effect that preparations approved under the old name will be manufactured under the new name in accordance with the approved formulas. This affidavit shall contain a list of all approved preparations or processes in which specially denatured alcohol is used, the formulas of specially denatured alcohol used, the laboratory number of the sample, if any, approved by the Commissioner, the date of approval of the formulas or processes and the code number prescribed by the Appendix to these regulations for the preparation or process. The permittee should not include on his application, Form 1479, and affidavit, formulas of specially denatured alcohol which have been revoked or discontinued, preparations which are no longer manufactured, processes which have been discontinued or formulas of specially denatured alcohol which are no longer used. The district supervisor, after an inspection and verification of the data shown in the affidavit and notation of his approval or disapproval on each copy, will forward the original copy to the Commissioner, one copy to the branch laboratory performing the chemical work for such district, return one copy to the applicant, and the remaining copy will be retained for his files.

(g) *Sign.* In the case of an industrial alcohol plant, bonded warehouse, or denaturing plant, change the sign required to be displayed by the permittee to conform with the provisions of §§ 182.15-182.61.

(h) *Marking and branding.* Upon approval of the application for an amended basic permit and supporting documents covering the change in name, the permittee will mark and brand under such new name the finished products produced thereunder, as provided in these regulations, unless the products are produced under a trade name or style, as provided herein.

(i) *Records.* Keep records and submit reports covering operations under the new name, as provided in these regulations.* (Secs. 3103, 3114, I.R.C.; Sec. 3, 49 Stat. 978; 27 U.S.C., Sup., 203.)

§ 182.261 *Trade names*—(a) *New trade names.* Where the permittee is to operate under a trade name or style, or a number of trade names or styles, other than those previously approved, the permittee must comply with the provisions of § 182.260, paragraphs (a), (b), and (d), and, in addition thereto, the following requirements:

(1) *Trade name certificate.* In the case of a change in the trade name or style, submit to the district supervisor certified copies, in triplicate, of the certificate or other document filed with or issued by State officials under the laws of the State, to cover the transaction of business under such trade name or style. If no such certificate or other document is required by the laws of the State to be filed with or issued by any State official to cover the transaction of business under a trade name, the permittee shall furnish a statement to that effect.

(2) *Amended articles of incorporation, etc.* In the case of a corporation, submit to the district supervisor certified copies, in triplicate, of amended articles of incorporation and of certificates issued under the laws of the State in which incorporated, and of the State in which the business is operated if different from the State in which incorporated, authorizing the corporation to do business under such trade name or style. If documents other than those specified are required under the laws of the State to effect a change in the trade name of the corporation, certified copies, in triplicate, of such documents must be submitted with the application in lieu of those specified.

(3) *Registry of stills.* Register the stills, if any, on Form 26, in triplicate, in accordance with § 182.134.

(4) *Sign.* In the case of an industrial alcohol plant, bonded warehouse, or denaturing plant, change the sign to conform to the provisions of Article VI, unless operation under the trade name is to be temporary, in which event it will not be necessary to change such sign.

(5) *Marking and branding.* Mark and brand under each trade name the finished products produced thereunder, as provided in these regulations.

(6) *Records.* Make appropriate entries in the records covering operations under each trade name, as provided in these regulations.

(7) *Period of operations.* Where the permittee will operate under more than one trade name or style, the operation under each must be in multiples of 24 hours.

(b) *Approved trade names.* Where a trade name or style has been approved and the permittee thereafter desires again to operate under such approved trade name or style, he must comply with the provisions of paragraph (a), subparagraphs (3), (4), (5), (6), and (7) of this section and, in addition thereto, the following requirements:

(1) *Application.* Each time operations are to be conducted under a trade name or style previously approved by the Commissioner in the case of an industrial alcohol plant, bonded warehouse or denaturing plant, submit to the district supervisor application, Form 1431, in triplicate, prior to the time the change is to be made. In such cases operations may be commenced under the specified trade name or style upon receipt of the district supervisor's authorization, as provided in § 182.295.* (Secs. 3103, 3114, I.R.C.; Sec. 3, 49 Stat. 978; 27 U.S.C., Sup., 203)

*Change in Proprietorship*

§ 182.262 *Change in proprietorship*—(a) *Suspension.* Where there is a change in the proprietorship of the premises operated pursuant to a basic permit issued in accordance with these regulations, the outgoing proprietor must, preparatory to transfer of the business to the successor, comply with the following requirements:

(1) *Application.* If the outgoing proprietor is to discontinue permanently the business, application, Form 1431, in the case of industrial alcohol plants, bonded warehouses, or denaturing plants, or a letter in the case of all other permittees, shall be filed with the district supervisor, stating the purpose to be "Discontinuance of business," and give the date of the discontinuance. If the outgoing proprietor is to temporarily discontinue the business during the operation of the premises by the successor, the statement of the purpose on the application shall conform to the provisions of § 182.278 (a) (2).

(2) *Surrender of permits.* If discontinuance is to be permanent, the permittee shall surrender his basic permit and all withdrawal permits to the district supervisor at the time of filing of the application.

(3) *Registry of stills.* Register the stills, if any, "Not for use" on Form 26, in triplicate, in accordance with § 182.134.

(4) *Notice of suspension.* In case of an industrial alcohol plant, file with the district supervisor Form 124, "Notice of Suspension," in triplicate, in accordance with §§ 182.423 to 182.428, inclusive.

(5) *Finished alcohol.* In the case of an industrial alcohol plant, draw off, brand and mark, and warehouse all finished alcohol in the individual, firm, or corporate name, or trade name or style, under which it was produced in accordance with § 182.447.

(6) *Materials and unfinished alcohol.* In the case of an industrial alcohol plant, if distilling materials and unfinished alcohol are to be transferred to the successor, file with the district supervisor Form 1614, "Transfer Agreement," in accordance with § 182.448; if the unfinished alcohol and distilling materials are not to be so transferred, completely finish operations in accordance with the provisions of § 182.447.

(7) *Records.* Make appropriate entries in the records and submit final reports in accordance with § 182.450. A notation of the transfer of the business to the successor will be made on the final reports.

(b) *Qualification of successor.* Where there is a change in proprietorship of the premises, the successor must comply with the following requirements:

(1) *Lessee.* If the successor is a lessee, he must qualify in the same manner as the proprietor of a new premises, regardless of the temporary nature of the tenancy, except that he may adopt the plat and plans, if any, of his predecessor, as provided in subparagraph (5). The lessee must also file with the district supervisor certified copies, in triplicate, of the lease.

(2) *Other nonfiduciary successor.* If the change in proprietorship is brought about by any other means, except by the appointment of an administrator, executor, receiver, trustee, assignee, or other fiduciary, the successor must likewise qualify in the same manner as new applicants for basic permits, except that he may adopt the plat and plans, if any, of his predecessor as provided in subparagraph (5).

(3) *Fiduciary.* If the successor is an administrator, executor, receiver, trustee, assignee, or other fiduciary, and intends to produce, possess, dispose of, or use, alcohol, denatured alcohol, or articles on the premises, he must comply with the provisions of §§ 182.7–182.14 and §§ 182.104–182.183, to the extent that such provisions are applicable, except that in lieu of filing a new bond and new formulas and processes on Form 1479–A and new plat and plans (if required) the fiduciary may furnish consent of surety extending the terms of his predecessor's bond (if any) and adopt the formulas and processes and plat and plans (if any) of such predecessor in accordance with subparagraphs (4), (5), and (6). The fiduciary must also furnish certified copies, in triplicate, of the order of the court or other pertinent documents showing his qualifications as such fiduciary. The effective date of the qualifying documents filed by a fiduciary should be the same as the date of the court order, or the date specified therein, for him to assume control.

(4) *Consent of surety.* The consent of surety extending the terms of the predecessor's bond to cover operation of the premises by a fiduciary must conform to the requirements of § 182.199, and be executed by both the fiduciary and the surety.

(5) *Adoption of formulas and processes, Form 1479–A.* Where the successor intends to continue the manufacture of articles in accordance with formulas or processes previously approved on Form 1479–A for his predecessor, he may, in lieu of filing new Form 1479–A, submit to the district supervisor an affidavit, in quadruplicate, to the effect that preparations approved for his predecessor will be manufactured by him in accordance with the approved formulas and processes. This affidavit shall contain a list of all approved preparations or processes in which specially denatured alcohol is used, the formulas of specially denatured alcohol used, the laboratory number of the sample, if any, approved by the Commissioner, the date of approval of the formulas or processes and the code number prescribed by the Appendix to these regulations for the preparation or process. The successor should not include on his application, Form 1479, and affidavit, formulas of specially denatured alcohol which have been revoked or discontinued, preparations which are no longer manufactured, processes which have been discontinued or formulas of specially denatured alcohol which are no longer used. The district supervisor, after an inspection and verification of the data shown in the affidavit and notation of his approval or disapproval on each copy, will forward the original copy to the Commissioner, one copy to the branch laboratory performing the chemical work for such district, return one copy to the applicant, and the remaining copy will be retained for his files. If the successor desires to change the labels on such products, other than to substitute his name for that of his predecessor, he must submit new labels or facsimiles thereof, attached to Form 1479–A, to the Commissioner for approval, in accordance with § 182.149.

(6) *Adoption of plat and plans.* The plat and plans (if any) of the premises may be adopted by a successor where they correctly describe and depict the premises, buildings, apparatus, and equipment thereon, to be taken over by the successor. The adoption by a successor of the plat and plans, if any, of his predecessor shall be in the form of a certificate, in triplicate, in which shall be set forth the name of the predecessor, the address and registry number of the premises, if any, a description of the premises, the number of each sheet comprising each plat or plan covered by such certificate, and a statement that the premises, and the buildings, apparatus, and equipment thereon, are correctly described and depicted on such plat and plans.

(7) *Sign.* The successor, if other than a fiduciary temporarily operating the premises, must change the sign to conform to the requirements of §§ 182.15–182.61.

(8) *Materials and unfinished alcohol.* In the case of an industrial alcohol plant, if distilling materials and unfinished alcohol are received by transfer from the predecessor, the successor must comply with the requirements of §§ 182.447 to 182.451, inclusive.* (Secs. 3100, 3101, 3102, 3103, 3114, I.R.C.; Sec. 3, 49 Stat. 978; 27 U.S.C., Sup., 203)

§ 182.263 *Changes in partnership.* The withdrawal of one or more members of a partnership or the taking in of a new partner, whether active or silent, shall constitute a change in proprietorship. Likewise, the bankruptcy or adjudicated insolvency of one or more of the copartners results in a dissolution of the partnership and, consequently, a change in proprietorship. Where such a change in proprietorship of the premises occurs, the successor must qualify in the same manner as a new applicant for basic permit, except that the successor may adopt the plat and plans (if any), of the predecessor as provided in § 182.262 (b) (5).*

§ 182.264 *Reincorporation.* Where a corporation operating under a basic permit issued in accordance with law and these regulations is reorganized and a new charter or certificate of incorporation is secured, the new corporation must qualify in the same manner as a new applicant for basic permit, except that the new corporation may adopt the plat and plans (if any), of the predecessor as provided in § 182.262 (b) (5).*

*Changes in Stockholders, Officers, and Directors of Corporation*

§ 182.265 *Transfer of control and management.* The sale or transfer of the capital stock of a corporation holding a basic permit under these regulations does not constitute a change in the proprietorship. However, if any sale, pledge, or other disposition of the capital stock results in transferring the control and management of the business of the corporation, such action shall, ipso facto, constitute the surrender to the United States of the basic permit, and application on the appropriate form, in triplicate, must be filed with the district supervisor for an amended basic permit. Mere changes in stockholders of corporations not constituting a change in control and management will not require the filing of an application for an amended basic permit and need not be reported.* (Sec. 3114, I.R.C.)

§ 182.266 *Changes in officers and directors.* Where there is a change in the officers or directors of a corporation, the district supervisor must be furnished extracts, in triplicate, of the minutes of the meetings showing such changes.*

*Change in Location, Premises, Construction, Apparatus, etc.*

§ 182.267 *Change in location.* Where there is a change in the location of the premises covered by the basic permit, the permittee must comply with all applicable provisions of §§ 182.7–182.183, inclusive, except that in lieu of the filing of a new bond, if required, the permittee may furnish a consent of surety, Form 1533, in accordance with § 182.199, extending the terms of the bond given for the former location to cover operation at the new location.*

§ 182.268 *Changes in premises.* Where the premises of an industrial alcohol plant, bonded warehouse, or denaturing plant, are to be extended or curtailed, the proprietor must file with the district supervisor an amended application on Form 1431, in triplicate, and an amended plat of the premises as extended or curtailed. If the plans are affected by the extension or curtailment, they must also be amended. The additional premises covered by an extension may not be used for permit purposes, and the portion of the premises to be excluded by a curtailment may not be used for other than permit purposes, prior to the approval of the application, plat, and plans, if required, filed in connection therewith.

(a) *Indemnity bond, Form 1604.* In the case of an extension of the premises of an industrial alcohol plant or bonded warehouse or if the value of such premises is increased by the addition of buildings, equipment, etc., where an indemnity bond, in less than the maximum penal sum, has been filed in lieu of the consent of the owner or of any encumbrancer, a new or additional indemnity bond, on Form 1604, must be filed in accordance with § 182.122.

(b) *Consent, Form 1602.*—Where the proprietor of the industrial alcohol plant or bonded warehouse is the owner in fee unencumbered, or has procured the consent of the owner or of any encumbrancer, of the premises, and such premises are extended to include additional land, the proprietor, if he is not the owner in fee unemcumbered of the extended premises, must procure the consent of the owner or of any encum-

brancer of such extended premises, and the buildings, apparatus, and equipment thereon, in accordance with § 182.119, or in lieu thereof file an indemnity bond on Form 1604, in accordance with § 182.122.* (Secs. 3103, 3112 (a), I.R.C.)

§ 182.269 *Changes in construction and use.* Where a change is to be made in the construction of a room or building of an industrial alcohol plant, bonded, warehouse, or denaturing plant, not involving an extension or curtailment of the premises, or where a change is to be made in the use of any portion of such premises, the permittee shall first secure approval thereof by the district supervisor, pursuant to application, in triplicate, setting forth specifically the proposed changes. Upon approval of the application, the changes will be made under the supervision of a Government officer, unless they are of such a nature as, in the opinion of the district supervisor, do not require such supervision. Upon completion of the changes, the permittee must file an amended application on Form 1431, and amended plans.*

§ 182.270 *Indemnity bond covering changes in buildings.* If buildings on industrial alcohol plant or bonded warehouse premises, or on premises which have been eliminated from the industrial alcohol plant or bonded warehouse premises, are to be demolished or altered in such a manner as to decrease the value of the property, and a lien for taxes exists on such property under section 3112, I.R.C., the permittee, if (1) the owner of the fee unencumbered, or (2) consents in accordance with § 182.119 are necessary and have been obtained, must file with the district supervisor an indemnity bond, Form 1617, in triplicate, in a penal sum equal to the decrease in the value of the property: *Provided,* That if such decrease in value is less than $500, no indemnity bond will be required.

(a) *Appraisal.* The amount of the decrease in value of the property subject to the Government's lien, which will be caused by the demolition or alteration of buildings, shall be determined by appraisal by two or more competent persons designated by the district supervisor. The appraisers shall render to the district supervisor a report, in duplicate, of their appraisal, which shall include information as to the methods employed by them in determining their valuations. The appraisal shall be at the expense of the permittee, unless made by Government officers.* (Secs. 3103, 3112 (a), I.R.C.)

§ 182.271 *Changes in equipment.* Where changes are made in the apparatus and equipment of an industrial alcohol plant, bonded warehouse, or denaturing plant, or in the denatured alcohol recovery system at a denatured alcohol user's premises, the permittee shall first secure approval thereof by the district supervisor pursuant to application, in triplicate, setting forth specifically the proposed changes: *Provided,* That emergency repairs may be made under the supervision of the Government officer, where one is assigned to the premises, without prior approval of the district supervisor. Where such emergency repairs are made, the permittee shall file immediately a report thereof, in triplicate, with the district supervisor. Changes covered by an approved application will also be made under the supervision of the Government officer, where one is assigned to the premises. Upon completion of any change made under his supervision, the Government officer will authorize the removal of the dismantled equipment, and the use of the new or repaired equipment, and submit a report, in triplicate, of the changes to the district supervisor.

(a) *Installation of additional equipment*—(1) *Consent, Form 1602.* Where the proprietor of the industrial alcohol plant or bonded warehouse is the owner in fee unencumbered, or has procured the consent of the owner or of any encumbrancer, of the premises, apparatus and equipment thereon, and additional apparatus and equipment are installed, the proprietor, if he is not the owner in fee unencumbered of the additional apparatus and equipment, must procure the consent of the owner or any encumbrancer, in accordance with § 182.119, or in lieu thereof file an indemnity bond, Form 1604, equal to the appraised value of the entire premises, including the additional apparatus and equipment, in accordance with § 182.122.

(2) *Bond, Form 1604.* If such proprietor has filed an indemnity bond, Form 1604, in lieu of the consent of the owner or any encumbrancer, in accordance with the provisions of § 182.122, and the value of the premises is increased by the installation of additional apparatus or equipment, an additional or new bond on such form to cover the increase in value will be required, in accordance with provisions of § 182.122.* (Secs. 3103, 3112 (a), I.R.C.)

§ 182.272 *Indemnity bond covering removal of equipment.* If apparatus or equipment on industrial alcohol plant or bonded warehouse premises on which a lien has attached, under section 3112, I.R.C., for taxes on alcohol produced or stored, which has not been tax-paid or withdrawn for a tax-free purpose, is to be removed from the premises without replacement thereof with apparatus or equipment that will become a real fixture in law of an equal or greater value than the apparatus or equipment to be removed (1) where the proprietor is the owner of the premises in fee unencumbered, whether the property is realty or personalty; (2) where consents in accordance with section 182.119 are necessary and have been obtained, whether the property is realty or personalty; and (3) where an indemnity bond, Form 1604, is on file and the property is personalty; the permittee must file with the district supervisor an indemnity bond on Form 1617, in triplicate, in a penal sum equal to the value of the apparatus or equipment to be removed or equal to the excess in value of the old apparatus or equipment to be removed over the value of the new apparatus or equipment to be substituted therefor: *Provided,* That if such value, or difference in value, as the case may be, is less than $500, no indemnity bond will be required. The value of the apparatus or equipment to be removed, or the difference between the value of such apparatus or equipment and the value of the apparatus or equipment to be substituted therefor, will be determined by appraisal in the manner prescribed in § 182.270 (a).* (Secs. 3103, 3112 (a), I.R.C.)

§ 182.273 *Amended application and plans covering changes in equipment.* Upon completion of the changes in equipment, the permittee must file an amended application and amended plans (if required) except that in the case of minor changes, such as general repairs, changes in pipe lines, or the addition or removal of a tank, an amended application and amended plans (if required) need not be filed immediately: *Provided,* That the Commissioner or district supervisor may, at any time, in his discretion, require the filing of an amended application on the appropriate form and amended plans (if required by these regulations) covering such minor changes. Where an amended application and amended plans are not filed immediately upon completion of minor changes in equipment, the permittee must include such changes in the next amended application and plans filed by him.*

*Change in Title to Industrial Alcohol Plant or Bonded Warehouse Property or the Encumbrance Thereof*

§ 182.274 *Change of title.* Where the title to the lot or tract of land upon which an industrial alcohol plant or bonded warehouse is located is changed by sale, judicial or otherwise, or where there is any change in the ownership of the premises or the apparatus or equipment, subsequent to the approval of bond, Form 1432-A, the permittee is no longer qualified. If the permittee desires to qualify for further operation when such a change occurs, he must file an amended application, Form 1431, together with the necessary consent, Form 1602, or, in lieu of such consent, an indemnity bond, Form 1604. In addition to such amended application and consent, Form 1602, or indemnity bond, Form 1604, the Commissioner may, in his discretion, require the permittee to file a new bond, Form 1432-A.* (Secs. 3103, 3112 (a), I.R.C.)

§ 182.275 *Encumbrance.* If, subsequent to the approval of the bond, Form 1432-A, the lot or tract of land upon which the industrial alcohol plant, or bonded warehouse, is situated, or any part thereof, or any of the apparatus or equipment becomes subject to, or encumbered by, any mortgage, judgment, or other encumbrance, the permittee must immediately file (1) an amended application, Form 1431, (2) consent on Form 1602, or indemnity bond, Form 1604, in lieu of such consent, and (3) a consent of surety on his present bond, Form 1432-A, or a new bond, Form 1432-A, in lieu of such consent.* (Secs. 3103, 3112 (a), I.R.C.)

REQUIREMENTS GOVERNING ALTERNATE OPERATION OF INDUSTRIAL ALCOHOL PLANT AS REGISTERED DISTILLERY OR FRUIT DISTILLERY

§ 182.276 *Qualification required.* Where it is desired to operate the industrial alcohol plant as a registered dis-

tillery or fruit distillery, operations as an industrial alcohol plant must be suspended as hereinafter provided, and the proprietor must qualify under the regulations governing the production of distilled spirits (other than alcohol) (Regulations 4 (26 CFR, Part 183)) if he desires to operate a registered distillery, and under the regulations governing the production of brandy (Regulations 5, (26 CFR, Part 184)) if he wishes to operate a fruit distillery.*

§ 182.277 *Approval before resumption.* The qualifying documents required to be filed by the proprietor of the industrial alcohol plant when operations of the industrial alcohol plant are to be resumed, following the suspension of operations as a registered distillery or a fruit distillery, must be approved before actual resumption of operations.*

§ 182.278 *Where operation of bonded warehouse or denaturing plant on premises continued*—(a) *Suspension.* Where a bonded warehouse or denaturing plant is located on the industrial alcohol plant premises and the permittee desires to continue to operate the bonded warehouse or denaturing plant on such premises while the industrial alcohol plant is operated alternately as an industrial alcohol plant and as a registered distillery or fruit distillery, he must, upon suspension of the industrial alcohol plant, comply with the following requirements:

(1) *Two plats required.* Designate the plat on file which depicts the entire industrial alcohol plant premises, including the bonded warehouse or denaturing plant, as "Plat A," and file a new plat, which will be designated "Plat B," depicting the bonded warehouse or denaturing plant and any other portion of the industrial alcohol plant premises not to be operated as a part of the registered distillery or fruit distillery. When "Plat B" has been previously filed, it may be adopted in accordance with the procedure in paragraph (b) (2) of this section.

(2) *Amended application, Form 1431.* File with the district supervisor an amended application, Form 1431, in triplicate, stating therein the purpose of the application to be "Temporary discontinuance in order that the industrial alcohol plant may be operated as a registered distillery" (or fruit distillery, as the case may be), and give the date of discontinuance. The bonded warehouse or denaturing plant, and any portion of the industrial alcohol plant premises not to be operated as a part of the registered distillery or fruit distillery must be described in such amended application, and the description thereof must correspond with the depiction of the premises on "Plat B."

(3) *Registry of stills.* Register the stills "Not for use" on Form 26, in triplicate, in accordance with § 182.432.

(4) *Notice of suspension, Form 124.* File with the district supervisor Form 124, "Notice of Suspension," in triplicate, in accordance with § 182.423.

(5) *Materials and unfinished alcohol.* If distilling materials are transferred to the successor, or if unfinished alcohol is to be retained in the industrial alcohol plant pending resumption of operations as such, comply with the requirements of §§ 182.439 to 182.441.

(b) *Resumption.* Where operation of the plant as a registered distillery or fruit distillery has been suspended, and operation thereof as an industrial alcohol plant is to be resumed, the permittee must comply with the following requirements:

(1) *Amended application, Form 1431.* File with the district supervisor an amended application on Form 1431, in triplicate, stating therein the purpose of the application to be "Resumption of operations following discontinuance as registered distillery No. _____ by _____" (or fruit distillery, as
(Name of distiller)
the case may be), and give the date of the discontinuance. The industrial alcohol plant premises must be described (by proper reference to prior application, if desired) in such amended application to correspond with the depiction thereof on "Plat A," provided the depiction of the premises on such plat is correct.

(2) *Adoption of plat and plans.* File with the district supervisor a certificate, in triplicate, conforming to the provisions of § 182.262 (b) (5), adopting "Plat A" and the plans of the industrial alcohol plant, or submit new plat and plans.

(3) *Registry of stills.* Register the stills "For use" or "Not for use," as the case may be, on Form 26, in triplicate, in accordance with § 182.432.

(4) *Bond or consent of surety.* File a new bond, Form 1432–A (and Form 1604, if required), or a consent of surety, Form 1533, in triplicate, to continue in effect the bond (or bonds) in force at the time operation of the plant as an industrial alcohol plant was suspended: *Provided,* That in lieu of filing a separate consent of surety each time operation of the plant as an industrial alcohol plant is resumed, after suspension of operations as a registered distillery or fruit distillery, a blanket consent of surety on each bond may be filed to cover all alternate operations of the plant as an industrial alcohol plant. Such blanket consent of surety may be executed in the following form:

To continue in effect the said bond whenever operation as an industrial alcohol plant is resumed from time to time, pursuant to application on Form 1431 filed by the principal, following suspension of operations as registered distillery No. _____ by _____
(Name of
_____ (or fruit distillery, as the case
distiller or distillers)
may be).

(5) *Consent of owner or lienor.* File a new consent of the owner or lienor on Form 1602, in triplicate, in accordance with § 182.119, if the industrial alcohol plant is operated as a registered distillery or fruit distillery by a person other than the permittee (unless the consent procured by the permittee names each grantee who is to operate the premises or his successors or assigns), or if since operations as an industrial alcohol plant were suspended there has been any change in the title to the industrial alcohol plant premises or apparatus or equipment, or if such premises or apparatus or equipment has become encumbered by any mortgage, judgment or other lien, or if there has been installed new apparatus or equipment not owned by the permittee free of encumbrances. If such consent on Form 1602 cannot be obtained, an indemnity bond, Form 1604, in lieu thereof, must be filed, as provided in § 182.122.

(6) *Notice of resumption.* File with the district supervisor Form 125, "Notice of Resumption," in triplicate, in accordance with § 182.429.

(7) *Materials.* If distilling materials are received by a transfer from the predecessor, comply with the requirements of §§ 182.440 and 182.441.* (Secs. 2815 (b) (1), 3103, 3112 (a), 3114, I.R.C.)

§ 182.279 *Where bonded warehouse or denaturing plant is discontinued or eliminated from industrial alcohol plant premises*—(a) *Suspension.* Where a bonded warehouse or denaturing plant is located on the industrial alcohol plant premises and the permittee desires to discontinue the operation of such warehouse or denaturing plant or to eliminate the same from the industrial alcohol plant premises, he must, upon suspension of the industrial alcohol plant preparatory to operation of the plant as a registered distillery or fruit distillery, comply with the provisions of § 182.278 (a), and, in addition thereto, the following requirements:

(1) *Discontinuance of warehouse or denaturing plant.* If the bonded warehouse or denaturing plant is to be discontinued, all alcohol or denatured alcohol, as the case may be, stored therein must be lawfully removed therefrom and the warehouse or denaturing plant discontinued in accordance with the provisions of §§ 182.280–182.281.

(2) *Elimination of warehouse or denaturing plant from premises.* If the bonded warehouse or denaturing plant is to be eliminated from the industrial alcohol plant premises, the proprietor must file application, Form 1431, for basic permit, bond, Form 1432–A, and plat and plans of the warehouse or denaturing plant premises, and otherwise comply with the provisions of these regulations respecting the establishment and operation of bonded warehouses or denaturing plants.

(b) *Resumption.* Where operation of the plant as a registered distillery or fruit distillery has been suspended, and operation thereof as an industrial alcohol plant is to be resumed, the permittee must comply with the provisions of § 182.278 (b) (3), (4), (5), (6), and (7), and, in addition thereto, the following requirements:

(1) *Amended application, Form 1431.* File an amended application, Form 1431, in triplicate, describing (by proper reference to prior application, if desired) the industrial alcohol plant premises as such premises are to exist, stating therein the purpose to be "Resumption of operations following discontinuance as registered distillery No. _____ by _____"
(Name of distiller)
(or fruit distillery, as the case may be), and giving the date of the discontinuance.

(2) *New plat.* File a new plat, in triplicate, conforming to the requirements of §§ 182.206–182.219, unless the bonded warehouse or denaturing plant is to be again located on the industrial alcohol plant premises, in which event the permittee may adopt the plat of the industrial alcohol plant premises previously filed. If the bonded warehouse or denaturing plant has been eliminated from the industrial alcohol plant premises, the premises as thus curtailed will be depicted on the new plat. If the bonded warehouse or denaturing plant has been discontinued and the buildings which constituted the same are to be retained on the industrial alcohol plant premises and used for other than bonded warehouse or denaturing plant purposes, the new plat will show the designated use of the former bonded warehouse or denaturing plant buildings and depict the industrial alcohol plant premises as thus changed.*

DISCONTINUANCE OF BONDED WAREHOUSE OR DENATURING PLANT

§ 182.280 *Discontinuance by Commissioner*—(a) *Bonded warehouse.* Whenever, in the opinion of the Commissioner, any industrial alcohol bonded warehouse is unsafe or unfit for use, or the alcohol therein is liable to loss or great wastage, he may discontinue such warehouse and require the alcohol therein to be transferred to such other warehouse or to a denaturing plant as he may designate, and within such time as he may prescribe. Such transfer shall be made under the supervision of the district supervisor, or of such other officer as may be designated by the Commissioner, and the expense thereof shall be paid by the owner of the alcohol. Whenever the owner of the alcohol fails to make such transfer within the time prescribed, or to pay the just and proper expense of such transfer, as ascertained and determined by the Commissioner, such alcohol may be seized and sold by the collector in the same manner as goods are sold upon distraint for taxes, and the proceeds of such sale shall be applied to the payment of the taxes (if any) due thereon and the cost and expenses of such sale and removal, and the balance paid over to the owner of the alcohol.

(1) *Suspension.* Whenever operations shall have been suspended at any bonded warehouse for a continuous period of six months and the quantity of alcohol remaining in the warehouse does not exceed 5,000 proof gallons, the Commissioner may, in such case, discontinue such warehouse and require the alcohol therein to be transferred to other warehouses as above provided.

(2) *Recommendation of district supervisor.* Transfers of alcohol from bonded warehouses under the foregoing provisions shall be made to other bonded warehouses established in accordance with the requirements of these regulations and shall be made upon the recommendation of the district supervisor who shall report the facts fully in each case to the Commissioner and he shall also recommend transfer to a bonded warehouse most convenient and accessible to the owner of the alcohol.

(b) *Denaturing plant.* The Commissioner may likewise discontinue any denaturing plant where operations have been suspended for a period of six months, or where the alcohol and denatured alcohol stored therein are liable to loss or great wastage. When a denaturing plant is so discontinued, the proprietor shall transfer the alcohol and denatured alcohol stored therein to another denaturing plant or, in the case of denatured alcohol, to a qualified dealer.* (Secs. 2874, 3116, I.R.C.)

§ 182.281 *Discontinuance by proprietor.* If the proprietor of an industrial alcohol bonded warehouse or denaturing plant intends to discontinue the premises after all alcohol or denatured alcohol deposited therein has been lawfully removed therefrom, he will file Form 1431, in triplicate, with the district supervisor, stating therein the purpose of the form to be "Discontinuance of warehouse" (or denaturing plant, as the case may be) and giving the date the discontinuance is to be effective. The proprietor will furnish in connection with such form a statement as to whether there is any alcohol or denatured alcohol in transit to the premises and whether there are any outstanding withdrawal permits, Forms 1436, 1463, and 1464, for the transfer of alcohol to the warehouse or alcohol and specially denatured alcohol to the denaturing plant and will secure the return of all such withdrawal permits and will submit all such permits and his basic permit to the district supervisor for cancellation.*

ACTION BY DISTRICT SUPERVISOR

*Original Establishment*

§ 182.282 *Investigation of applicant*—(a) *Violation record.* Before approving or recommending approval of any application filed by any individual, firm, partnership, corporation, or association, the district supervisor will cause such inquiry or investigation to be made as may be deemed necessary to ascertain whether such individual, firm, partnership, corporation, or association, or any person owning, controlling, or actively participating in the management of the business, has been convicted of, or has compromised, an offense of the nature specified in § 182.106 (b), or is precluded by the provisions of § 182.106 (a) from receiving a permit.

(b) *Qualifications.* The district supervisor shall make a thorough investigation to determine the applicant's qualifications to hold a permit and whether he is entitled to the confidence of the Department.

(c) *Industrial alcohol plants and bonded warehouses.* The district supervisor's inquiry and investigation under paragraphs (a) and (b), in connection with an application on Form 1431 for permit to operate an industrial alcohol plant or bonded warehouse, in conjunction with which an application was filed for permit under the Federal Alcohol Administration Act, shall include the procurement of sufficient information to pass upon the application for permit under such Act. (Where such information indicates that the latter application should be approved, the issuance of the permit will be withheld pending approval of the qualifying documents required by these regulations.) Where sufficient evidence is developed by investigation to justify disapproval of such latter application, action will be taken in accordance with the provisions of regulations issued under the Federal Alcohol Administration Act. Action on and disposition of Form 1431 will be in accordance with the provisions of §§ 182.282–182.302.

(d) *Disapproval of application.* Where record is found of a violation or offense which precludes the issuance of a permit under § 182.106 (a) or the district supervisor finds, from facts sufficient to warrant such findings, that the applicant is not entitled to the confidence of the Department, he shall, without reference to the Commissioner, note his disapproval on all copies of the application with brief statements of his reasons therefor and return to the applicant by registered mail one copy of the disapproved application, together with one set of the supporting documents and all copies of the bond, without action thereon. The district supervisor shall forward one copy of the disapproved application and one set of the supporting documents to the Commissioner, and retain the remaining papers in his file.

(e) *Reference to Commissioner.* Where record is found of the conviction or compromise of an offense specified in § 182.106 (b), the district supervisor will forward a full report thereof, with his recommendation, to the Commissioner for consideration before approving or disapproving, or recommending the approval or disapproval of, the application for basic permit. The Commissioner will review the report and advise the district supervisor whether, insofar as the violation record is concerned, the application may be approved. Upon receipt of such advice from the Commissioner, the district supervisor will approve or disapprove, or recommend approval or disapproval of, the application, in accordance with §§ 182.290 and 182.291.* (Secs. 3103, 3114, I.R.C.)

§ 182.283 *Fence application.* Where a special application for approval of a fence or wall around an industrial alcohol plant, bonded warehouse, or denaturing plant premises is submitted and such application conforms to the requirements of these regulations, the district supervisor will, if he finds that the construction and maintenance of such fence or wall would not endanger the revenue or prevent ready access to the plant or warehouse by Government officers, note his approval on all copies of the special application, return one copy to the applicant, retain one copy, and forward one copy to the Commissioner with the application, Form 1431, bond, and other qualifying documents. If the district supervisor finds that the construction and maintenance of such fence or wall is not necessary to afford protection from trespassers, or that the revenue would be endangered thereby, he will note his disapproval on the special application and return all copies to the

applicant with a statement of the reasons for disapproval.*

§ 182.284 *Indemnity bond application.* In the case of an industrial alcohol plant or bonded warehouse, when an application for permission to file an indemnity bond, Form 1604, in lieu of the written consent of the owner of the industrial alcohol plant or bonded warehouse premises or apparatus or equipment, or of any mortgagee, judgment-creditor, conditional sales vendor, or other person having a lien thereon, is submitted by the applicant and such application conforms to the requirements of these regulations, the district supervisor will cause an investigation to be made of the facts upon which the application is based, and will designate two or more competent persons to make an appraisal of the value of the lot or tract of land on which the industrial alcohol plant or bonded warehouse is situated, the industrial alcohol plant or bonded warehouse, the buildings, and apparatus and equipment. The appraisal shall be made as provided in § 182.123. Upon receipt and examination of the appraisal and investigation reports, the district supervisor will endorse his recommendation on the application and forward all copies thereof, together with the original report of the appraisal and a copy of the report of the investigation, to the Commissioner. Where the application is approved by the Commissioner, the district supervisor will, upon receipt of the approved copies thereof from the Commissioner, forward one copy to the applicant and retain one copy. If the application is disapproved, the district supervisor will, upon receipt of the same from the Commissioner, return all copies to the applicant with advice as to the reasons for disapproval.* (Sec. 3103, I.R.C.)

§ 182.285 *Examination of other qualifying documents.* The district supervisor will examine the application, plat, plans, bond, consent (Form 1602), if any, or indemnity bond, Form 1604, in lieu thereof, and other documents required by these regulations of persons making application for basic permits to determine whether they have been properly executed, and whether they reflect compliance with the requirements of the law and regulations. Where any required document has not been filed, or where errors or discrepancies are found in those filed, or where the documents filed do not reflect compliance with these regulations, action thereon will be held in abeyance until the omission, or error, or discrepancy has been rectified, and there has been full compliance with all requirements.*

§ 182.286 *Investigation*—(a) *Inspection of premises.* When the required documents have been filed in proper form, the district supervisor will assign an inspector to examine the premises, buildings, apparatus, and equipment, and determine whether they conform with the description thereof in the application, plat, and plans, if any, and whether the construction and measures of protection afforded meet the requirements of the law and regulations. The inspector will observe particularly the manner in which the rooms or buildings on the premises are separated from each other and from other premises, means of communication, ingress and egress, adequacy of protection afforded windows, doors, and other openings, construction of apparatus and equipment, and the suitability of the Government office, or facilities, if such are required. The inspector will also make careful inquiry respecting the applicant's title to, or interest in, the apparatus and equipment in the case of industrial alcohol plants or bonded warehouses in order to determine whether proper consents on Form 1602 of the owner and of any mortgagees, judgment-creditors, other lienors, conditional sales vendors, or lessors have been procured and submitted by the applicant. To this end, the inspector should require the applicant to submit for examination invoices, bills of sale, conditional sales contracts, or other commercial papers, for verification of the statements made on Form 1431 respecting his title to, or interest in, the apparatus and equipment. Where the inspection discloses minor irregularities in the qualifying documents or in the construction, the inspector will, at the time of their discovery, direct the attention of the applicant to the same in order that the applicant may correct the defects before completion of the inspection. Upon completion of the inspection, a report thereof will be submitted to the district supervisor.

(b) *Qualification of applicant to use specially denatured alcohol.* The district supervisor shall detail an officer or officers to inspect the premises of the applicant for permit to use specially denatured alcohol to determine whether the premises and storeroom are suitable for the business to be carried on and meet the requirements of the regulations. This investigation shall include a careful inquiry into the character of the applicant. His previous busines experience must be carefully inquired into and should the officers find that the applicant is not reasonably qualified to do or engage in the busines proposed, recommendation for approval shall not be made. Inquiry should also be made of reputable firms, persons and associates who have knowledge of the particular line of business being inquired into and who are familiar with the general requirements of the trade in their respective territories, for the purpose of ascertaining the facts necessary to determine whether the applicant is proceeding in good faith in a lawful business enterprise. The premises where the business is to be conducted shall also be made the subject of careful and detailed inquiry and approval of any application shall be withheld as to any building or rooms not of a character generally regarded as suitable for a manufacturing business of the kind for which the application is made. Such premises shall be substantially constructed and approval shall not be given to buildings of insecure construction where there is a likelihood of theft. Examining officers will be held strictly accountable for the recommendation of approval of only such premises as are suitable for the business to be carried on, and, except in the case of very small operations, as would be generally satisfactory to strictly commercial or industrial establishments and in locations that would commend themselves to any prudent business man. The manufacturing supplies and equipment should be ample for the business to be conducted. Where toilet articles or various liquids such as deodorants or sprays are to be manufactured, there shall be on hand raw materials, manufacturing apparatus, and packages for the finished product in a value which, in the opinion of the district supervisor, evidences the bona fides of the proposed business and which is commensurate with the volume of business the applicant proposes to conduct. The applicant must submit a detailed inventory of all raw materials, such as oils and chemicals, of all manufacturing apparatus such as tanks, pumps, filters, and filling machines, all packages on hand in which the finished product is to be sold, and the inventory must be verified item by item. In case of doubt as to appraisal of particular items, advice of disinterested persons who have knowledge of these particular lines of business shall be sought.* (Sec. 3114, I.R.C.)

§ 182.287 *Report of inspection.* The report of the inspection shall describe separately all irregularities and discrepancies found during the course of the inspection, and shall include a complete statement describing all unusual or special conditions. Where irregularities were corrected during the inspection, the report will indicate the corrections so made. The report need not set out in detail each description as set forth in the application, plat and plans, if any. The description of buildings and equipment in the report should be general and brief. However, construction, equipment, signs, etc., which are not in conformity with law and regulations, will be completely descriped. If there are any pipe lines or other connections or openings between the bonded premises and other premises, the same shall be described in detail. There shall be further embodied in the repor a statement as to whether or not another business is being conducted, or is intended to be conducted, on the bonded premises or in the buildings thereon.*

§ 182.288 *Inaccurate documents and defective construction*—(a) *Inaccurate documents.* Where the district supervisor's examination, or the inspector's report, discloses discrepancies in the qualifying documents, the inaccurate or incomplete documents will be returned to the applicant for correction. A record will be kept of all bonds so returned.

(b) *Defective construction.* Where it is found that the construction of the premises or its equipment does not conform to the requirements of the law and regulations, the district supervisor will inform the applicant concerning the defects, and further action will be held in abeyance pending correction thereof.*

§ 182.289 *Other causes for disapproval.* The district supervisor will not approve, or recommend approval of, any application or bond, where the location and use to be made of the premises do not con-

form to the provisions of §§ 182.7–182.14, or where the premises are so situated as to enable the person filing the application and bond to defraud the United States.* (Sec. 3103, I.R.C.)

§ 182.290 *Authority to approve*—(a) *By district supervisor.* District supervisors are authorized to approve applications for basic permits and bonds relating to (1) the use of tax-free alcohol (except by the United States or governmental agency thereof), (2) dealing in specially denatured alcohol, (3) use of denatured alcohol (including the recovery of specially or completely denatured alcohol, or articles in the form of denatured alcohol), (4) the transportation of tax-free or specially denatured alcohol, (5) the exportation of alcohol or specially denatured alcohol, (6) the removal of alcohol to customs manufacturing bonded warehouses, and (7) the withdrawal of alcohol tax-free for use on vessels and aircraft. District supervisors are also authorized to approve, insofar as the issuance of basic permit is concerned, applications on Form 1431, for the establishment and operation of industrial alcohol plants, bonded warehouses, and denaturing plants.

(b) *By Commissioner.* The Commissioner will approve applications (except as to the issuance of basic permits) and bonds respecting (1) the establishment and operation of industrial alcohol plants, bonded warehouses, and denaturing plants, and (2) the use of tax-free and specially denatured alcohol by the United States or governmental agency thereof.* (Secs. 3114, 3170, I.R.C.)

§ 182.291 *Approval of qualifying documents*—(a) *By Commissioner.* In the case of an industrial alcohol plant, bonded warehouse, or denaturing plant, if the district supervisor finds, upon completion of his investigation and examination of the inspection report, that the person seeking to obtain a basic permit is qualified to hold a permit and has complied in all respects with the requirements of law and these regulations, and if the application, Form 1431, bond, Form 1432–A, and consent, Form 1602 (if any), or indemnity bond, Form 1604, filed in lieu thereof, may properly be approved, he will note his recommendation for approval on all copies of the application, bond, and consent or indemnity bond (if any), and his approval on all copies of the plat and plans, and will forward all copies of the application, bond, and consent or indemnity bond (if any), and the original copy of the plat, plans, and other qualifying documents, together with a copy of all inspection reports, to the Commissioner for final action.

(b) *By district supervisor.* In all other cases, if the district supervisor finds that the person seeking a basic permit is qualified to hold a permit and has complied in all respects with the requirements of law and these regulations, and that the application and bond may be properly approved, he will note his approval on copies of the application, bond, and other qualifying documents required to be submitted in support thereof.* (Secs. 3114, 3170, I.R.C.)

§ 182.292 *Disapproval of qualifying documents*—(a) *By Commissioner.* In the case of an industrial alcohol plant, bonded warehouse, or denaturing plant, if the district supervisor finds that the applicant has not complied in all respects with the requirements of the law and regulations, or that the situation of the premises is such as would enable the applicant to defraud the United States, or that the application or bond should be disapproved under § 182.282 (c), he will note his recommendation for disapproval on the application, Form 1431, bond, Form 1432–A, and consent, Form 1602 (if any), or indemnity bond, Form 1604, filed in lieu of such consent, and will forward to the Commissioner for final action such copies of the qualifying documents as are required to be so forwarded by the preceding section in the case of recommendation for approval, together with a copy of all inspection reports. Where an application or bond is recommended for disapproval, the district supervisor will furnish the Commissioner with a full statement of the reasons therefor.

(b) *By district supervisor.* The provisions hereof shall be followed in all other cases, except the district supervisor will disapprove the application, bond, and other qualifying documents.

(c) *Appeal to Commissioner.* Where an application or bond or consent of surety is disapproved by the district supervisor and an appeal is taken to the Commisisoner, the district supervisor will furnish the Commissioner with full information respecting the reasons for disapproval, including (1) in the case of a violation of the nature specified in § 182.106 (a), the nature of the offense, the names of the offenders, the date of conviction or acceptance of an offer in compromise, and (2) in the case of an offense which precludes the issuance of a permit under § 182.106 (a), the nature, date and place of the offense. The Commissioner will grant a hearing in the matter if the parties so request at the time appeal is taken upon the action of the district supervisor.* (Secs. 3114, 3170, I.R.C.)

§ 182.293 *Disposition of qualifying documents.* In the case of an industrial alcohol plant, bonded warehouse, or denaturing plant, where application, Form 1431, bond, Form 1432–A, and consent, Form 1602 (if any), or indemnity bond, Form 1604, filed in lieu thereof, are approved by the Commissioner, the district supervisor will, upon receipt of approved copies of such documents from the Commissioner, as provided in §§ 182.303–182.309, forward one copy of application, Form 1431, bond, Form 1432–A, and consent, Form 1602 (if any), or indemnity bond, Form 1604, plat, plans, and other qualifying documents, and the original copy of the basic permit, Form 1433, issued in accordance with § 182.294, to the applicant, and will retain one copy of such qualifying documents for the file of the applicant in his office. If the application, Form 1431, bond, Form 1432–A, and consent, Form 1602 (if any), or indemnity bond, Form 1604, are disapproved, the district supervisor will, upon receipt from the Commissioner of the disapproved copies of such documents and other qualifying documents submitted therewith, return all copies of the qualifying documents to the applicant with advice as to the reasons for disapproval. In the case of disapproval of bonds, the district supervisor shall notify the surety or sureties of such action. In cases where the district supervisor is authorized to approve the application, bond, and other documents, he will, upon approval of the bond and application, forward the original copy of the application, bond, plat and plans (if any), and other qualifying documents, a copy of the basic permit issued pursuant to such application, together with a copy of all inspection reports, to the Commissioner, one copy of the application, bond, and other qualifying documents to the applicant, and will retain one copy of such qualifying documents for the file of such applicant, and will authorize the applicant to commence business or operations. If the application or bond is disapproved by the district supervisor, all copies thereof shall be returned to the applicant, and, in the case of disapproval of bond, the surety or sureties shall be notified of such action. The district supervisor will promptly advise the Commissioner fully respecting the disapproval of any application or bond by him. If the application or bond has been disapproved, the district supervisor will return all copies of other qualifying documents to the applicant.*

§ 182.294 *Issuance of basic permits*—(a) *By Commissioner.* Basic permits authorizing the United States or any governmental agency thereof to use alcohol free of tax and specially denatured alcohol shall be issued by the Commissioner.

(b) *By district supervisor*—(1) *Permit, Form 1433.* In the case of an industrial alcohol plant, bonded warehouse, or denaturing plant, the district supervisor will, upon receipt of the Commissioner's approval of application, Form 1431, bond, and other documents, and assignment of basic permit and registry numbers to the establishment covered by such application, issue basic permit on Form 1433, "Permit to Operate Industrial Alcohol Plant, Bonded Warehouse, or Denaturing Plant," in triplicate. One copy of the permit shall be forwarded to the Commissioner, the original copy forwarded to the applicant with approved copies of the qualifying documents, and the remaining copy shall be retained by the district supervisor for the file of the permittee in his office.

(2) *Other permits.* All other basic permits covered by §§ 182.226–182.259 shall be issued upon approval of the application therefor by the district supervisor. One copy of the basic permit shall be forwarded to the Commissioner, the original copy forwarded to the applicant with copies of the other qualifying documents, and the remaining copy shall be retained by the district supervisor for the file of the permittee in his office.

(c) *Symbols and numbers for basic permits.* All basic permits, except those issued on Forms 1433, 1444, and 1486, shall bear a symbol indicating the class of permit, the recognized abbreviation of the State in which the business is to be conducted, and a serial number; the symbol, State abbreviation, and the serial number being separated by dashes, as "TF–NY–123." The serial number of

permits to deal in specially denatured alcohol will be forwarded by the capital letter "D" in parentheses. All basic permits shall be numbered serially according to the class of permit in the order of issuance. Amended and renewal permits shall be given the same number as the original permit. A separate series of numbers will be used for each State in the case of permits, Form 145, Form 1444, Form 1447, Form 1476, and Form 1481. Serial numbers of basic permits heretofore issued will be retained and new permits will be assigned numbers in sequence thereto. Basic permit numbers previously assigned to permittees will not be reassigned to other permittees. In the case of basic permits, Form 1433, the district supervisor shall insert the permit and registry numbers assigned by the Commissioner on the form. The prescribed symbols are as follows:

IAP—Industrial alcohol plant.
BW—Bonded warehouse.
DP—Denaturing plant.
TF—User of tax-free alcohol (other than the United States or governmental agency thereof).
SDA—Dealer of specially denatured alcohol (the letter "D" being inserted in parentheses after the serial number, as "SDA-NY-3 (D)").
SDA—User of specially denatured alcohol (including the recovery of specially denatured alcohol, or recovery of articles in the form of denatured alcohol).
SDR—Dealer in specially denatured rum (the letter "D" being inserted in parentheses after the serial number, as "SDR-NY-4 (D)").
SDR—User of specially denatured rum.
CDAR—Recovery of completely denatured alcohol.
C—Carrier transporting tax-free or specially denatured alcohol.
US-TF—Use of tax-free alcohol by the United States or governmental agency thereof.
US-SDA—Use of specially denatured alcohol by the United States or governmental agency thereof.

* (Secs. 3114, 3170, I.R.C.)

*Changes Subsequent to Original Establishment*

§ 182.295 *Procedure applicable.* The foregoing provisions of this article respecting the action required of district supervisors in connection with applications for original basic permits will be followed, to the extent applicable, where there is a change in the individual, firm, or corporate name, or in the trade name or style, where the premises are to be operated initially under a trade name or style, or where there is a change in the proprietorship, location, premises, construction, apparatus and equipment, or in the type of premises or operation, or where there is a change in the title to industrial alcohol plant or bonded warehouse property, or where such property becomes subject to a mortgage, judgment, or other encumbrance, or where operations are permanently discontinued: *Provided,* That in the case of industrial alcohol plants, bonded warehouses, or denaturing plants, where there is a change in the individual, firm, or corporate name of the permittee, or where an industrial alcohol plant is to be again operated under a trade name or style previously approved by the Commissioner, the district supervisor may authorize the commencement of operations prior to review of the qualifying documents by the Commissioner. In such cases, the district supervisor will notify the permittee by letter and attach one copy of such letter to the qualifying documents.*

§ 182.296 *Indemnity bond, Form 1617.* In the case of an industrial alcohol plant or bonded warehouse, where changes, to be made in the industrial alcohol plant or bonded warehouse premises, buildings, or former industrial alcohol plant or bonded warehouse premises, buildings, or equipment or apparatus, are such as to require the filing of an indemnity bond on Form 1617, as provided in §§ 182.270 and 182.272, the district supervisor will, upon receipt of a satisfactory bond, note his recommendation for approval thereon and forward all copies thereof to the Commissioner accompanied by the original of the report submitted by the designated appraisers. If the bond is approved by the Commissioner, the district supervisor will, upon receipt of the approved copies thereof from the Commissioner, forward one copy to the permittee and retain one copy.*

§ 182.297 *Applications and reports covering changes.* Where an application covering changes in apparatus or equipment, or in construction or use of a room or building, is approved by the district supervisor, he will retain one copy of the application and forward one copy to the permittee, and in the case of an industrial alcohol plant, bonded warehouse, denaturing plant, or user of specially denatured alcohol, one copy to the Commissioner, and, when reports covering changes in apparatus and equipment are received from Government officers in accordance with § 182.271, he will retain one copy and promptly forward one copy to the Commissioner. Similar disposition will be made of reports received from the permittee covering emergency repairs of apparatus and equipment. Where changes in buildings, apparatus, or equipment are such as to require the filing of an indemnity bond in the case of an industrial alcohol plant or bonded warehouse, the district supervisor will not approve the application until such bond has been approved by the Commissioner.*

*Annual Applications, Consents (Form 1602) and Bonds, Consents of Surety, and Additional and Superseding Bonds*

§ 182.298 *Procedure applicable.* The procedure prescribed herein for the approval and disapproval of applications for basic permits, and bonds, if any, submitted in connection therewith will, to the extent applicable, govern the approval and disapproval of applications for renewal of basic permits, consents (Form 1602) and bonds, consents of surety, and additional and superseding bonds.*

*Discontinuance of Industrial Alcohol Plant, Bonded Warehouse, or Denaturing Plant*

§ 182.299 *Inspection.* Upon receipt of Form 1431 for the discontinuance of an industrial alcohol plant, bonded warehouse, or denaturing plant, and accompanying statement of the proprietor in the case of a bonded warehouse or denaturing plant that there is no alcohol or denatured alcohol on hand or in transit to the warehouse or denaturing plant, and the basic permits and withdrawal permits issued to the proprietor, the district supervisor will cause an inspection to be made of the premises and the proprietor's and storekeeper-gauger's records to determine whether all alcohol or specially denatured alcohol has been withdrawn and properly accounted for. Likewise, where a bonded warehouse or denaturing plant is to be discontinued by the Commissioner, as provided in § 182.280, and all alcohol in transit to the warehouse or denaturing plant has been received and all alcohol or specially denatured alcohol deposited therein has been removed, the district supervisor will cause an inspection of the proprietor's and the storekeeper-gauger's records to be made to determine whether all alcohol or specially denatured alcohol deposited in the bonded warehouse or denaturing plant has been properly accounted for.*

§ 182.300 *Removal of Government property.* When all alcohol or denatured alcohol has been lawfully removed from the industrial alcohol plant, bonded warehouse, or denaturing plant which is to be discontinued, the district supervisor will cause the removal from such premises of all Government locks, keys, seals, gauging instruments, records, and other Government property. The Government property will be forwarded to the office of the district supervisor as surplus property, unless the district supervisor should deem the transfer of the property, or a part thereof, to some other plant or warehouse under his jurisdiction to be advisable and proper, in which event he will direct such disposition to be made thereof. All forms covering the production, deposit, withdrawal, denaturation, etc., of the alcohol or denatured alcohol will be so stored that they may be referred to when necessary.*

§ 182.301 *Storekeeper-gauger's report.* Upon completion of the inspection of the industrial alcohol plant, bonded warehouse, or denaturing plant, and Government records and the removal of Government property, the storekeeper-gauger or other Government officer charged with such duty will submit a report to the district supervisor.*

§ 182.302 *District supervisor's recommendation.* If the district supervisor finds, upon receipt of the report from the storekeeper-gauger or other Government officer, that all alcohol or denatured alcohol produced or deposited has been withdrawn and properly accounted for, he will note his recommendation on all copies of Form 1431 and forward the same, together with a copy of the Government officer's report, to the Commissioner. Where discontinuance of a bonded warehouse or denaturing plant was ordered by the Commissioner, the district supervisor will forward to the Commissioner a complete report of the removal of the alcohol or specially denatured alcohol from the premises, together with a copy of the Government

officer's report of the inspection of the proprietor's and storekeeper-gauger's records and the removal of the Government property from the premises.*

ACTION BY COMMISSIONER

*Original Establishment of Industrial Alcohol Plant, Bonded Warehouse, or Denaturing Plant*

§ 182.303 *Indemnity bond application.* In the case of an industrial alcohol plant, or bonded warehouse, when an application for permission to file an indemnity bond, Form 1604, in lieu of the written consent of the owner, mortgagee, judgment-creditor, conditional sales vendor, or other lienor, is received from the district supervisor, bearing his recommendation for approval or disapproval, the Commissioner will examine the same in connection with the appraisal and investigation report. If the Commissioner finds that, under the regulations, an indemnity bond may properly be accepted in lieu of such consent, and if he is satisfied that the valuation placed upon the property by the appraisers is fair, he will note his approval on all copies of the application, retain one copy and the appraisal and investigation reports submitted therewith, and return two copies to the district supervisor. If the application is disapproved, the Commissioner will note his disapproval thereon, and return all copies to the district supervisor, with a statement of the reasons for disapproval.* (Sec. 3103, I.R.C.)

§ 182.304 *Other qualifying documents.* The Commissioner will also review the application, Form 1431 (except as to the applicant's fitness to hold a permit), plat, plans, bond (Form 1432-A), consent (Form 1602) (if any), or indemnity bond (Form 1604) filed in lieu thereof, and other qualifying documents upon their receipt from the district supervisor. If the Commissioner approves the construction and equipment of an industrial alcohol plant, bonded warehouse, or denaturing plant, and the application, plat, plans, bond (Form 1432-A), consent (Form 1602) (if any), or indemnity bond (Form 1604), and other qualifying documents, he will assign a registry number and permit number to the industrial alcohol plant, bonded warehouse, or denaturing plant in accordance with the provisions of section 182.305, note his approval on all copies of the application, Form 1431, bond (Form 1432-A), and the consent (Form 1602) (if any), or indemnity bond (Form 1604), retain one copy of the application, Form 1431, bond, and consent (if any), or indemnity bond, and all copies of the other qualifying documents and will return two copies of the approved application, Form 1431, bond (Form 1432-A), and consent (Form 1602) (if any), or indemnity bond (Form 1604), to the district supervisor with advice as to his action on the qualifying documents. If the Commissioner disapproves the application, Form 1431, or bond (Form 1432-A), or consent, Form 1602 (if any), or indemnity bond, Form 1604, he will note his disapproval thereon and will return all copies thereof to the district supervisor, accompanied by the other qualifying documents submitted therewith, and a statement of the reasons for disapproval.* (Secs. 3103, 3114, I.R.C.)

§ 182.305 *Registry and permit numbers.* Industrial alcohol plants, bonded warehouses, and denaturing plants will be numbered serially in the order of their establishment, irrespective of States or districts. Registry and permit numbers heretofore assigned will be retained, and new industrial alcohol plants, bonded warehouses, and denaturing plants will be assigned numbers in sequence thereto. Registry and permit numbers previously assigned to discontinued industrial alcohol plants, bonded warehouses, and denaturing plants will not be reassigned to other such plants. The same registry number will be continued whenever there is an immediate change of proprietorship. A new basic permit number will be assigned when there is a change of proprietorship. The same registry and permit number will be assigned to an industrial alcohol plant, bonded warehouse, and denaturing plant; or industrial alcohol plant and bonded warehouse; or industrial alcohol plant and denaturing plant; or bonded warehouse and denaturing plant located on the same premises.*

*Application by United States or Governmental Agency*

§ 182.306 *Issuance of permit.* Upon receipt of an application on Form 1444 or Form 1486 from the United States or governmental agency thereof for permit to use alcohol free of tax or specially denatured alcohol, as the case may be, if approved by the Commissioner, he will issue permit on Part II of the Form 1444 or Form 1486, as the case may be. Basic permits, Form 1444 or Form 1486, shall be numbered serially according to the class of permit in the order of issuance. The serial number of permits, Form 1444, shall be preceded by the symbol "US-TF," and permits, Form 1486, shall be preceded by the symbol "US-SDA." The original copy of the Form 1444 or Form 1486 shall be forwarded to the department, bureau, office, or other agency of the United States making application for the permit. One copy will be retained by the Commissioner for his files, and the remaining copy shall be forwarded to the district supervisor of the district in which the industrial alcohol bonded warehouse, denaturing plant, or dealer in specially denatured alcohol named as vendor in the application, is located.* (Secs. 3108, 3114, I.R.C.)

*Applications for Other Basic Permits*

§ 182.307 *Review of documents.* Where the application and other qualifying documents filed by persons for basic permits to use alcohol free of tax; to deal in specially denatured alcohol; to use denatured alcohol (including the recovery of specially or completely denatured alcohol or articles where the recovered product is in the form of denatured alcohol); and to transport tax-free or specially denatured alcohol, are found to be improperly executed or otherwise not in conformity with the requirements of law and regulations, the Commissioner will return all copies to the district supervisor with the necessary instructions for correction.* (Secs. 3108, 3114, I.R.C.)

*Changes Subsequent to Original Establishment*

§ 182.308 *Procedure applicable.* The foregoing provisions of this article respecting the action of the Commissioner in connection with the applications for original basic permits will be followed, to the extent applicable, where there is a change in the individual, firm, or corporate name, or in the trade name or style, or in the proprietorship, location, premises, construction, apparatus and equipment, or in the type of premises or operations, or in the title to industrial alcohol plant or bonded warehouse property, or where such property becomes subject to a mortgage, judgment, or other encumbrance.*

*Discontinuance of Industrial Alcohol Plant, Bonded Warehouse, or Denaturing Plant*

§ 182.309 *Discontinuance by proprietor.* If, upon receipt from the district supervisor of Form 1431 and accompanying reports, the Commissioner finds that all alcohol or specially denatured alcohol produced, deposited, etc., in the industrial alcohol plant, bonded warehouse, or denaturing plant has been lawfully withdrawn and duly accounted for, he will approve the Form 1431, retain one copy, and return two copies to the district supervisor, who will retain one copy and forward the other copy to the proprietor.*

TERMINATION OF BONDS

§ 182.310 *Bonds supporting basic permits.* All bonds supporting basic permits required by law and these regulations may be terminated as to liability (1) after a specified future date, pursuant to application by the surety as provided in § 182.315, (2) for transactions subsequent to the effective date of an approved superseding bond, or (3) for future transactions upon discontinuance of business by the principal, pursuant to the requirements of these regulations. Application for notice of termination of a bond supporting a basic permit upon approval of a superseding bond or discontinuance of business must be filed in duplicate with the district supervisor.*

§ 182.311 *Termination of indemnity bonds*—(a) *Form 1604.* Indemnity bonds (Form 1604) given in lieu of the consent of the owner of industrial alcohol plant, or bonded warehouse premises or property, and of any mortgagee, judgment-creditor, conditional sales vendor, or other lienor, to priority of the Government's lien for taxes and penalties and other interests, run for an indefinite period. Such bonds may be terminated as to liability for future operations of the premises, (1) pursuant to application by the surety as provided in § 182.315, (2) upon approval of a superseding bond or discontinuance of business by the principal, or (3) upon the proprietor (a) becoming the owner in fee unencumbered of the property covered by the bond or (b) filing the consent of the owner or encumbrancer, and the tax-payment or lawful tax-free

withdrawal of all alcohol produced or stored while such indemnity bond was in force. Application for notice of termination of such bonds upon approval of the superseding bond or discontinuance of the business must be filed in duplicate with the district supervisor.

(b) *Form 1617.* Indemnity bonds (Form 1617) given in connection with changes in buildings and equipment on which a lien has attached under section 3112, I. R. C., may be terminated (1) upon approval of a superseding bond (Form 1617), or (2) upon tax-payment or removal for a lawful tax-free purpose of all alcohol produced or stored while the property, covering which the indemnity bond was filed, formed a part of the industrial alcohol plant or bonded warehouse premises and equipment. Application for notice of termination of such bonds must be filed in duplicate with the district supervisor.* (Secs. 2800 (e), 3112 (a), I.R.C.)

§ 182.312 *Direct export bonds.* Bonds covering a specific lot of alcohol withdrawn for direct export, Form 1497, "Direct Export Bond," will be terminated by the district supervisor by marking the bond "Canceled," followed by the date of cancellation, upon receipt of evidence of the landing of the alcohol in a foreign country or satisfactory proof of loss at sea: *Provided,* That where there is a deficiency, the bond will not be canceled by the district supervisor until advice has been received from the Commissioner of the termination of liability for the deficiency. Continuing bonds covering alcohol withdrawn from time to time for direct exportation, Form 1495, "Continuing Direct Export Bond," will be similarly terminated by the district supervisor where no further withdrawals are to be made thereunder, provided that the account kept with the bond in accordance with § 182.611 shows that there are no outstanding charges.* (Sec. 2885, I.R.C.)

§ 182.313 *Transportation for export bonds.* Bonds covering a specific lot of alcohol withdrawn for transportation for export, Form 1498, "Transportation for Export Bond," will be terminated by the district supervisor by marking the bond "Canceled," followed by the date of cancellation, upon receipt of Form 691 from the collector of customs showing the clearance of the alcohol: *Provided,* That where there is a loss in transit, the bond will not be canceled until advice is received from the Commissioner of the termination of liability for the loss. Continuing bonds for alcohol withdrawn from time to time for transportation for export, Form 1496, "Continuing Transportation for Export Bond," will be similarly terminated by the district supervisor where no further withdrawals are to be made thereunder, provided that the account kept with the bond in accordance with § 182.611 shows that there are no outstanding charges.* (Secs. 2886, 3170, I.R.C.)

§ 182.314 *Bonds covering transportation to customs manufacturing bonded warehouse.* Bonds covering a specific lot of alcohol withdrawn for transportation to a customs manufacturing warehouse, Form 1459, "Transportation Bond," will be terminated by the district supervisor by marking the bond "Canceled," followed by the date of cancellation, upon receipt from the collector of customs of Form 3923 showing the deposit of the alcohol in the customs manufacturing bonded warehouse: *Provided,* That where there is a loss in transit the bond will not be canceled by the district supervisor until advice has been received from the Commissioner of the termination of liability for the deficiency. Continuing bonds covering alcohol withdrawn from time to time for transportation to customs manufacturing bonded warehouse, Form 1460, "Continuing Transportation Bond," will be similarly terminated by the district supervisor where no further withdrawals are to be made thereunder, provided that the account kept with the bond in accordance with § 182.625 shows that there are no outstanding charges.* (Sec. 2891, I.R.C.)

§ 182.314a *Bonds covering withdrawals for use on vessels and aircraft.* Bonds on Forms 1660 and 1661 will be terminated in the same manner as direct export bonds (§ 182.312), upon compliance with §§ 182.630k to 182.630n.*

§ 182.315 *Application of surety for relief from bond.* A surety on any bond required by these regulations may at any time in writing notify the principal and the district supervisor in whose office the bond is on file that he desires, after a date named, which shall be at least 60 days after the date of notification, to be relieved of liability under said bond. The notice shall be executed in triplicate by the surety, who shall deliver one copy to the principal, and the other two copies to the district supervisor, who will retain one copy and transmit the remaining copy to the Commissioner. If such notice is not thereafter in writing withdrawn, the rights of the principal as supported by said bond shall be terminated on the date named in the notice, and the surety shall be relieved (1) in the case of a bond supporting the basic permit from liability for alcohol produced or withdrawn, or denatured alcohol received or withdrawn, or articles manufactured with such denatured alcohol wholly subsequent to the date named in the notice, (2) in the case of indemnity bonds, Form 1604, or Form 1617, from liability for alcohol produced, received, or withdrawn at the industrial alcohol plant or bonded warehouse wholly subsequent to such date, and (3) in the case of export bonds (Forms 1495, 1496, 1497, and 1498), bonds covering transportation to customs manufacturing warehouse (Forms 1459 and 1460), and bonds covering withdrawals for use on vessels and aircraft (Forms 1660 and 1661) from liability for alcohol withdrawn for export or for transportation to a customs manufacturing warehouse, or for use on vessels and aircraft, as the case may be, wholly subsequent to such date. If the principal fails to file a valid superseding bond prior to the date on which the surety desires to be relieved from liability under the bond, the surety, notwithstanding his release from liability as specified in conditions (1), (2), and (3) above, shall continue to remain liable under the bond for all alcohol, denatured alcohol, or articles on hand or in transit to the principal on said date, until the same has been lawfully disposed of or a new bond has been filed by the principal covering the same. This notice may not be given by an agent of the surety unless it is accompanied by a power of attorney duly executed by the surety, authorizing him to give such notice, or by a verified statement that such power of attorney is on file with the Department. The surety must also file with the district supervisor an acknowledgment or other proof of service of such notice on the principal.*

§ 182.316 *Application for notice of termination.* Where the permittee has filed a proper superseding bond in lieu of a previously filed bond to support a basic permit, or indemnity bond (Form 1604 or 1617), or has discontinued business in accordance with the requirements of these regulations, or where, in the case of direct export bonds, transportation for export bonds, bonds covering transportation to customs manufacturing bonded warehouses, and bonds covering withdrawals for use on vessels and aircraft, there has been compliance with the provisions of §§ 182.312, 182.313, 182.314, or 182.314a, as the case may be, and the principal or surety desires to secure notice of termination of the bond for which the principal no longer has any use, application therefor, in writing, will be made to the district supervisor. The application will be made in duplicate where it is desired to secure the issuance of notices of the termination of bonds supporting the basic permit or indemnity bond (Form 1604 or 1617).*

§ 182.317 *Action on application for notice of termination of bond supporting basic permit, Form 1433.* When an application for notice of termination, as to future operations, of a bond supporting a basic permit, Form 1433, to operate an industrial alcohol plant, bonded warehouse, or denaturing plant is filed with the district supervisor in a case where a superseding bond has been approved, or the principal has discontinued business, as provided in § 182.310, the district supervisor will, before forwarding the application to the Commissioner, make a complete examination of records to determine whether there is any liability then due and payable outstanding against the bond. He will also ascertain from the collector of internal revenue whether there are any outstanding, unpaid assessments or demands for taxes, penalties and interest, on alcohol or denatured alcohol under the bond. If it is found that violations of law or regulations occurred during the period covered by the bond, and that penalties incurred or fines imposed have not been paid, or that outstanding assessments, or demands for payment of taxes, chargeable against the bond have not been paid, or otherwise settled, the district supervisor will recommend disapproval of the application, unless the liability is settled. The district supervisor will retain one copy of the application and forward one copy to the Commissioner with his recommendation. The district supervisor will not issue notice of termination of any bond supporting a basic permit on

Form 1433 until he has been notified of the Commissioner's approval of the application therefor.*

§ 182.318 *Action on application for notice of termination of indemnity bonds.* When an application for notice of termination of an indemnity bond, Form 1604, as to future operations of an industrial alcohol plant or bonded warehouse is filed with the district supervisor in a case where a superseding bond has been approved, or the principal has discontinued business, as provided in § 182.311, the district supervisor will take action in accordance with the procedure prescribed in § 182.317, in the case of an application for termination of the bond supporting a basic permit on Form 1433. When an application for notice of termination of an indemnity bond, Form 1617, covering changes in buildings or equipment is filed with the district supervisor, he will make a complete inquiry to determine whether all alcohol, the tax on which constituted the lien in relation to which the bond was given, has been tax-paid or removed for a lawful tax-free purpose, and will forward one copy of such application to the Commissioner with his recommendation for approval or disapproval, determined according to the results of his inquiry, and will retain the remaining copy. The district supervisor will not issue notice of termination of any indemnity bond until he has been notified of the Commissioner's approval of the application therefor.*

§ 182.319 *Action on application for notice of termination of other bonds*—(a) *Bonds supporting other basic permits.* When an application for notice of termination of bonds on Forms 49, 1448, 1475, and 1480, as to future operations, is filed with the district supervisor, he will take action thereon in accordance with the procedure prescribed in § 182.317: *Provided,* That the district supervisor, instead of forwarding the application to the Commissioner with his recommendation, will approve or disapprove the application.

(b) *Export bonds, transportation for export bonds, bonds covering transportation to customs manufacturing bonded warehouse, and bonds covering withdrawals for use on vessels and aircraft.* When an application for notice of the termination of export bonds (Forms 1495 and 1497), transportation for export bonds (Forms 1496 and 1498), bonds covering transportation of alcohol to the customs manufacturing bonded warehouse (Forms 1459 and 1460), and bonds covering withdrawals for use on vessels and aircraft (Forms 1660 and 1661) is filed with the district supervisor, he will examine his records to determine whether the required evidence of foreign landing or loss at sea, or clearance, or deposit in the customs manufacturing bonded warehouse, or use, as the case may be, of the alcohol withdrawn under the bond has been filed, and if there were deficiences, whether notice of the termination of the liability therefor has been received from the Commissioner.*

§ 182.320 *Notices, Forms 1490 and 1491.* Upon receipt of advice from the Commissioner of his approval of an application for the issuance of notice of the termination, as to liability for future transactions, of a bond supporting a basic permit, Form 1433, to operate an industrial alcohol plant, bonded warehouse, or denaturing plant, or of an indemnity bond, Form 1604, as to liability for future operations of an industrial alcohol plant or bonded warehouse ,the district supervisor will execute Form 1490, "Notice of Bond Termination," where a superseding bond has been approved, or Form 1491, "Notification of Release of Bond," where the principal has discontinued business, in quadruplicate (in quintuplicate if there are two sureties), and will forward the original to the Commissioner, one copy to each obligor on the bond, and retain one copy on file with the bond to which it relates. Similar action will be taken by the district supervisor upon receipt of advice from the Commissioner of his approval of an application for notice of termination of an indemnity bond on Form 1617. If the district supervisor approves an application for notice of termination of bonds on Forms 49, 1448, 1475, and 1480, as to future operations, he will execute Form 1490 or Form 1491, as the case may be, as provided above. Where an application for the issuance of notice of the termination of a direct export bond, transportation for export bond, bond covering transportation to a customs manufacturing bonded warehouse, or bond covering withdrawal for use on vessels and aircraft, has been filed with the district supervisor, and he has found that there has been compliance with the provisions of §§ 182.312, 182.313, 182.314, or 182.314a, as the case may be, he will issue Form 1490 or Form 1491, as provided above.*

§ 182.321 *Release of collateral.* The release of collateral pledged and deposited with the United States to support bonds required by these regulations will be in accordance with the provisions of Department Circular 154, revised (31 CFR, Part 225), subject to the conditions covering the issuance of notices on Forms 1490 and 1491 of the termination of such bonds. Unless a superseding bond has been approved, the release of the security in the case of such bonds will not be authorized until all alcohol or denatured alcohol or articles produced or withdrawn, while such such bonds were in force and effect, have been lawfully disposed of. Accordingly, collateral may not be released while any alcohol or denatured alcohol or articles remain an outstanding charge against a bond supporting a basic permit or indemnity bond, Form 1604. When an application for release of collateral deposited in support of a bond supporting a basic permit on Form 1433, or an indemnity bond, Form 1604, is received by the district supervisor, he will determine whether all outstanding liabilities have been settled, and unless a superseding bond has been approved, whether all alcohol or denatured alcohol produced, withdrawn, used, etc., while the bond was in effect has been lawfully disposed of, and will forward the application to the Commissioner with his recommendation. Collateral pledged and deposited to support an indemnity bond, Form 1617, covering changes in industrial alcohol plant or bonded warehouse buildings or equipment may be released pursuant to authorization of the Commissioner, upon approval of a superseding bond or upon lawful removal of all alcohol, the tax on which constituted the lien in relation to which the bond was given. Upon approval of an application for the issuance of notice of termination of a bond supporting basic permit on Form 1433, or indemnity bonds (Form 1604 or 1617) supported by collateral security, the Commissioner will fix the date or dates on which a part or all of the security may be released. In fixing such date, the Commissioner will satisfy himself that the interest of the Government will not be jeopardized. The date of release for collateral supporting a bond on Form 1432-A will ordinarily be fixed at not less than 6 months from the date of determination that there is no outstanding liability against the bond, and collateral pledged for other bonds will ordinarily be released upon issuance of notice on Form 1490 or Form 1491. Collateral pledged and deposited to support a bond supporting a basic permit on Form 1433, or indemnity bond (Form 1604 or 1617), will not be released by the district supervisor unless the Commissioner has authorized such action. At any time prior to the release of collateral security, the district supervisor may, in his discretion and for proper cause, further extend, or, in the case of a bond supporting a basic permit on Form 1433, or indemnity bonds (Form 1604 or 1617), recommend further extension of the date of the release of such security for such additional period of time as, in his judgment, may be appropriate. Collateral pledged and deposited in support of bonds on Forms 49, 1448, 1459, 1460, 1475, 1480, 1495, 1496, 1497, 1498, 1660, and 1661, may be released by the district supervisor without prior authorization of the Commissioner.* (Sec. 1126, 44 Stat. 122 (6 U.S.C. 15))

GENERAL REQUIREMENTS REGARDING OPERATIONS

§ 182.322 *Compliance with requirements of law and regulations.* Under no circumstances will a person conduct any operations in connection with the production, storage, tax-payment, or denaturation of alcohol, or use tax-free alcohol or deal in or use specially denatured alcohol, or transport tax-free or specially denatured alcohol, or recover denatured alcohol, or articles in the form of denatured alcohol, until compliance with all the requirements of law and these regulations, and the application, bond (if required) and supporting documents have been approved and a basic permit issued pursuant thereto, in accordance with the provisions of these regulations.* (Secs. 3114, 3115, I.R.C.)

§ 182.323 *Prohibited hours of operation*—(a) *Industrial alcohol plant.* The proprietor of an industrial alcohol plant may conduct any and all operations in connection with mashing, fermentation, and distillation in his plant on Sundays the same as on week days. All operations in connection with the gauging, drawing off, or removal of alcohol from the receiving room or the wine room will be conducted during the regular business hours of the industrial alcohol plant, except

when specifically approved by the district supervisor: *Provided,* That no alcohol may be gauged, drawn off, or removed from the receiving room or the wine room on Sunday or at night, but spirits in the wine room may be returned to the distilling building for redistillation at any time.

(b) *Bonded warehouse or denaturing plant.* All operations at a bonded warehouse or denaturing plant shall be conducted during the regular business hours of such warehouse or plant, except when specifically approved by the district supervisor: *Provided,* That no alcohol, including denatured alcohol, may be entered into or removed from a bonded warehouse or denaturing plant, nor may any other operations be conducted thereat, on Sunday or at night.

(c) *Users and dealers in specially denatured alcohol.* Whenever a person qualified to use or to deal in specially denatured alcohol, or recover denatured alcohol or articles in the form of denatured alcohol, proposes to operate at hours other than between 7 o'clock a. m. and 6 o'clock p. m., or on Sundays and legal holidays, a notice of intention so to do shall be first submitted to the district supervisor and his approval therefor obtained.* (Sec. 3103, I.R.C.)

§ 182.324 *Records.* All forms of record and report necessary to carry into effect the law and these regulations, and all the requirements and instructions contained on such forms are hereby made a part of these regulations.

(a) *Records to be kept three years.* Except as provided in § 182.648, all records, including copies of all daily and monthly reports, required to be kept by law and these regulations, must be retained by the proprietor, permittee, or other person charged with keeping or maintaining the same, available for inspection by Government officers for a period of three years: *Provided,* That the district supervisor or the Commissioner may require records, copies of which are not filed in the office of the district supervisor or the Commissioner, such as, the manufacturing and sales records of users of specially denatured alcohol, and the receipt and disposition records of dealers in and users of completely denatured alcohol, proprietary anti-freeze solutions, proprietary solvents, lacquer thinners, and ethyl acetate, to be kept for an additional period of not exceeding three years in any case where he deems such retention necessary or advisable.

(b) *Inspection of premises and records.* All persons conducting a business under a basic permit issued pursuant to these regulations shall permit any internal revenue officer to inspect, at any reasonable hour, the premises, equipment, stocks, and the records required by law and regulations.

(c) *Final reports.* The monthly reports for the month in which business is discontinued, shall be marked "Final."* (Sec. 3601, I.R.C.)

OPERATION OF INDUSTRIAL ALCOHOL PLANTS

§ 182.325 *Manufacture of industrial alcohol.* Alcohol may be produced at industrial alcohol plants operated under the provisions of these regulations, from any raw materials by any process suitable for the production of alcohol. At plants where the alcohol is abstracted from liquids such as beer, ale, porter, or wine, such liquids will be regarded as distilling material. Fermented malt liquor may be received from a contiguous brewery where the residue containing less than one-half of 1 per cent of alcohol by volume is to be returned to the brewery to be used in the manufacture of cereal beverages.

(a) *Tax on alcohol, lien for tax, etc.* All alcohol produced in an industrial alcohol plant is subject to tax as soon as the alcohol comes into existence as such, whether it be subsequently separated as pure or impure spirit, and the tax on the alcohol becomes a first lien on the alcohol and the premises and plant in which such alcohol is produced or stored, together with all improvements and appurtenances thereunto belonging and in any wise appertaining. The provisions of §§ 182.478 to 182.487 relative to the tax on alcohol, lien for tax on alcohol, and sales of alcohol are applicable to proprietors of industrial alcohol plants.* (Secs. 3104, 3106, 3112 (a), I.R.C.)

§ 182.326 *Distilled spirits.* Where it is desired to produce distilled spirits (other than brandy), the industrial alcohol plant must be discontinued, in accordance with §§ 182.276–182.279 of these regulations, and established and operated as a registered distillery, in accordance with Regulations 4 (26CFR, Part 183) governing the production of distilled spirits (other than brandy).*

§ 182.327 *Brandy.* Where it is desired to produce brandy under Regulations 5 (26 CFR, Part 184) governing the production of brandy at fruit distilleries, under the exemptions from law afforded fruit distillers by virtue of section 2825, I.R.C., the industrial alcohol plant must be discontinued, in accordance with §§ 182.274–182.279 of these regulations and established and operated as a fruit distillery in accordance with Regulations 5. Brandy may be produced at registered distilleries established and operated under Regulations 4. Where brandy is so produced at a registered distillery, it must be reduced to not more than 159 degrees of proof before removal from the cistern room, and the production of brandy will be subject to all the requirements of said regulations governing the production of other spirits at registered distilleries.*

§ 182.328 *Experimental operations.* Persons authorized by the Commissioner to conduct experimental operations for a temporary period of time in connection with the production of alcohol are required to submit such reports and maintain such records as the Commissioner shall, in each case, prescribe.

(a) *Denaturation or use of alcohol produced.* The alcohol produced in an experimental industrial alcohol plant shall be disposed of or denatured with such denaturing materials and quantities thereof as may be authorized by the Commissioner, under such conditions and restrictions as may be imposed by the Commissioner. Alcohol so denatured shall be used or disposed of in the manner prescribed by the Commissioner in each case.* (Sec. 3103, I.R.C.)

§ 182.329 *Chemical plant producing alcohol as a by-product.* When, in connection with chemical or other process, ethyl alcohol is produced as a by-product, the proprietor must qualify the premises as an industrial alcohol plant. In such cases, the Commissioner may, in his discretion, permit such variation in the usual mode of operation as may be necessary for the particular type of plant, where such may be done without jeopardy to the revenue. At such plants, the Commissioner may require the proprietor or the storekeeper-gauger to make such tests of the materials distilled as he may deem necessary to secure a proper control and check of the processes employed.

(a) *Exception.* A manufacturer holding a permit authorizing the use and recovery of denatured alcohol, who uses denatured alcohol in the production of chemicals, which do not contain specially denatured alcohol and which in turn are used on the permit premises in the production of other chemicals, resulting in the production of ethyl alcohol as a by-product, will not be required to qualify the premises as an industrial alcohol plant. In such case, the alcohol will be redenatured and accounted for in the same manner as recovered alcohol is required to be redenatured and accounted for by these regulations.* (Sec. 3103, I.R.C.)

§ 182.330 *Redistillation.* Proprietors, in the operation of industrial alcohol plants, are exempt from the provisions of law which declare that every person shall be regarded as engaged in the business of rectifying who rectifies, purifies, or refines distilled spirits or wines by any process other than original and continuous distillation through continuous closed vessels and pipes until the manufacture thereof is complete.* (Sec. 3103, I.R.C.)

§ 182.331 *Commencement of operations: notice, Form 125.* Before commencing operations at the industrial alcohol plant, the proprietor shall file with the district supervisor notice on Form 125, in triplicate, specifying the date on which he desires to commence operations. This notice must be filed in time to enable the district supervisor to assign one or more storekeeper-gaugers to the industrial alcohol plant. If the application, Form 1431, bond, Form 1432–A, and supporting documents have been approved and basic permit, Form 1433, has been issued, and the storekeeper-gaugers assigned to the industrial alcohol plant have found the plant and equipment in proper condition, the proprietor may commence operations at the time specified in the notice.* (Sec. 3103, I.R.C.)

§ 182.332 *Assignment of storekeeper-gaugers.* One or more storekeeper-gaugers must be assigned to, and on duty at, each industrial alcohol plant before the proprietor can commence operations. In determining the number of storekeeper-gaugers to be assigned to each industrial alcohol plant, the district supervisor will take into account the distilling equipment and the process to be used, the quantity of alcohol to be produced daily, and the number of hours the industrial

alcohol plant will be operated each day. When notices of commencement of operations are received, the district supervisor will assign the storekeeper-gaugers in time to prevent unnecessary delays to proprietors.*

§ 182.333 *Examination of plant.* Upon assignment to an industrial alcohol plant intending to commence operations, or to resume operations after an extended suspension, the storekeeper-gaugers will, prior to the actual commencement of operations, examine the industrial alcohol plant, the apparatus and equipment, the receiving room, etc., and determine that all valves, flanges, and other connections which would afford access to the alcohol are properly equipped for locking or are brazed, or welded, or otherwise secured and sealed, and that all doors and other openings in the receiving room and wine room are protected in the manner prescribed by these regulations. The storekeeper-gauger will apply Government locks (unless previously attached) wherever the same are required, and will complete Form 125, in triplicate, deliver one copy to the proprietor and forward the original and one copy to the district supervisor. The district supervisor will retain one copy and forward the original to the Commissioner.*

§ 182.334 *Supervision of operations.* The storekeeper-gauger will have supervision of the industrial alcohol plant to which he is assigned, under the direction of the district supervisor. The storekeeper-gauger will see that the operations of the industrial alcohol plant conform to the requirements of the law and these regulations and will, in the course of his daily duties, carefully observe the character and condition of all connections, pipes, tanks, vessels, stills, and other equipment used for conveying alcohol in the course of distillation to see if they are continuous and closed as required and whether access can be gained to the alcohol in the storekeeper-gauger's absence. The storekeeper-gauger will promptly report to the district supervisor any industrial alcohol plant operations or condition of apparatus and equipment not conforming to the law and regulations.*

*Distilling Materials*

§ 182.335 *Weighing materials received.* Proprietors will weigh or, in the case of liquids, weigh or measure all materials received on the industrial alcohol plant premises intended for use in the production of alcohol. They will prepare weight or quantity slips of all such materials received and furnish signed copies to the storekeeper-gauger. The receipt of the materials will be recorded by the proprietor on Form 1442, "Proprietor's Report of Operations."* (Sec. 3103, I.R.C.)

§ 182.336 *Storage of materials.* All grain received on the industrial alcohol plant premises will be stored in the meal or storage room bins or granary, unless it is to be used immediately. Molasses and other liquid fermenting materials will be stored in proper tanks provided for the purpose, unless they are to be used immediately.*

§ 182.337 *Fermented malt liquor or wine.* Proper facilities must be provided for the storage of fermented malt liquor or wine where such material is received from a contiguous brewery or winery, as the case may be, for the purpose of determining the quantity and alcoholic content of the materials received and used. Material storage tanks must be constructed as provided in § 182.68 of these regulations.

(a) *Residue of fermented malt liquor may be returned to brewery.* The residue of fermented malt liquor used as a distilling material may be returned by pipe line to the brewery to be used in making cereal beverages containing less than one-half of 1 per cent of alcohol by volume by means of a separate pipe line having no connection with the pipe line used for the conveyance of fermented malt liquor from the brewery to the industrial alcohol plant: or such residue may be returned to the brewery by means of unstamped packages unlike those ordinarily used for containing fermented malt liquor. All of the residue returned to the brewery shall be measured and tested as to alcoholic content in the industrial alcohol plant in measuring tanks in the same manner as provided herein for the measuring of the fermented malt liquor transferred to the industrial alcohol plant. The quantity of residue returned to the brewery will be entered on Form 1442.* (Sec. 3104, I.R.C.)

§ 182.338 *Supervision of material room.* No materials shall be received on the premises of any industrial alcohol plant, or used for the production of alcohol, or for any other purpose, or removed from the premises, except when the storekeeper-gauger is present on the industrial alcohol plant premises. The storekeeper-gauger will unlock the material room bins or tanks at such time, after the commencement of operations, each day as may be necessary for the proprietor to have access thereto and will lock them when access for the day is no longer required, thus giving employees of the plant access for the removal or deposit of materials or for other necessary purposes under his general supervision. When materials are received by chute or pipe line from adjacent premises, such chute or pipe line must be kept locked at all times with Government locks, except when necessary to be opened for the transfer of materials.*

§ 182.339 *Storekeeper-gauger's record of materials received.* Storekeeper-gaugers will record on Form 1452-A, "U. S. Storekeeper-Gauger's Report of Operations at Industrial Alcohol Plant," and Form 1452-B, "U. S. Storekeeper-Gauger's Summary of Operations at Industrial Alcohol Plant," all materials received on the premises intended for use in the production of alcohol. Entries will be made from the proprietor's weight or quantity slips. The storekeeper-gauger will verify such slips by comparison with the proprietor's commercial records and his Form 1442.*

§ 182.340 *Weighing materials used.* The proprietor will weigh, or in the case of liquids, weigh or measure, all materials used in the production of alcohol. He will prepare weight or quantity slips of all such materials and will furnish signed copies to the storekeeper-gauger. The materials used will be recorded by the proprietor on Form 1442.* (Sec. 3103, I.R.C.)

§ 182.341 *Use other than the production of alcohol.* Where materials are used in preparing distilling material primarily for the production of substances other than ethyl alcohol, such as butyl alcohol, isopropyl alcohol, acetone, etc., which distilling material produces a small amount of ethyl alcohol, the quantity used in such special distilling materials must be determined separately from the quantity used in materials for the production of ethyl alcohol solely. Separate records on Forms 1442, 1452-A, and 1452-B will be kept for each process or fermentation, showing the materials used and the resulting production of ethyl alcohol and chemicals therefrom.* (Sec. 3103, I.R.C.)

§ 182.342 *Storekeeper-gauger's record of materials used.* The storekeeper-gauger will report on Form 1452-A and Form 1452-B all materials used in the production of alcohol. Entries will be made from the proprietor's weight or quantity slips. The storekeeper-gauger will verify such slips by comparison with the proprietor's commercial records and his Form 1442. The quantity of residue returned to a brewery will also be entered by the storekeeper-gauger on his Form 1452-A and Form 1452-B.* (Sec. 3103, I.R.C.)

§ 182.343 *Proprietor's material slips.* Each proprietor will have printed, in uniform size, slips which show the date, name, number, and location of the industrial alcohol plant, the kind and quantity of materials received and used, and the serial numbers of the fermenters filled, together with such other information as may be required. Where different types of distilling materials are produced, separate entries shall be made, showing the quantity of material, type of mash or distilling material, and serial numbers of fermenters for each type. The term "type of mash" means the materials from which the mash is made, as molasses, wheat, corn, rye, etc. Material slips will be prepared, in duplicate, and will be filed chronologically by months by both the proprietor and storekeeper-gauger and will be retained at least one year.*

§ 182.344 *Storekeeper-gauger's verification.* The storekeeper-gauger will from time to time personally verify the accuracy of the proprietor's determination of the weight or quantity of materials received and used.*

§ 182.345 *Removal or destruction of fermenting or distilling material*—(a) *Sale or transfer of fermenting material.* If fermenting material is stored on the premises and it is desired to remove the same or any portion thereof from the premises for any purpose whatever, the storekeeper-gauger shall be notified by the proprietor, prior to the removal of

such materials, of the name and address of the consignee, the kind and quantity to be removed, and the reasons therefor. The quantity thus transferred will be entered on the appropriate records by the proprietor and the storekeeper-gauger.

(b) *Destruction of distilling material.* Distilling materials must not be destroyed until permission therefor has been obtained from the district supervisor and the same has been inspected by a Government officer, unless destruction without supervision is authorized by the district supervisor. If the material is found by an inspecting Government officer to be useless for distillation, he will supervise destruction thereof and submit a written report of his action to the district supervisor. The destruction of the material will be entered by the proprietor on Form 1442 and by the storekeeper-gauger on his Form 1452-B.

(c) *Destruction of fermented malt liquor and wine.* Fermented malt liquor and wine which have become unfit for distillation shall not be destroyed until inspected by a Government officer and a chemical analysis is made pursuant to the instructions of the district supervisor. If destruction is authorized, entries on the appropriate forms will be made by the proprietor and storekeeper-gauger.* (Secs. 3030, 3150, I.R.C.)

*Yeasting*

§ 182.346 *Materials for yeast mash.* Materials capable of producing alcohol which are used in preparing yeast mash will be weighed or measured by the proprietor, who will furnish weight or quantity slips to the storekeeper-gauger and make proper record on Form 1442. If the materials used in a yeast mash have been included in the materials weighed or measured by the proprietor for use in the production of the main mash, a notation should be made on the slip to that effect and no entry will be made on Forms 1442 and 1452-A. Such weight or quantity slips will be filed by the storekeeper-gauger for record and reference purposes.* (Sec. 3103, I.R.C.)

§ 182.347 *Materials for yeast culture.* The proprietor will not be required to furnish weight or quantity slips to the storekeeper-gauger of materials used in preparing pure yeast cultures or jug yeast which is added to the yeast mash or to report the same on Form 1442. The pure yeast cultures or jug yeast may be prepared and held for use as needed.*

*Mashing Operation*

§ 182.348 *Proprietor's notice of change in materials and strength of beer.* The proprietor may mash grain, molasses, or other fermenting materials covered by his application, Form 1431, in any quantity, proportion, or strength that he may desire, within the maximum specified in such application, provided he shall give written notice to the storekeeper-gauger in charge of the plant of the quantity of each kind of material which he proposes to mash and the strength of the beer. When desiring to change the quantity or kind of material or strength of the beer, he shall, before making such change, give written notice to the storekeeper-gauger in charge. Where the proprietor intends to mash different kinds of materials than those covered by Form 1431 or a larger quantity of the specified materials than the maximum indicated by such form, he must also comply with the requirements of § 182.109. If the proposed change in mashing is such that either a smaller or larger number of storekeeper-gaugers may be required to supervise operations, the proprietor shall give notice thereof to the storekeeper-gauger in charge in sufficient time for the district supervisor to reassign the unneeded officers or to assign additional officers to the plant.*

§ 182.349 *Presence of storekeeper-gaugers required.* Any mashing or distilling in the absence of the storekeeper-gauger from the premises is prohibited. The special attention of the proprietor is directed to the penalties imposed by law for mashing, distilling, or removing alcohol in the absence of the storekeeper-gauger.* (Secs. 3103, 3115, I.R.C.)

*Fermenting*

§ 182.350 *Frequency of filling tubs.* Proprietors of industrial alcohol plants are not restricted as to the period of fermentation nor as to the frequency or extent of the filling of the fermenting tubs. The proprietor must, however, give notice to the storekeeper-gauger in charge of the quantity of each kind of material which he proposes to mash and the strength of beer, as provided in § 182.348, and when he intends to mash different kinds of materials than those covered by Form 1431, or a larger quantity of the materials specified on the form than the maximum indicated thereon, he must file an amended application on Form 1431, as provided in § 182.109* (Sec. 3103, I.R.C.)

§ 182.351 *Quantity of mash and beer determined.* Storekeeper-gaugers assigned to industrial alcohol plants will determine the number of gallons of mash in each fermenter at the time of filing and the quantity of beer in each fermenter after fermentation is complete.*

§ 182.352 *Test of beer and slop.* At the time of distillation, the proprietor will thoroughly agitate the contents of each fermenter and the storekeeper-gauger will then take a sample of beer or other distilling material from each fermenter to determine the alcoholic content of the beer or other distilling material. He will also take daily several representative samples of slop or spent beer after the same has come from the still and determine the alcoholic content of each sample. He will make the test of beer or other distilling material and slop and compute the calculated yield, in accordance with the instructions on Form 1452-B.*

*Distillation*

§ 182.353 *Continuous process required.* The process of distillation employed must be such that the alcohol will pass through continuous closed stills, pipes and vessels from the time the vapors rise in the first still until the finished alcohol is deposited in the receiving room in locked receiving tanks provided for that purpose. The proprietor may, in the course of manufacture, carry his product through as many distilling operations as he may desire, provided the process is closed and continuous. Distilling processes are deemed to be continuous where the alcohol is carried through the various steps from the beer still to the receiving tanks as expeditiously as normal, efficient plant operation will permit in the manufacture of a finished product of standard quality. The collection of high and low wines and unfinished alcohol for the purpose of redistillation is not deemed to be a break in the continuity of the distilling process, but such alcohol when so collected should not be held indefinitely in the wine room. The distilling process is held to be completed when the alcohol is deposited in the receiving tanks.* (Sec. 3103, I.R.C.)

§ 182.354 *Gauging of high wines and low wines.* At industrial alcohol plants where high wines and low wines in the course of distillation are run from the beer still into tanks in the wine room for temporary deposit preparatory to completing the distillation thereof, the storekeeper-gaugers shall promptly gauge (measure and proof) the high wines or low wines in such tanks and make proper entry on Form 1452-A.*

§ 182.355 *Redistillation of alcohol*—(a) *Special permission must be obtained from the Commissioner.* The Commissioner may, in his discretion, provided he deems it proper so to do and subject to such conditions and restrictions as he may impose, authorize the transfer of alcohol from a bonded warehouse to the industrial alcohol plant on the same premises for redistillation. In making request for such special authorization the applicant will submit to the district supervisor, for transmission to the Commissioner, a statement, in triplicate, showing the quantity, source and condition of the alcohol, and the necessity for redistillation.

(b) *Records and reports.*—The alcohol thus transferred for redistillation will be weighed and proofed and the number of proof gallons will be entered as a special entry on Form 1442 under the heading "Statement of Materials Received." Report of the return and redistillation of the alcohol will also be made on Forms 1452-A and 1452-B and on the warehouse record.* (Sec. 3103, I.R.C.)

§ 182.356 *Distillation of liquid chemicals.* If, in the production of ethyl alcohol, other liquid chemicals are produced, such as butyl alcohol, isopropyl alcohol, acetone, ether, etc., each such chemical or product must be deposited in separate receiving tanks provided therefor, in order that the daily production thereof may be gauged and appropriate entries made on Forms 1442 and 1452-A, kept in accordance with § 182.341. The daily inventory shall be made by the proprietor in the immediate presence of the storekeeper-gauger.

(a) *Disposition.* All chemicals drawn from the receiving tanks shall be gauged (weighed or measured) by the proprietor in the presence of the storekeeper-gauger. Removal of such chemicals will be in such containers as the proprietor may desire. The kind and quantity of chemicals gauged and removed from the premises will be reported on Forms 1442, 1452-A, and 1452-B.

(b) *Marking of containers.* The containers in which chemicals are removed from industrial alcohol plant premises shall have marked thereon the registry number, name and address of the proprietor, the kind of chemical and the quantity in wine gallons in such package.* (Sec. 3103, I.R.C.)

*Locking of Plant*

§ 182.357 *When to be locked.* Whenever alcohol is contained at any place in the industrial alcohol plant other than under Government lock in the receiving room or the filled package storeroom therein, the industrial alcohol plant building or portion thereof in which such alcohol is contained must be kept securely locked by the proprietor in the absence of himself or his agents. The locks used by the proprietor to secure doors, windows or other openings of the plant, buildings or portions thereof in which alcohol is so contained must be such as will, in the opinion of the district supervisor, safeguard the alcohol against illegal removal during the absence of the proprietor or his agents.*

§ 182.358 *Keys of plant locks.* The proprietor shall furnish the district supervisor as many keys to the locks provided for securing the entrance door or doors of the plant, buildings, or portions thereof, which are required to be locked by the proprietor, as may be deemed necessary by the district supervisor from time to time in order that the plant or any portion thereof may be accessible at any time to Government officers authorized to enter and inspect the premises.*

*Deposit of Alcohol in Receiving Tanks*

§ 182.359 *Immediate deposit required.* All finished alcohol must be deposited in receiving tanks in the receiving room immediately upon completion of manufacture. The quantity of finished alcohol produced will be determined and entered daily on Forms 1442 and 1454 or 1488 (if any) and Form 1452-A as indicated by the headings of the columns and the instructions on the forms. Where the production of more than one day is run into the same tank, the operation must be so conducted that the production of a full day or days may be measured. The practice of entering in the records the quantity of alcohol deposited in the warehouse or transferred to the denaturing plant on a given date as the production of that date, or a preceding date, when not in accordance with the facts must not be followed. The quantity noted as the production of a particular date must, in fact, be the quantity actually produced on that date.*

§ 182.360 *Receiving tanks not to be used for storage.* Receiving tanks are not intended to be used for storage purposes and the retention of alcohol in such tanks for an indefinite period will not be permitted.*

*Comparison of Actual Yield with Calculated Yield*

§ 182.361 *Abnormal differences to be investigated.* The storekeeper-gauger will compare the quantity of alcohol produced and deposited in the receiving tanks with the calculated yield for the respective fermenters. Where the difference between the calculated yield and the actual yield is more than that determined by experience to be the normal difference for the particular plant, the storekeeper-gauger assigned to supervise distilling operations and the storekeeper-gauger in charge will make a thorough inquiry to determine the reason or reasons therefor and will make a full report of their findings on Form 1452-B. Where the facts warrant, the officers will make a report by letter to the district supervisor and will make reference on Form 1452-B to such letter. If the findings of the officers do not fully explain the discrepancy, the district supervisor will cause such further investigation to be made as may be deemed advisable.*

*Supervision of Receiving Room*

§ 182.362 *In charge of storekeeper-gauger.* The receiving tanks and the receiving room shall be under the supervision of the storekeeper-gauger designated for that duty. The doors and other openings of the receiving room will be locked at all times when alcohol is in such room, except when alcohol is being drawn off or other necessary work is being done by the proprietor under the supervision of the storekeeper-gauger. The entrance door will be locked on the outside with a Government seal lock and other doors will be locked on the inside with Government locks, as provided in § 182.30. The openings in the receiving tanks, including the inlets and outlets thereof, will also be kept locked with Government locks at all times, except the inlets of tanks being filled and the outlets of tanks being emptied, and the manheads when alcohol is being agitated and reduced preparatory to withdrawal. The receiving room must not be opened or allowed to remain open, nor may any person other than a Government officer be permitted in the receiving room, except when the designated storekeeper-gauger is on duty; nor will the keys to the Government locks be entrusted at any time to the proprietor or any person in his employ, but will be retained at all times in the possession of the designated storekeeper-gauger. The storekeeper-gauger will promptly report any lack of security of the receiving room to the storekeeper-gauger in charge.* (Sec. 3103, I.R.C.)

*Collection and Removal of Distilled Water*

§ 182.363 *Collection.* If distilled water is collected at the industrial alcohol plant, it must be run into storage tanks provided in accordance with § 182.76, and retained therein until drawn off and removed as hereinafter provided.*

§ 182.364 *Removal.* Distilled water may be drawn off into barrels or other containers prior to removal from the plant premises: *Provided,* That such water may be transferred off the plant premises to contiguous plants operated under internal revenue laws including tax-paid bottling houses by means of an independent pipe line constructed and installed in accordance with the provisions of § 182.76. Distilled water must under no circumstances be drawn off or removed through the receiving room, bonded warehouse or denaturing plant. Barrels or other wooden containers in which alcohol or other distilled spirits were previously packaged may not be used for the removal of distilled water, unless the barrels are coated or lined inside with glue, paraffin, or other similar substance.

(a) *Marking of packages.* If distilled water is drawn into packages for removal from the plant premises, such packages must be marked by the proprietor with his name, plant number, location (city or town and State), the words "Distilled Water" and the date of removal in distinct and legible letters.

(b) *Supervision of removal.* All distilled water when drawn into packages for removal or when removed by pipe line must be inspected by the storekeeper-gauger and removed under his immediate supervision. The storekeeper-gauger will enter all removals of distilled water on Form 1452-B as indicated by the columns and lines provided therefor and in accordance with the instructions on the form.*

*Collection and Removal of Fusel Oil*

§ 182.365 *Receiving tanks.* If fusel oil is collected at the industrial alcohol plant, it must be run into locked receiving tanks provided therefor and retained therein until tested and removed from the plant premises for transfer to storage tanks.*

§ 182.366 *Storage.* Where fusel oil is transferred from the tanks in which it is collected in the course of distillation to storage tanks for temporary storage pending removal from the plant premises, it must be tested again immediately before being drawn into shipping containers, or removed by pipe line.*

§ 182.367 *Washing and purifying.* The fusel oil-alcohol mixture must be thoroughly washed and purified with water to separate the oil and alcohol mixture before the oil is removed from the tanks in which it is deposited or stored.

(a) *Disposition of washwater.* The washwater used for washing and purifying the oil may be conveyed directly to the still or run into a receiving tank, or it may be run into the sewer or otherwise destroyed on the premises. If the washwater is run into a receiving tank, it will be handled the same as washwater from carbon dioxide. (See § 182.391.)*

§ 182.368 *Instruments for testing fusel oil.* Fusel oil must be substantially free of alcohol before being removed from the premises. The proprietor shall provide a test tube and salt solution for use by the storekeeper-gauger in determining whether the fusel oil is substantially free of alcohol.*

§ 182.369 *Description of test tube and salt solution*—(a) *Test tube.* The test tube shall be of glass, bulb-shaped, and closed at one end, having a graduated scale marked upon the glass in degrees from 0 near the top to 100 near the swell of the bulb. The bulb shall hold three times as much liquid as that portion of the test tube which is graduated from 0 to 100.

(b) *Saturated salt solution.* The saturated salt solution to be furnished by the proprietor is a solution of common table salt (NaCl) in water, containing all the salt which the water is capable of dissolving.*

§ 182.370 *Sample and test*—(a) *Sample.* Before the fusel oil is removed from the tanks in which it is deposited or stored, it must be thoroughly washed and purified, after which the proprietor will thoroughly mix the oil and the storekeeper-gauger will take a sample for testing in accordance with paragraph (b).

(b) *Test.* The test tube will be filled with the saturated salt solution to the 100 mark and fusel oil will be added until the tube is filled to the 0 mark. The fusel oil and salt solution shall then be thoroughly mingled by violently agitating the contents of the tube for several minutes. If, after sufficient time has been allowed for the fusel oil to separate fully from the salt solution and resume its position at the top of the tube, the scale shows that not more than 10 degrees (10 percent) of the fusel oil has disappeared, or has been dissolved in the salt solution, the fusel oil shall be passed as removable, that is to say, containing so small a quantity of alcohol as to remove all possibility of recovering the same, but if over 10 degrees of the fusel oil disappears, the fusel oil shall not be considered as sufficiently free of alcohol and may not be removed in that condition. A reading of 10 degrees (10 percent) would indicate that the fusel oil contains 10 percent of alcohol. When the fusel oil is found upon test by the storekeeper-gauger not to be removable, a sample shall be taken and submitted to the branch laboratory for analysis, unless the proprietor is agreeable to further washing and purifying the fusel oil. If a sample is submitted and the report of the chemist substantiates the finding of the storekeeper-gauger, the fusel oil must be further washed and purified and tested before being removed from the premises.*

§ 182.371 *Removal*—(a) *Containers.* Removable fusel oil may be drawn off into barrels, drums, or similar packages, or into tank cars. Packages containing such fusel oil shall be marked by the proprietor with his name, plant number, location (city or town and State), the words "Fusel Oil," and the date of removal in distinct and legible letters. When removal is made in tank cars, the proprietor will affix to the route board of each car a label containing such data.

(b) *Pipe lines.* Pipe lines constructed in conformity with the provisions of § 182.98 may be used for the purpose of transferring fusel oil from the industrial alcohol plant to contiguous premises operated by the proprietor of the industrial alcohol plant. Fusel oil thus transferred shall be weighed or measured by volume in a tank equipped with suitable scales or a measuring device on the industrial alcohol plant premises. The valve in the pipe line shall be closed and locked with a Government lock at all times when it is not in use.

(c) *Supervision.* All fusel oil must be removed under the immediate supervision of the storekeeper-gauger.

(d) *Record of removal.* The proprietor will enter the quantity of fusel oil removed from the premises on his Form 1442. The storekeeper-gauger will enter all removals of fusel oil and the percentage of loss shown upon the test thereof on Form 1452-B, as indicated by the columns and lines provided therefor on the form.*

*Production and Removal of Butyl Alcohol*

§ 182.372 *Receiving tanks.* If butyl alcohol is produced at the industrial alcohol plant, it must be run into locked receiving tanks provided therefor and retained therein until tested and removed from the plant premises or transferred to storage tanks. The daily production of butyl alcohol must be determined and appropriate entries made on Forms 1442 and 1452-A, kept in accordance with § 182.341. The daily inventory shall be made by the proprietor in the immediate presence of the storekeeper-gauger.*

§ 182.373 *Storage tanks.* Where butyl alcohol is transferred from the receiving tanks in which it is run in the course of distillation to storage tanks for temporary storage pending removal from the plant premises, it must be tested again immediately before being drawn into shipping containers or removed by pipe line.*

§ 182.374 *Instruments for testing butyl alcohol.* Butyl alcohol must be substantially free of ethyl alcohol before being removed from the premises. The proprietor shall provide a test tube and salt solution for use by the storekeeper-gauger in determining whether the butyl alcohol is substantially free of ethyl alcohol.*

§ 182.375 *Description of test tube and salt solution*—(a) *Test tube.* The test tube shall be of glass, bulb-shaped, and closed at one end, having a graduated scale marked upon the glass in degrees from 0 near the top to 100 near the swell of the bulb. The bulb shall hold three times as much liquid as that portion of the test tube which is graduated from 0 to 100. The test tube shall be similar to the one used for testing fusel oil.

(b) *Saturated salt solution.* The saturated salt solution to be furnished by the proprietor is a solution of common table salt (NaCl) in water, containing all the salt which the water is capable of dissolving. The storekeeper-gauger shall dilute the solution with an equal quantity of water before using it in his test.*

§ 182.376 *Sample and tests*—(a) *Sample.* Before the butyl alcohol is removed from the tanks in which it is deposited or stored, the proprietor will thoroughly mix the contents and the storekeeper-gauger will take a sample for testing in accordance with paragraph (b).

(b) *Test.* The test tube will be filled with the half (50 per cent) saturated salt solution to the 100 mark, and butyl alcohol will be added until the tube is filled to the 0 mark. The butyl alcohol and salt solution shall then be thoroughly mingled by violently agitating the contents of the tube for several minutes. If, after sufficient time has been allowed for the butyl alcohol to separate fully from the salt solution and resume its position at the top of the tube, the scale shows that not more than 5 degrees (10 per cent) of the butyl alcohol has disappeared, or has been dissolved in the salt solution, the butyl alcohol shall be passed as removable, that is to say, containing so small a quantity of ethyl alcohol as to remove all possibility of recovering the same, but if over 5 degrees of the butyl alcohol disappears, the butyl alcohol shall not be considered as sufficiently free of ethyl alcohol and may not be removed in that condition. A reading of 5 degrees would indicate that the butyl alcohol contains 10 per cent of either acetone or ethyl alcohol, or a mixture of the two. When the butyl alcohol is found upon test by the storekeeper-gauger not to be removable, a sample shall be taken and submitted to the branch laboratory for analysis, unless the proprietor is agreeable to further purifying the butyl alcohol. If a sample is submitted and the report of the chemist substantiates the finding of the storekeeper-gauger, the butyl alcohol must be further purified and tested before being removed from the premises.*

§ 182.377 *Removal*—(a) *Containers.* Removable butyl alcohol may be drawn off into barrels, drums, or similar packages, or into tank cars. Packages containing such butyl alcohol shall be marked by the proprietor with his name, plant number, location (city or town and State), the words "Butyl Alcohol," and the date of removal in distinct and legible letters. When removal is made in tank cars, the proprietor will affix to the route board of each car a label containing such data.

(b) *Pipe lines.* Pipe lines constructed in conformity with the provisions of § 182.98 may be used for the purpose of transferring butyl alcohol from the industrial alcohol plant to contiguous premises operated by the proprietor of the industrial alcohol plant. Butyl alcohol thus transferred shall be weighed or measured by volume in a tank equipped with suitable scales or a measuring device on the industrial alcohol plant premises. The valve in the pipe line shall be closed and locked with a Government lock at all times when it is not in use.

(c) *Supervision.* All butyl alcohol must be removed under the immediate supervision of the storekeeper-gauger.

(d) *Record of removal.* The proprietor will enter the quantity of butyl alcohol removed from the premises on his Form 1442. The storekeeper-gauger will enter all removals of butyl alcohol and the percentage of loss shown upon the test thereof on Forms 1452-A and 1452-B, as indicated by the columns and lines provided therefor on the form.*

*Production and removal of acetone*

§ 182.378 *Receiving tanks.* If acetone is produced at the industrial alcohol plant, it must be run into locked receiving tanks provided therefor and retained therein until tested and removed from the plant premises or transferred to storage tanks. The daily production of acetone must be determined and appro-

priate entries made on Forms 1442 and 1452–A, kept in accordance with § 182.341. The daily inventory shall be made by the proprietor in the immediate presence of the storekeeper-gauger.*

§ 182.379 *Storage tanks.* Where acetone is transferred from the receiving tanks in which it is run in the course of distillation to storage tanks for temporary storage pending removal from the plant premises, it must be tested again immediately before being drawn into shipping containers or removed by pipe line.*

§ 182.380 *Instruments for testing acetone.* Acetone must be substantially free of ethyl alcohol before being removed from the premises. The proprietor shall provide a graduated glass cylinder with ground glass stopper, having a capacity of 100 cubic centimeters with 1 cubic centimeter graduations and a 10 cubic centimeter glass pipette with 1 cubic centimeter graduations, for use by the storekeeper-gauger in determining whether the acetone is substantially free of ethyl alcohol.*

§ 182.381 *Reagent.* The branch laboratory performing the chemical work for the district supervisor's office will furnish the storekeeper-gauger with a reagent for testing the acetone. The reagent will be prepared by dissolving 0.3 gram of potassium dichromate in 100 cubic centimeters of a 1 per cent (by volume) sulphuric acid solution.*

§ 182.382 *Sample and test*—(a) *Sample.* Before the acetone is removed from the tanks in which it is deposited or stored, the proprietor will thoroughly mix the contents and the storekeeper-gauger will take a sample for testing in accordance with paragraph (b).

(b) *Test.* Fifty cubic centimeters of the acetone sample will be placed in the glass-stoppered cylinder to which will be added, by use of the pipette, 4 cubic centimeters of the reagent. The solution will then be mixed well and let stand for a few minutes to determine the presence of alcohol. The reagent will produce a yellow color. The presence of ethyl alcohol in the acetone will cause the yellow color to fade to a milky white. Pure acetone reacts slowly; at least half an hour's standing is required to produce a change of color. At temperatures above 50 degrees Fahrenheit acetone solutions containing 2 per cent or more of ethyl alcohol will fade in about 5 minutes, and at temperatures below 50 degrees Fahrenheit the reaction time is about 15 minutes. If the yellow color of the sample fades to a milky white in about 5 minutes, where the temperature is above 50 degrees Fahrenheit, or in about 15 minutes, where the temperature is below 50 degrees Fahrenheit, the acetone shall not be considered as sufficiently free from ethyl alcohol and may not be removed in that condition. The reaction within the above ranges (about 5 to 15 minutes) would indicate that the acetone contains 2 per cent or more of either ethyl alcohol or butyl alcohol, or a mixture of the two. When the acetone is found upon test by the storekeeper-gauger not to be removable, a sample shall be taken and submitted to the branch laboratory for analysis, unless the proprietor is agreeable to further purifying the acetone. If a sample is submitted and the report of the chemist substantiates the finding of the storekeeper-gauger, the acetone must be further purified and tested before being removed from the premises.*

§ 182.383 *Removal*—(a) *Containers.* Removable acetone may be drawn off into barrels, drums, or similar packages, or into tank cars. Packages containing such acetone shall be marked by the proprietor with his name, plant number, location (city or town and State), the word "Acetone," and the date of removal in distinct and legible letters. When removal is made in tank cars, the proprietor will affix to the route board of each car a label containing such data.

(b) *Pipe lines.* Pipe lines constructed in conformity with the provisions of § 182.98 may be used for the purpose of transferring acetone from the industrial alcohol plant to contiguous premises operated by the proprietor of the industrial alcohol plant. Acetone thus transferred shall be weighed or measured by volume in a tank equipped with suitable scales or a measuring device on the industrial alcohol premises. The valve in the pipe line shall be closed and locked with a Government lock at all times when it is not in use.

(c) *Supervision.* All acetone must be removed under the immediate supervision of the storekeeper-gauger.

(d) *Record of removal.* The proprietor will enter the quantity of acetone removed from the premises on his Form 1442. The storekeeper-gauger will enter all removals of acetone on Forms 1452–A and 1452–B, as indicated by the columns and lines provided therefor on the form.*

*Production and Removal of Ether*

§ 182.384 *Receiving tanks.* If ether is produced at the industrial alcohol plant, it must be run into locked receiving tanks provided therefor and retained therein until tested and removed from the plant premises or transferred to storage tanks. The daily production of ether must be determined and appropriate entries made on Forms 1442 and 1452–A, kept in accordance with § 182.341. The daily inventory shall be made by the proprietor in the immediate presence of the storekeeper-gauger.*

§ 182.385 *Storage tanks.* Where ether is transferred from the receiving tanks in which it is run in the course of distillation to storage tanks for temporary storage pending removal from the plant premises, it must be tested again immediately before being drawn into shipping containers or removed by pipe line.*

§ 182.386 *Instruments for testing ether.* Ether must be substantially free of alcohol before being removed from the premises. The proprietor shall provide two or more graduated glass cylinders with ground glass stoppers, having a capacity of 25 cubic centimeters, with one-fifth cubic centimeter graduations similar to that described as No. 4413 in Arthur H. Thomas & Co., Philadelphia, Pa., catalogue, for use by the storekeeper-gauger in determining whether the ether is substantially free of alcohol.*

§ 182.387 *Reagent.* The branch laboratory performing the chemical work for the district supervisor's office will furnish the storekeeper-gauger with a reagent, "Fuchsine," for testing the ether.*

§ 182.388 *Sample and test*—(a) *Sample.* Before the ether is removed from the tanks in which it is deposited or stored, the storekeeper-gauger will take a sample for testing in accordance with paragraph (b).

(b) *Test.* Twenty-five cubic centimeters of the ether sample will be placed in the glass-stoppered cylinder to which will be added a small lump or crystal (not larger than one-half the size of a pea) of fuchsine. The cylinder must be thoroughly dry before using; otherwise the fuchsine will dissolve and the test will be meaningless. Invert the cylinder several times to mix, removing the stopper after each inversion to allow the pressure to escape. Let the sample stand for a period of 15 minutes to determine the presence of alcohol. Caution: Always remove the stopper after inverting the glass cylinder so that the pressure formed will not blow it out, thus causing injury. Replace the stopper at once. Do not open ether near a flame. The presence of alcohol in the ether will cause a pink color to develop. If the sample contains 5 per cent or more of alcohol, a deep pink color will develop. The presence of smaller percentages of alcohol in the ether will cause color to develop to a less degree and no color will develop if the ether is free of alcohol. If a pink color is developed, a control sample will be prepared immediately by placing 1.25 cubic centimeters of alcohol in one of the graduated glass cylinders and filling the cylinder to the 25 cubic centimeter mark with previously tested alcohol-free ether, then adding a small lump of fuchsine, mixing and letting stand for 15 minutes in the manner prescribed above. If the sample being tested develops a deeper pink color than the control sample, it would indicate that the ether contains more than 5 per cent of alcohol, and the ether shall not be considered as sufficiently free of alcohol and may not be removed in that condition. When the ether is found upon test by the storekeeper-gauger not to be removable, a sample shall be taken and submitted to the branch laboratory for analysis, unless the proprietor is agreeable to further purifying the ether. If a sample is submitted and the report of the chemist substantiates the finding of the storekeeper-gauger, the ether must be further purified and tested before being removed from the premises.*

§ 182.389 *Removal*—(a) *Containers.* Removable ether may be drawn off into barrels, drums, or similar packages, or into tank cars. Packages containing such ether shall be marked by the proprietor with his name, plant number, location (city or town and State), the word "Ether," and the date of removal in distinct and legible letters. When removal is made in tank cars, the proprietor will affix to the route board of each car a label containing such data.

(b) *Pipe lines.* Pipe lines constructed in conformity with the provisions of § 182.98 may be used for the purpose of transferring ether from the industrial al-

cohol plant to contiguous premises operated by the proprietor of the industrial alcohol plant. Ether thus transferred shall be weighed or measured by volume in a tank equipped with suitable scales or a measuring device on the industrial alcohol plant premises. The valve in the pipe line shall be closed and locked with a Government lock at all times when it is not in use.

(c) *Supervision.* All ether must be removed under the immediate supervision of the storekeeper-gauger.

(d) *Record of removal.* The proprietor will enter the quantity of ether removed from the premises on his Form 1442. The storekeeper-gauger will enter all removals of ether on Forms 1452–A and 1452–B, as indicated by the columns and lines provided therefor on the form.*

*Production and Removal of Other Chemicals and Products*

§ 182.390 *Procedure.* All other liquid chemicals and products produced and removed at industrial alcohol plants shall be inspected by the storekeeper-gauger and removed under his immediate supervision, and subjected to such tests as may be prescribed by the Commissioner.*

*Recovery and Removal of Carbon Dioxide*

§ 182.391 *Procedure.* Carbon dioxide may be recovered from fermenters and removed from the plant premises provided it is first throughly washed or scrubbed and purified in the fermenting room or building to remove the alcohol therefrom. Where carbon dioxide is recovered, the washwater may be collected in a receiving tank. After the quantity and alcoholic content are determined by the storekeeper-gauger, it may be transferred from pipe lines to a mash tub or fermenter or to a beer well. An approved ebulliometer shall be used in determining the alcoholic content of the washwater. Where the washwater is transferred to the fermenter for mixing with the beer, the transfer must be made prior to the testing of the beer by the storekeeper-gauger at the time of distillation. Where the washwater is transferred to the beer well, the number of gallons and the alcoholic content thereof will be interlined on Form 1452–A and included in determining the calculated yield. The date, the number of gallons, the alcoholic content and the disposition of such washwater will be repoted by the storekeeper-gauger on Form 1452–B under "Special Operations or Conditions." If the washwater is not utilized in the manufacture of alcohol, it will be run into the sewer or otherwise destroyed on the premises under the supervision of the storekeeper-gauger.*

*Samples of Alcohol*

§ 182.392 *Unfinished alcohol.* The proprietor may take samples of alcohol in the course of distillation and prior to its deposit in the receiving room. The size and number of samples must be restricted to the minimum necessary to determine the quality of the alcohol being produced.*

§ 182.393 *Finished alcohol.* The proprietor may take from the receiving room of the industrial alcohol plant like samples of alcohol for chemical analysis or organoleptic examination only.*

§ 182.394 *Application.* When the proprietor desires to procure such samples, he shall make application, in triplicate, to the district supervisor. The application should specify the reasons why the samples are desired, the number and size of the samples to be taken, and the place or places of removal. Where it is desired to take samples from the plant regularly for the purpose specified, the application may be made for that purpose. No samples may be taken until the application is approved: *Provided,* That in cases of emergency the storekeeper-gauger in charge may permit the proprietor to take samples of unfinished alcohol, prior to application to the district supervisor, where such samples are necessary for control purposes, subject to prompt report thereof being made to the district supervisor.*

§ 182.395 *Approval of application.* The district supervisor must satisfy himself as to need for the number of samples desired and the legitimacy of the purpose for which they are to be used before approving the application. If the district supervisor approves the application he will return one copy to the applicant, forward one copy to the storekeeper-gauger at the plant, and retain the other copy in his office.*

§ 182.396 *Removal under supervision.* All samples of finished and unfinished alcohol must be taken under the immediate supervision of the storekeeper-gauger.*

§ 182.397 *Label.* Each bottle containing a sample must have affixed thereto by the proprietor a label showing the name of the proprietor, the kind or grade of alcohol, the word "Sample," and a statement that the alcohol is for analytical or organoleptic examination. The label may contain such other identifying data as the proprietor may desire to place thereon.*

§ 182.398 *Office record.* The storekeeper-gauger will keep an office record of the samples taken, giving the date, number, quantity in wine gallons, and the proof. The storekeeper-gauger will also report the total number and the quantity in wine and proof gallons of samples taken at the plant during the month on Form 1452–B under "Special Operations and Conditions."*

§ 182.399 *Disposition of samples.* The samples must be used solely for chemical analysis or organoleptic examination. They may not be furnished to salesmen and dealers for advertising or soliciting purposes. When such is authorized in the approved application, the proprietor may furnish a sample of not exceeding 1 pint to a purchaser where the alcohol has been sold subject to approval as to quality. Remnants or residues of samples taken from the industrial alcohol plant or receiving room remaining after analysis or examination, and which are not desired to be retained as laboratory specimens or for further analysis or examination, must be returned to vessels in the distilling system or receiving tanks unless the condition of the remnants or residue is such as to render them unsuitable for such disposition. If such remnants or residues of samples are unsuitable for return, they should be destroyed in the presence of the storekeeper-gauger.*

*Tax-payment, Removal, and Transfer of Alcohol From Receiving Room*

§ 182.400 *Authorized removals.* Alcohol produced at industrial alcohol plants, after deposit in the receiving tanks, may be:

(1) Transferred by means of pipe lines to storage tanks in a bonded warehouse on the bonded premises where produced, or to alcohol storage tanks or mixing tanks in a denaturing plant located on the bonded premises where produced.

(2) Drawn into tank cars or other approved containers and transferred to any bonded warehouse for storage therein, or to any denaturing plant for denaturation.

(3) Withdrawn upon payment of tax without being entered into a bonded warehouse.

(4) Tax-paid and transferred by pipe line to a rectifying plant on contiguous or nearby premises, as authorized by §§ 182.574a to 182.574g.

(5) Removed for lawful tax-free purposes.* (Secs. 2885, 2891, 3106, 3107, 3108, I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public Law 187, 77th Congress))

§ 182.401 *Approved containers, marks, brands, etc.* The containers into which the alcohol may be drawn must conform to the requirements and be marked and branded and stamped in accordance with the provisions of §§ 182.506 to 182.536, inclusive.*

§ 182.402 *Procedure and reports.* The procedure prescribed in §§ 182.470–182.652 in respect to the filling, gauging, and marking of packages and the removal of alcohol at bonded warehouses, will be followed when packages are filled or alcohol is removed for shipment or transfer to the denaturing plant directly from the receiving tanks. Report of the gauge of packages filled will be made in accordance with §§ 182.470–182.652. Alcohol removed directly from the receiving tanks for shipment or transfer will be regarded as having been constructively warehoused, and all records of production, depositing, and withdrawal of such alcohol will be made in accordance with §§ 182.470–182.652 as for alcohol actually entered into warehouses in original packages or in storage tanks.*

§ 182.403 *Receiving room considered as warehouse.* If the proprietor operates a bonded warehouse on the premises of the industrial alcohol plant, the receiving room thereof shall be deemed to be a part of such warehouse for the purpose of direct removals of alcohol from the receiving room.*

*Drawing Off, Gauging, and Removal of Alcohol*

§ 182.404 *Drawing off alcohol.* When alcohol is to be drawn from a receiving tank, the storekeeper-gauger will see that the valve in the pipe line controlling the

flow of alcohol into the tank is closed and locked before the alcohol in the tank is reduced and proofed and that such valve remains closed and locked until the alcohol has been removed. Whenever alcohol is to be drawn from receiving tanks or transferred into or out of other tanks secured with Government locks, the storekeeper-gauger will open and close the locks, but it shall be the duty of the proprietor to manipulate the stopcocks or valves controlling the flow of the alcohol. The storekeeper-gauger assigned to the receiving room is required to be present and personally supervise the drawing off of all alcohol in the receiving tanks, the marking and branding of all packages of alcohol filled therefrom, and the stamping of all packages tax-paid directly from the receiving room. He will also see that all mechanical duties connected with such operation are properly performed, as provided herein and in the Gauging Manual. (26 CFR, Part 186).*

§ 182.405 *Gauging of alcohol.* All alcohol drawn from receiving tanks will be carefully gauged by the proprietor in the immediate presence of the storekeeper-gauger and reported on Forms 1442 and 1454. Alcohol drawn into barrels, drums, or similar packages, shall be gauged in accordance with the rules prescribed in the Gauging Manual. Alcohol to be transferred by pipe line from receiving tanks shall also be gauged in accordance with the rules prescribed in the Gauging Manual; the weight of the alcohol will be determined by means of weighing tanks, as provided in § 182.407. The storekeeper-gauger will verify the gauge (proof, weight, and gallonage) of all alcohol, as determined by the proprietor.* (Sec. 3103, I.R.C.)

§ 182.406 *Time of removal from receiving room.* The alcohol must be removed from the receiving room directly to the bonded warehouse or denaturing plant on the same premises on the same day it is drawn from the receiving tanks, except where it is drawn into approved containers for tax-payment or for exportation or other lawful tax-free purpose without being entered into warehouse or is drawn into such containers for transfer to a bonded warehouse or denaturing plant off the industrial alcohol plant premises, the same may be placed in a filled package storeroom within the receiving room, provided in accordance with § 182.31, and permitted to remain therein for such period as may be reasonably necessary to accomplish tax-payment, tax-free removal, or transfer in bond, but not more than three days, except in cases of emergency, and then only with the approval of the district supervisor. While alcohol is stored in such filled package storeroom it will be kept securely locked at all times, except when necessary to be opened for the deposit or removal of alcohol. The entrance door will be secured with a Government seal lock, the key to which will remain at all times in the custody of the storekeeper-gauger.* (Sec. 3103, I.R.C.)

§ 182.407 *Weighing alcohol removed by pipe line.* Where alcohol is to be removed by pipe line, the same will be weighed in a weighing tank before removal from the receiving room, except that where alcohol is transferred by pipe line from the receiving tanks to a bonded warehouse or denaturing plant on the industrial alcohol plant premises, and no weighing tank is provided in the receiving room, the alcohol may be run into weighing tanks in the bonded warehouse or denaturing plant, respectively, and weighed therein. The alcohol must, in any event, be weighed once in connection with its transfer to the bonded warehouse or the denaturing plant. Where alcohol is transferred from receiving tanks to tank cars, one or more weighing tanks must be provided in the receiving room and all alcohol removed by pipe line must be weighed in such weighing tanks, and the correct weight will be recorded by the proprietor on the appropriate forms. The storekeeper-gauger will balance the scales upon which the weighing tank is mounted before the alcohol is run into such tank. Scales used for weighing alcohol in lots of not over 500 gallons will be tested from time to time under the supervision of the storekeeper-gauger, by means of test weights, provided in accordance with § 182.66. Such scales will be tested by placing the prescribed test weights on the scales and checking the weight registered on the beam or dial of the scales. The test weights will then be removed without disturbing the beam or dial and the weighing tank filled with alcohol or water to the same weight, whereupon the test weights will again be placed upon the scales, the alcohol or water being retained in the tank and the weight registered on the beam or dial checked. This operation will be continued until the scales have been checked in 500-pound notches at all weights for which the scales are used. Storekeeper-gaugers will, from time to time, check the gallonage indicated by scales used for weighing alcohol in larger lots against the gallonage indicated by volumetric determination of the contents of the tank. Such volumetric determination will be made by (1) accurately ascertaining the proof and temperature of the alcohol, and the depth of the liquid in the tank by means of a steel tape, (2) multiplying the depth in inches by the capacity of the tank for 1 inch of depth, and (3) correcting the volume to 60 degrees Fahrenheit in accordance with Table No. 7 of the Gauging Manual. The corrected wine gallonage thus determined can then be compared with the wine gallons indicated by the scales. The storekeeper-gauger will not permit the use of any scales found to be inaccurate.* (Sec. 2808, I.R.C.)

§ 182.408 *Pipe-line removals.* A pipe line used for the transfer of alcohol from the receiving room to storage tanks in a bonded warehouse, or to a denaturing plant on the industrial alcohol plant premises, or to railroad tank cars for shipment, must conform to the requirements of § 182.82, except that alcohol may be transferred into a tank car by means of a hose connection where the same is in full view of the Government officer throughout its entire length. The valves on such pipe line shall be kept closed and locked at all times, except when necessary to be opened for the transfer of alcohol. The keys to all locks on the valves of pipe lines shall remain at all times in the custody of the storekeeper-gauger. Alcohol may be transferred by pipe line only under the immediate supervision of the storekeeper-gauger.*

*Losses of Alcohol*

§ 182.409 *Losses in industrial alcohol plant.* The tax on alcohol lost in an industrial alcohol plant by evaporation or other shrinkage, leakage, casualty or unavoidable cause during distillation, redistillation, withdrawal, piping, shipment, storage, packing, transfer, or recovery, may be remitted provided the manufacturer establishes that the alcohol was not diverted to any illegal use and that he is not indemnified against the loss by a valid claim of insurance. The procedure prescribed in §§ 182.470–182.652, will be followed when such losses occur.* (Sec. 3113, I.R.C.)

§ 182.410 *Losses in receiving tanks.* The provisions of §§ 182.470–182.652 concerning the allowance for losses in storage tanks in bonded warehouses, and other applicable provisions thereof, are extended, insofar as applicable, to receiving tanks in industrial alcohol plants.*

§ 182.411 *Claim for losses.* Claims for the remission of tax on alcohol lost in the industrial alcohol plant or from receiving tanks will be filed with the district supervisor of the district in which the industrial alcohol plant is located. Such claim should be filed within 30 days after the loss is discovered and the procedure concerning claims shall be in accordance with the provisions of §§ 182.470–182.652 concerning claims for losses.*

§ 182.412 *Records.* Where alcohol is lost or destroyed on the industrial alcohol plant premises, appropriate entry and report of such loss or destruction will be made by the storekeeper-gauger on Form 1452-B, and by the proprietor on Form 1442, Form 1454, or Form 1488 (if any).*

*Alcohol Produced and Not Accounted For*

§ 182.413 *Commissioner to make assessments.* Under the law it is the duty of the Commissioner to inquire and determine whether the proprietor has accounted for all the alcohol produced by him. If the Commissioner finds that the proprietor has not accounted for all the alcohol produced by him, he shall, from all the evidence he can obtain, determine what quantity of alcohol was actually produced by such proprietor and make an assessment at the rate imposed by law for the difference between the quantity reported and the quantity shown to have been actually produced.* (Secs. 3103, 3640, I.R.C.)

§ 182.414 *Storekeeper-gauger to report deficiencies.* The storekeeper-gauger, upon completion of his monthly report, Form 1452-B, will compare the calculated yield for that month with the actual production. He will give a complete statement on such form, under "Special Operations or Conditions," in respect to any material deficiency in the calculated production or any loss of beer or alcohol by casualty or otherwise. He will likewise

report any unusual or peculiar conditions that may obtain at the plant.*

§ 182.415 *District supervisor's examination of returns.* Upon receipt of the proprietor's monthly return, Form 1442, and the corresponding report of the storekeeper-gauger, Form 1452-A, and Form 1452-B, the district supervisor will examine them to determine whether the proprietor has accounted for all the alcohol produced by him during the month. If he finds that the proprietor apparently has not accounted for all the alcohol produced by him, he shall make such investigation as he may deem necessary and determine from all the evidence he can obtain the quantity of alcohol actually produced by the proprietor.* (Secs. 3103, 3640, I.R.C.)

§ 182.416 *Use of materials not reported.* If the district supervisor should find that the proprietor has received on his premises materials which have not been accounted for, or has used materials which have not been reported as used, and has produced alcohol which has not been reported, the quantity of alcohol produced and not reported should be determined from all the evidence that can be obtained, including evidence of the normal actual yield of alcohol from such materials at the particular plant.* (Secs. 3103, 3640, I.R.C.)

§ 182.417 *Alcohol produced and not reported.* If it is found that all the materials received have been accounted for and all the materials used have been reported, but that the proprietor has not accounted for all the alcohol produced, the quantity actually produced should be determined from all the evidence that can be obtained. The evidence that alcohol has been produced from materials reported used and has not been accounted for by the proprietor should be direct and positive.* (Secs. 3103, 3640, I.R.C.)

§ 182.418 *Notice to proprietor.* If it is determined that the proprietor has not accounted for all the alcohol produced by him, the district supervisor will, unless the interests of the Government require an immediate assessment, notify the proprietor of the proposed assessment and afford him an opportunity to submit, within 30 days, or such further time as the district supervisor may consider reasonable, evidence showing why the proposed assessment should not be made.* (Secs. 3103, 3640, I.R.C.)

§ 182.419 *Nature of evidence.* The evidence submitted by the proprietor should be in the form of affidavits and certified documents.*

§ 182.420 *Consideration of proprietor's response.* If the proprietor responds to the notice and submits evidence bearing on the merits of the proposed assessment, the district supervisor will give due consideration thereto and make such further investigation as he may deem advisable. If, after consideration of all the facts, the district supervisor finds that tax is due, he will report the same to the Commissioner, in accordance with the prescribed assessment procedure. If the district supervisor finds that tax should not be assessed, he will forward the affidavits and other documents submitted by the proprietor, together with investigation reports, if any, to the Commissioner with his recommendation thereon.* (Secs. 3103, 3640, I.R.C.)

§ 182.421 *Claim for remission.* Where the proprietor claims pursuant to notice of proposed assessment, that the alcohol produced and not accounted for was actually lost in the process of manufacture, he will apply for remission of the tax on such alcohol, in accordance with the provisions of §§ 182.470–182.652.*

§ 182.422 *Proprietor's failure to respond.* If the proprietor fails to respond to the notice of the proposed assessment within the time specified, the district supervisor will report to the Commissioner, in accordance with the prescribed assessment procedure, the amount found due for assessment.* (Secs. 3103, 3640, I.R.C.)

*Suspension of Operations*

§ 182.423 *Notice, Form 124.* Any proprietor desiring to suspend operations for an indefinite period or for a definite period of seven days or more at his industrial alcohol plant shall give notice on Form 124, "Notice of Suspension," in triplicate, stating when he will suspend operations. The notice will be delivered to the storekeeper-gauger in charge at the plant.

(a) *Completion of operations required.* Except as provided in section 182.428, before the industrial alcohol plant may be suspended, all distilling material and all unfinished alcohol must be distilled and all alcohol produced must be run into the receiving tanks: *Provided,* That where alcohol is held in the wine room for redistillation, and the industrial alcohol plant is to be suspended for a temporary period of not more than seven days and is not to be operated by another proprietor or as a registered distillery or fruit distillery during such period, the district supervisor may, where in his opinion such may be done without jeopardy to the revenue, permit such alcohol to be retained in tanks in the wine room of the industrial alcohol plant during the period of temporary suspension, if both the tanks and the wine room are kept locked with Government locks: *Provided, further,* That where the industrial alcohol plant is to be operated temporarily as a registered distillery or fruit distillery, unfinished alcohol may be held under Government lock in unfinished alcohol tanks in the wine room, as provided in § 182.439 (a). The district supervisor may also in his discretion authorize the retention of unwashed fusel oil in locked tanks during the period of such temporary suspension.* (Sec. 3103, I.R.C.)

§ 182.424 *Date of suspension.* The proprietor will fix in the notice the time when all the beer, or other distilling material, on the plant premises will be distilled and all alcohol in the industrial alcohol plant will be run into the receiving tanks in the receiving room, or into unfinished alcohol tanks in the wine room, as provided in § 182.423 (a).*

§ 182.425 *Locking furnace doors, etc.* When notice of suspension is given by the proprietor, the storekeeper-gauger will, at the time fixed in the notice, lock the furnace door of each still or the control valve in the pipe line conveying steam or fuel to each still, and will supervise the disconnection of the distilling machinery and the removal to the bonded warehouse or the receiving room of some portion of such machinery necessary to distillation. The locks used in securing furnace doors or the control valves in steam or fuel lines will be taken from such other place in the industrial alcohol plant where the locks are not necessary while the plant is suspended as may be designated by the district supervisor. In lieu of removing a portion of the distillery apparatus to the bonded warehouse, receiving room or other secure place, the district supervisor may require two of the ports (manheads) of each column still to be locked open by passing a chain or two iron straps through the ports and around the outside of the still, and locking the chain or straps in place.* (Sec. 3103, I.R.C.)

§ 182.426 *Officer's certificate of suspension.* The officer will certify on each copy of Form 124 to the action taken by him and will furnish one copy of the form to the proprietor and forward the remaining copies to the district supervisor, who will forward one copy to the Commissioner. The district supervisor may relieve any officer assigned to the plant from duty thereat during the period of suspension.*

§ 182.427 *Mash, wort, or beer at suspended plant forbidden.* Except as provided in the following section, no proprietor may, after the time fixed in his notice, Form 124, for suspension of work at the industrial alcohol plant, carry on the business of distilling on the said premises, or have mash, wort, or beer fermented or in the process of fermentation, or other distilling material, in his plant or on any premises connected therewith, or have in his possession or under his control any mash, wort, or beer, or other distilling material, with intent to distill the same on said premises.* (Sec. 3103, I.R.C.)

§ 182.428 *Suspension caused by unavoidable accident.* In case of accident necessitating suspension of the plant for an indefinite period or for a definite period of seven days or more, the proprietor should, if possible, distill all the beer, or other distilling material, and unfinished alcohol on hand before filing notice of suspension. Should the accident be of such a nature as to render this impossible, the proprietor will immediately give notice of suspension on Form 124, in triplicate, as provided in § 182.423. The storekeeper-gauger will then lock the furnace doors of the stills or the control valves in the steam or fuel lines leading to the stills, and supervise the disconnection and removal of distilling machinery, as provided in § 182.425. The officer will then certify on Form 124, in triplicate, to the action taken by him and state the kind and quantity, if any, of mash, beer, wort, or other distilling material, or unfinished alcohol on hand at the time of suspension and will furnish one copy of the form to the proprietor and forward the remaining copies to the district supervisor, who will forward one copy to the Commissioner. The district supervisor may relieve any officer assigned to the

plant from duty thereat during the period of suspension.* (Sec. 3103, I.R.C.)

*Resumption of Operations*

§ 182.429 *Notice, Form 125.* No proprietor may carry on the business of distilling after the time stated in his notice of suspension, Form 124, until he shall have given another notice on Form 125, "Notice of Resumption," in triplicate, to the district supervisor, stating the time he will resume operations. This notice should be forwarded in sufficient time to reach the district supervisor a sufficient time in advance of the date it is desired to resume operations to enable the district supervisor to assign a storekeeper-gauger to remove the locks and supervise operations. This notice should ordinarily reach the district supervisor at least 48 hours in advance of the date the proprietor desires to resume operations. The district supervisor will designate an officer to remove the locks and other fastenings placed on the equipment at the time of suspension and to supervise the connection of machinery on the date specified in the Form 125. Where the suspension was caused by accident and beer, or other distilling material, or unfinished alcohol remain on hand, the designated officer will determine whether the same kind and quantity of beer, or other distilling material, or unfinished alcohol reported on Form 124 as on hand at the time of suspension are on hand at the time of resumption, less natural evaporation.* (Sec. 3103, I.R.C.)

§ 182.430 *Officer's certificate of removal of locks and fastenings.* The officer will certify on Form 125, in triplicate, to the action taken by him, and to the kind and quantity, if any, of beer, or other distilling material, or unfinished alcohol on hand at the time of such resumption, and will furnish one copy of Form 125 to the proprietor and forward the remaining copies to the district supervisor, who will forward one copy to the Commissioner.*

§ 182.431 *Unauthorized removal of locks and fastenings.* No revenue officer or other person may remove Government locks and fastenings and permit connection of the machinery where an industrial alcohol plant has been suspended, except by direction of the district supervisor, pursuant to notice of resumption.*

*Registry of Stills "For Use" and "Not for Use"*

§ 182.432 *Registry on Form 26.* Every person having in his possession or custody, or under his control, any still set up must register the same with the district supervisor for the district in which it is located. This registry must be made on Form 26, in triplicate, immediately the still is set up. When the proprietor intends to use the still he must register it "For use," and when he intends to discontinue use of the still he must register it "Not for use." It will not be necessary to so register the still because of temporary suspensions. This registry will also be made on Form 26, in triplicate, with the district supervisor as in the case of original registry. The district supervisor will, upon approval of the form, retain one copy, forward one copy to the Commissioner, and return the remaining copy to the proprietor. The proprietor will retain his copy at the industrial alcohol plant available for inspection by Government officers.* (Sec. 3103, I.R.C.)

§ 182.433 *Alternate use of stills.* Where the proprietor has two or more stills and intends to discontinue the use of one or more of them and to continue the use of the others, he must immediately register the still, or stills, he does not intend to use "Not for use." * (Sec. 3103, I.R.C.)

*Operations by Proprietor Under Different Trade Names or Styles*

§ 182.434 *Commencement of operations.* Whenever the proprietor desires to operate his industrial alcohol plant under a trade name or style which has not been previously approved, he must secure approval thereof in the manner prescribed by § 182.261 prior to commencement of operations thereunder. Thereafter, whenever he desires again to operate under such trade name or style, he shall file with the district supervisor Form 1431, in skeleton form, prior to commencement of operations thereunder.*

§ 182.435 *Disposition of materials in process.* Whenever the proprietor desires to operate his industrial alcohol plant under a trade name or style other than the trade name or style under which he is then operating, and has complied with the above provisions, he will not be required to complete the distillation of mash, beer, or other distilling material, and unfinished alcohol in the process of manufacture before commencing business under such other trade name or style.*

§ 182.436 *Finished alcohol.* All finished alcohol remaining in the receiving room at the time the change in trade name or style becomes effective must be marked and removed in the trade name or style under which it was finished. All finished alcohol produced from mash, beer, or other distilling material, and unfinished alcohol remaining on hand at the time the change in trade name or style becomes effective must be marked and removed in the trade name or style under which it is finished. The proprietor will report the deposit and removal of such finished alcohol on Form 1442 on the same lines covering its manufacture. Similar entries will be made by the storekeeper-gauger on Forms 1452-A and 1452-B.*

§ 182.437 *Records.* Separate records on Forms 1442 and 1454 and 1488 (if any) will not be required for operations under each trade name but the proprietor must note on such records the trade names or styles under which he operated during the month and the dates of operations under each. The storekeeper-gauger will make a similar notation on his record, Form 1452-A. Where alcohol is produced under a trade name, the proprietor and the storekeeper-gauger must show on their records both the real name of the actual producer and the trade name under which the alcohol was produced.*

*Alternate Operation as Registered Distillery or Fruit Distillery*

§ 182.438 *Qualifying for alternate operation.* Whenever an industrial alcohol plant established or operated under these regulations is to be operated alternately as such and as a registered distillery or fruit distillery, the procedure prescribed in §§ 182.276–182.279 for effecting such change in the type of plant must be complied with.*

§ 182.439 *Completion of operation required.* When an industrial alcohol plant is to be operated as a registered distillery or as a fruit distillery, the business of producing alcohol must be completely finished by the person or persons first carrying on the business and the plant duly suspended before it can be operated as a registered distillery or a fruit distillery. Except as provided in paragraph (a), all unfinished alcohol, including high wines and low wines, must be redistilled and run into the receiving tanks before the change in type or plant becomes effective, and such alcohol, together with all other alcohol in the receiving room at the time of the change, must be drawn off, gauged, and removed by the outgoing proprietor before spirits are run into the receiving room by the successor.

(a) *Retention of unfinished alcohol.* If the change in type of plant is to be temporary only, the outgoing proprietor may retain unfinished alcohol under Government lock in unfinished alcohol tanks in the wine room until the plant is again operated by him as an industrial alcohol plant under these regulations: *Provided,* That such proprietor furnishes a duly executed consent of surety, Form 1533, in triplicate, continuing liability on his bond, Form 1432-A, for the tax on such unfinished alcohol retained on the premises, notwithstanding the change in the type of plant.*

§ 182.440 *Transfer of materials, etc.* The outgoing proprietor may transfer to his successor materials on hand, including mash and beer, or other distilling material, in process, at the time the change in the type of plant takes place, but no alcohol may be so transferred except the residue of alcohol in the stills which it is not practicable to completely boil out: *Provided, however,* That materials not usable and residue of alcohol in stills not producible under the law at the succeeding type of plant may not be transferred to the successor. Where such materials and residue of alcohol are not transferable, all mash and beer must be distilled, all basic materials must be removed from the premises, and the stills and other vessels must be completely cleared of alcohol, and such alcohol removed to the receiving tanks, unless retained in unfinished alcohol tanks under Government lock in accordance with § 182.439 (a), before the change in the type of plant becomes effective. All such alcohol transferred to the receiving tanks must be drawn off, gauged, and removed by the outgoing proprietor. When it is again desired to resume operations as an industrial alcohol plant under these regulations, the business of producing

distilled spirits or brandy, as the case may be, must be similarly finished and the registered distillery or fruit distillery suspended in accordance with governing regulations.*

§ 182.441 *Transfer agreement, Form 1614.* Where the outgoing proprietor and his successor so arrange for the transfer of distilling materials, the outgoing proprietor will file with the district supervisor six copies of Form 1614, "Transfer Agreement," duly executed by himself and the prospective successor. The form will be filed in sufficient time to permit consideration thereof in connection with the transferor's notice of suspension of operations and the transferee's qualifying documents. The district supervisor will forward the two originals of Form 1614 to the Commissioner and, upon receipt of notice of the Commissioner's approval of the transferee's qualifying documents, will forward one copy to the transferor and one copy to the transferee. The district supervisor will retain two copies, one for the file of the transferor and one for the file of the transferee.*

§ 182.442 *Locking of furnace doors not required.* In cases of alternate operation of the industrial alcohol plant as a registered distillery or fruit distillery without lapse of time, it will not be necessary for the storekeeper-gauger to lock the furnace doors of the stills or the control valves in pipe lines which convey steam or fuel to the stills or to require disconnection of the distilling machinery.*

§ 182.443 *Completion of records.* The outgoing proprietor will complete his records, Forms 1442, 1454, and 1488 (if any), and the storekeeper-gauger his record, Form 1452-A and Form 1452-B, as to the removal of basic materials from the premises, or the transfer of basic materials and mash and beer or other distilling material in process to the successor, as the case may be, and as to production and removal from the receiving room of all alcohol produced by him. The actual date of the entry of the deposit of the finished alcohol in the receiving room and the actual date the alcohol is removed from the receiving room will be given in the respective columns of all forms. If unfinished alcohol is retained on the premises in locked tanks, as provided in § 182.439 (a), the proprietor will enter the quantity thereof on Form 1442, with explanatory notation that the same is unfinished alcohol temporarily retained on the premises pending resumption of operations as an industrial alcohol plant. The storekeeper-gauger will make similar entry on his Form 1452-B, with an explanatory notation in the statement of special operations or conditions. The proprietor and storekeeper-gauger will continue to file monthly reports on Forms 1442 and 1452-B, respectively, accounting for such unfinished alcohol during the period it is retained on the premises. Where the plant is operated as an industrial alcohol plant in two or more periods during the same month by the same proprietor, the operations of such proprietor will be recorded on the same Forms 1442, 1454, and 1488 (if any) and the same Forms 1452-A and 1452-B, by the storekeeper-gauger, but appropriate notations will be made on the separating lines to show the dates the industrial alcohol plant was operated as a registered distillery or fruit distillery and the names under which it was operated.* (Sec. 3103, I.R.C.)

§ 182.444 *Records of successor.* The succeeding proprietor will enter all materials, including those in process received from his predecessor on Form 1598 if the plant is to be operated as a registered distillery, or on Form 15 if the plant is to be operated as a fruit distillery. The materials will also be entered on Form 1592 if the industrial alcohol plant is to be operated as a registered distillery. If materials are transferred when the plant is again operated as an industrial alcohol plant, appropriate entry thereof will be made on the records of the transferor and the transferee and the storekeeper-gauger.* (Sec. 2841 (a), I.R.C.)

§ 182.445 *Disposition of alcohol.* When a change in the type of plant takes place, the storekeeper-gauger in charge of the plant will see that all unfinished alcohol, except the residue of alcohol in stills where the same is to be transferred to the successor as provided in § 182.440, is distilled and transferred to the receiving room, unless retained in locked, unfinished alcohol tanks, in accordance with § 182.439 (a), before the plant is operated as a registered distillery or fruit distillery. Upon transfer of all alcohol to the receiving room or deposit in locked, unfinished alcohol tanks as herein provided, the plant may be operated as another type of plant but alcohol transferred to the receiving room must be drawn off, gauged, marked, and removed by the outgoing proprietor in the name under which it was produced before any spirits are deposited in the receiving room or withdrawn from the distillery by the successor.*

§ 182.446 *Alternate operations by same proprietor.* Where the plant is to be operated alternately as an industrial alcohol plant under these regulations and as a registered distillery or fruit distillery by the same proprietor, the procedure will be the same as in the case where the succeeding type of plant is to be operated under a different proprietorship, except that in lieu of the submission of a transfer agreement on Form 1614, the proprietor will, where distilling materials are to be transferred to himself at the succeeding type of plant, request authority on Part I of the form to make such transfer.*

*Change in Proprietorship*

§ 182.447 *Completion of operations required.* When a succession, or actual change, in the person or persons operating the industrial alcohol plant shall take place, other than a change brought about by operation of law, as by the appointment of an administrator, executor, receiver, trustee, assignee, or other fiduciary, the business of producing alcohol must be completely finished by the person or persons who have been carrying on the business, and the operations suspended before the business shall be undertaken or begun by the succeeding proprietor, unless by an agreement between the outgoing proprietor and the successor it shall be arranged to transfer from the former to the latter, at midnight of a certain day, all mash and beer, or other distilling material, on hand, and all unfinished alcohol outside the receiving room at that hour; and provided that, in either case, the application, bond and other qualifying documents of the successor have been approved by the Commissioner and a basic permit issued to take effect on the day next succeeding that at the close of which the transfer is made. Such documents should, therefore, be submitted to the district supervisor and by him forwarded to the Commissioner in sufficient time to permit such approval and issuance of basic permit for the date desired. The successor shall not commence operations until all documents required for his qualification as proprietor of an industrial alcohol plant have been approved by the Commissioner, and a basic permit has been issued. All finished alcohol on hand in the receiving room at the time of the change must be drawn off, gauged, marked, and removed by the outgoing proprietor in the name under which it was produced before any alcohol is deposited in the receiving room or withdrawn from the industrial alcohol plant by the successor.*

§ 182.448 *Transfer agreement, Form 1614.* Where the outgoing proprietor and the successor so arrange for the transfer of all mash and beer, or other distilling material, and all unfinished alcohol on hand, the outgoing proprietor will file with the district supervisor six copies of Form 1614, "Transfer Agreement," duly executed by himself and the prospective successor. The form will be filed in sufficient time to permit consideration thereof in connection with the transferor's notice of suspension or discontinuance of operations, and the transferee's qualifying documents. The district supervisor will forward the two originals of Form 1614 to the Commissioner and, upon receipt of notice of the Commissioner's approval of the transferee's qualifying documents, will forward one copy to the transferee and one copy to the transferor. The district supervisor will retain two copies, one for the file of the transferor and one for the file of the transferee.*

§ 182.449 *Locking of furnace doors not required.* In such cases of succession or change in the operations of an industrial alcohol plant without lapse of time, it will not be necessary for the storekeeper-gauger to lock the furnace doors of the stills or the control valves in pipe lines which convey steam or fuel to the stills, or to disconnect the distilling machinery.*

§ 182.450 *Records.* The outgoing proprietor shall enter on his records, Forms 1442, 1454, and 1488 (if any), all materials and all unfinished alcohol outside the receiving room transferred to his successor, who shall in turn enter such items on his records as received from his predecessor. Where the change in proprietorship is of a permanent nature, the outgoing proprietor shall complete Forms 1442, 1454, and 1488 (if any) and submit a final report on such forms to the

district supervisor. Appropriate notations will be made on such final reports showing the change in proprietorship and the date thereof. Where the plant is operated under alternating proprietorships, each proprietor shall keep a separate record on Forms 1442, 1454, and 1488 (if any). When operations are conducted by the same proprietor in two or more periods during the same month, the operations by such proprietor will be entered on the same Forms 1442, 1454, and 1488 (if any), appropriate notations being made on the separating lines to show the names of the alternating proprietors and the dates the industrial alcohol plant was operated by them. At the end of the month reports will be submitted to the district supervisor on such forms in accordance with §§ 182.455 to 182.461, inclusive. The storekeeper-gauger will keep records and render returns on Forms 1452–A and 1452–B in accordance with the procedure prescribed herein for the keeping of records and rendering of reports by the proprietor.* (Sec. 3103, I.R.C.)

§ 182.451 *Succession by fiduciary.* Where a change in proprietorship is brought about by operation of law, the administrator, executor, receiver, trustee, assignee, or other fiduciary may not continue the business until the required qualifying documents have been filed and approved and a basic permit issued. In the case of such change, the fiduciary shall make appropriate notation on Forms 1442, 1454, and 1488 (if any) of his succession and the date thereof, and the storekeeper-gauger will make a similar notation on Forms 1452–A and 1452–B.*

*Storekeeper-Gauger's Records and Reports*

§ 182.452 *Form 1452–A.* The storekeeper-gauger shall keep a daily record of the industrial alcohol plant operations on Form 1452–A, "U. S. Storekeeper-Gauger's Report of Operations at Industrial Alcohol Plant." Entries shall be made as indicated by the headings of the various columns and lines and in accordance with the instructions on the form. A monthly report shall be rendered on Form 1452–A, in duplicate, to the district supervisor on or before the 5th day of the succeeding month. The district supervisor will, after audit and not later than the last day of the succeeding month, forward one copy to the Commissioner and will retain the remaining copy.* (Sec. 3103, I.R.C.)

§ 182.453 *Form 1452–B.* The storekeeper-gauger shall, in addition to keeping record and rendering a report on Form 1452–A, keep a record and render a report on Form 1452–B, "U. S. Storekeeper-Gauger's Summary of Operations at Industrial Alcohol Plant." Entries shall be made as indicated by the headings of the various columns and lines and in accordance with the instructions on the form. The officer will report any special operations or conditions that may occur and any unusual or peculiar conditions that may obtain at the plant. The summary return shall be rendered, in duplicate, to the district supervisor on or before the 5th day of the succeeding month. The district supervisor will after audit and not later than the last day of the succeeding month, forward one copy of the return to the Commissioner and will retain the remaining copy.* (Sec. 3103, I.R.C.)

§ 182.454 *System of filing.* The storekeeper-gauger's monthly records on Forms 1452–A and 1452–B will be filed together in chronological order by months and in bound form as a permanent record in the storekeeper-gauger's office, and kept available for inspection by internal revenue officers.*

*Proprietor's Records and Reports*

§ 182.455 *General.* The proprietor of every industrial alcohol plant shall keep a monthly record on Forms 1442, 1454, and 1488 (if a bonded warehouse is not maintained on the industrial alcohol plant premises), in triplicate, as hereinafter provided. All of the information called for in each form, as indicated by the headings of columns and lines of the form and the instructions printed thereon or issued in respect thereto, and as required by these regulations, will be given. Entries will be made on the forms on the day on which the transactions occur, except that summary entries will be made at the close of the month.

(a) *Failure to keep records or allow inspection.* Failure to keep the records and files or to make and file reports as and when required, or to furnish verified copies of files and records when requested, or to promptly allow inspection to be made upon proper request therefor, will be sufficient grounds for citation and revocation of the proprietor's basic permit.* (Secs. 3103, 3121 (c), 3171, I.R.C.)

§ 182.456 *Form 1442.* The proprietor of every industrial alcohol plant shall keep a record on Form 1442, "Proprietor's Report of Operations," showing the kind and quantity of fermenting or distilling materials received and fermented or mashed or distilled each day. The saccharine content of molasses mashed must be entered when the same is available. The alcohol content of fermented liquor, wine, or other distilling materials must be shown, and the same shall be determined from samples taken under such conditions as will afford a proper test of the particular lot or lots distilled. If carbon dioxide or fusel oil washwater is transferred to the beer well for distillation, the quantity and alcohol content shall be entered on Form 1442 as a special entry. Where chemicals such as isopropyl alcohol, butyl alcohol, acetone, ether, or other products are produced in connection with the production of ethyl alcohol, the quantity produced and removed from the premises will be entered on Form 1442. Where, pursuant to special permission from the Commissioner, alcohol is transferred to the industrial alcohol plant for redistillation from a bonded warehouse on the plant premises, the quantity in proof gallons will be entered as a special entry on Form 1442 under the heading "Statement of Materials Received."* (Secs. 3103, 3171, I.R.C.)

§ 182.457 *Form 1454.* The proprietor shall keep a record on Form 1454, "Receiving Tank Report," showing the quantity of alcohol produced and deposited in each tank daily and the amount remaining therein at the close of the month, as determined by actual inventory. The daily totals of alcohol reported removed from receiving tanks on this form must agree with the quantities so reported on corresponding days on Form 1443–A or Form 1488. Losses in receiving tanks shall be subject to the provisions of § 182.472–182.652.* (Secs. 3103, 3171, I.R.C.)

§ 182.458 *Form 1488.* The proprietor of every industrial alcohol plant in connection with which a bonded warehouse is not maintained shall keep a record on Form 1488, "Proprietor's Report of Alcohol Produced and Disposed of," of all alcohol produced and disposed of in such plant. All alcohol produced and deposited in the receiving tanks shall be inventoried daily and reported in the spaces provided therefor each day on the Form 1488.* (Secs. 3103, 3171, I.R.C.)

§ 182.459 *Signing of reports.* The reports must be signed in the same manner as the application, Form 1431, except that in the case of a corporation, the affixing of the corporate seal will not be required. Each report must be verified under oath (or affirmation) by the proprietor or his authorized agent at the plant. Where the reports are signed by an agent, proper power of attorney authorizing the agent to execute the reports for the proprietor must be filed on Form 1534, in triplicate, in accordance with the provisions of § 182.129.*

§ 182.460 *Disposition of forms.* The proprietor will deliver all three copies of the forms, duly subscribed and sworn to, to the storekeeper-gauger on or before the 5th day of the month succeeding that for which the forms are rendered. The storekeeper-gauger will examine the forms, and if they are complete in every respect, and the quantities shown on hand at the end of the month are correct, he will initial all copies of the forms, return one copy of each form to the proprietor, and forward two copies of each form to the district supervisor. The district supervisor will, after audit of the forms and not later than the last day of the month succeeding that for which the forms are rendered, forward one copy of each form to the Commissioner.*

§ 182.461 *Filing of forms.* The proprietor shall file Forms 1442, 1454, and 1488 (if any), separately in chronological order by months and in bound form, as a permanent record available for inspection by Government officers at any reasonable time.*

*Purchase of Distilled Spirits Abandoned to the United States*

§ 182.462 *Purchase.* Distilled spirits abandoned to the United States may be sold, without payment of the internal revenue tax, to a proprietor of an industrial alcohol plant for denaturation, or redistillation and denaturation, in cases where by reason of the quality of the spirits, or other cause, they cannot be sold for an amount equal to the tax thereon.* (Sec. 3074, I.R.C.)

§ 182.463 *Receipt at denaturing plant.* When such spirits are purchased and are to be denatured without redistillation,

they should be received at the denaturing plant and the receipt reported by the proprietor on the denaturing plant record, Form 1468-A, with appropriate explanatory note.*

§ 182.464 *Receipt at industrial alcohol plant.* When spirits so purchased are to be redistilled prior to denaturation, they should be received at the industrial alcohol plant, where they will be redistilled and transferred to the denaturing plant promptly. The spirits will be kept separate from other spirits in the industrial alcohol plant not intended for denaturation. The receipt of the spirits at the industrial alcohol plant and their redistillation and transfer to the denaturing plant will be reported by the proprietor on the industrial alcohol plant, bonded warehouse, and denaturing plant records, Forms 1442, 1454, 1488 (if any), 1443-A, 1468-A and by the storekeeper-gauger on Forms 1452-A and 1452-B, with proper explanatory note.*

§ 182.465 *Use for denaturation only.* Spirits so purchased may not be used for any purpose other than denaturation. If it is necessary to enter the spirits into the bonded warehouse, either at the time of receipt or in transfer from the industrial alcohol plant to the denaturing plant, they must be kept separate and apart from other spirits and must be transferred expeditiously to the industrial alcohol plant or denaturing plant, as the case may be.* (Sec. 3074, I.R.C.)

*General Provisions Relating to Industrial Alcohol Plants*

§ 182.466 *Production of mash, wort, or wash.* No mash, wort, or wash, or other distilling material, fit for distillation or for the production of spirits or alcohol shall be made or fermented in any building or on any premises other than a distillery or industrial alcohol plant duly authorized according to law, except for the manufacture of fermented liquors or for the manufacture of vinegar.* (Sec. 2834, I.R.C.)

§ 182.467 *Sale or removal of mash, wort, or wash; distillation.* No mash, wort, or wash, or other distilling material, made or fermented in any distillery or industrial alcohol plant, shall be sold or removed therefrom before being distilled; and no person other than an authorized distiller or proprietor of an industrial alcohol plant shall, by distillation or by any other process, separate the alcoholic spirits from any fermented mash, wort, wash, or other distilling material, except for the manufacture of vinegar.* (Sec. 2834, I.R.C.)

§ 182.468 *Operation in officer's absence.* No permittee or person employed at any industrial alcohol plant shall use, or cause or permit to be used, any material for the purpose of making mash, wort, or beer, or other distilling material, or for the production of alcohol, in the absence of the storekeeper-gauger or person designated to act as storekeeper-gauger, nor shall any alcohol be removed from the plant in the absence of the storekeeper-gauger.*

§ 182.469 *Removal of alcohol at night and on Sunday.* The removal of any package of alcohol from any industrial alcohol plant, bonded warehouse, or denaturing plant premises at night or on Sunday will not be permitted. Except as provided in § 182.323 (a), removals shall be made only during the regular business hours of the industrial alcohol plant.* (Sec. 3103, I.R.C.)

OPERATION OF INDUSTRIAL ALCOHOL BONDED WAREHOUSES

*General*

§ 182.470 *Control of warehouse.* Every industrial alcohol bonded warehouse established pursuant to the provisions of law and of these regulations shall be under the control of the district supervisor of the district in which the warehouse is located.* (Sec. 3103, I.R.C.)

§ 182.471 *Assignment of storekeeper-gaugers.* Where a bonded warehouse has been established in accordance with the requirements of these regulations, the district supervisor will assign one or more storekeeper-gaugers to the warehouse before the proprietor can commence operations. In determining the number of storekeeper-gaugers to be assigned to a bonded warehouse the district supervisor will consider the number and size of the rooms or buildings comprising the warehouse, the number of packages or quantity of alcohol to be received and removed daily, and whether the warehouse is located on or is contiguous or adjacent to the premises of an industrial alcohol plant or denaturing plant. When the storekeeper-gauger assigned to an industrial alcohol plant can also perform the necessary service at the bonded warehouse operated in connection with such plant, no storekeeper-gauger shall be assigned directly to the warehouse, but where actually necessary such assignment will be made.* (Sec. 3103, I.R.C.)

§ 182.472 *Examination of warehouse.* Upon assignment to a bonded warehouse intending to commence operations, the storekeeper-gauger will, prior to actual commencement of operations, examine the warehouse and its equipment and will determine that all valves, flanges and other connections which would afford access to the alcohol are properly locked, brazed, welded or otherwise secured and sealed, and that all doors and other openings are protected in the manner prescribed by these regulations. The storekeeper-gauger will apply Government locks wherever the same are required.*

§ 182.473 *Custody of warehouse.* The bonded warehouse shall be in charge of the storekeeper-gauger and shall be in the joint custody of the storekeeper-gauger and the proprietor thereof and kept securely locked and shall at no time be unlocked or opened or remain open, except in the presence of the storekeeper-gauger or other person who may be designated to act for him. The keys to all Government locks shall remain at all times in the custody of the storekeeper-gauger, except that where no storekeeper-gauger is regularly assigned to the warehouse such keys shall remain in the custody of the storekeeper-gauger at the industrial alcohol plant or having charge of the warehouse or in the custody of the district supervisor or other person designated by him. The storekeeper-gauger having custody of the keys will not at any time permit them to go into the possession of any other person, except the district supervisor or an officer authorized by the district supervisor or the Commissioner to receive them.* (Sec. 3103 (I.R.C.)

§ 182.474 *Admittance of proprietor.* The proprietor shall, upon request, at reasonable times have admittance, in the presence of the storekeeper-gauger, to the warehouse and the alcohol deposited therein and may, in connection with the storekeeper-gauger, except as provided in section 3121 (c), I.R.C., refuse admittance to any person not an internal revenue officer. The proprietor may have access to the alcohol at any reasonable time in the presence of the storekeeper-gauger for the purpose of making repairs or to take any necessary measures to prevent waste by leakage or for other legitimate purposes.*

§ 182.475 *Warehouse to be kept locked.* The outside doors of the warehouse shall be locked with Government locks and kept locked at all times, except when alcohol is being entered into or removed from the warehouse or where it is necessary for the proprietor to have access to the warehouse for the purpose of making repairs or for other legitimate purposes. When business is finished for the day, the doors, windows, and shutters shall be closed and securely fastened by the proprietor and wherever required, locked by the storekeeper-gauger. The warehouse shall not be opened on Sunday or at night, except in cases of emergency and then only with the approval of the district supervisor: *Provided,* That where the alcohol is in imminent danger of loss by fire, flood, or other casualty, and it is impracticable to first obtain authorization from the district supervisor for the opening of the warehouse, the storekeeper-gauger may, upon the request of the proprietor, open the warehouse for the purpose of preventing loss of the alcohol, but a report thereof must be made immediately, by telephone or telegraph where possible, to the district supervisor: *And provided further,* That where the alcohol is in imminent danger of loss by fire, and it is impracticable to first communicate with the district supervisor or the storekeeper-gauger, city and State fire officers may break open the warehouse for the purpose of preventing loss of the alcohol, but a similar report thereof must be made immediately to the district supervisor.*

§ 182.476 *Supervision of operations.* The storekeeper-gauger will have charge of the bonded warehouse to which he is assigned, under the direction of the district supervisor. The storekeeper-gauger will see that the operations conform to the requirements of the law and these regulations, and will, in the course of his daily duties, carefully observe the character and condition of all connections, pipes, tanks, or vessels used for conveying alcohol to see if they are closed as required, and whether access can be gained to the alcohol in the storekeeper-gauger's absence. The storekeeper-gauger will promptly report to the district supervisor any operations or condition of apparatus and equipment not conforming to these regulations.*

§ 182.477 *Operations requiring immediate supervision.* Immediate supervision of the storekeeper-gauger is required:

(1) Whenever alcohol is entered into or withdrawn from the warehouse;

(2) Whenever alcohol is transferred from one building to another;

(3) Whenever alcohol is being bottled;

(4) Whenever alcohol is drawn from warehouse storage tanks into packages;

(5) Whenever a change of package is made for exportation or to prevent loss by leakage or for other authorized purposes;

(6) Whenever samples of alcohol are obtained from tanks or packages;

(7) Whenever alcohol in original packages or tanks is reduced in proof;

(8) Whenever alcohol in the bonded warehouse is by reason of other circumstances exposed to loss;

(9) Whenever alcohol is being proofed, weighed, or stamped; or

(10) Whenever otherwise required in the regulations of this part.

*

*Tax on Alcohol.*

§ 182.478 *Rate of tax.* The law imposes a tax on distilled spirits, including alcohol produced in or imported into the United States at the rate of $4 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid when withdrawn from bond.* (Sec. 2800 (a) (1), I.R.C., Supp., as amended by Sec. 533, Act of Sept. 20, 1941 (Public law 250, 77th Cong.).)

§ 182.479 *Attachment of tax.* Under the law, the tax attaches to alcohol as soon as it comes into existence as such, whether it be subsequently separated as pure or impure spirit.* (Secs. 2800 (c), 3112 (a), I.R.C.)

§ 182.480 *Persons liable for tax.* Section 2800 (d), I.R.C., provides that every proprietor or possessor of, and every person in any manner interested in the use of, any still, distillery, or distilling apparatus shall be jointly and severally liable for the taxes imposed by law on alcohol produced therefrom. Section 3112 (a), I.R.C., provides that all proprietors of industrial alcohol plants and bonded warehouses shall be jointly and severally liable for any and all taxes on any and all alcohol produced thereat or stored therein.*

*Lien for Tax on Alcohol*

§ 182.481 *Tax to be first lien.* The tax on alcohol becomes, under the law, a first lien on the alcohol and the premises and plant in which such alcohol is produced or the warehouse where stored, together with all the improvements located on such premises.* (Secs. 2800 (e), 3112 (a), I.R.C.)

§ 182.482 *Extinguishment of lien.* Any lien under section 3112 (a), I.R.C., on any land, or any building thereon, shall be held to be extinguished if (1) such land and buildings are no longer used for distilling or storage of alcohol; (2) there is no outstanding liability for taxes and penalties imposed by law on the alcohol produced or stored therein; and (3) no litigation is pending in respect to any such tax or penalty.* (Sec. 3103, I.R.C.)

§ 182.483 *Certificate of discharge of lien.* Any person claiming any interest in any such land or building may apply to the district supervisor for a duly acknowledged certificate to the effect that such lien is discharged, and, if the Commissioner determines any such lien is extinguished, the district supervisor shall issue such certificate, and any such certificate may be recorded.* (Sec. 3103, I.R.C.)

§ 182.484 *Assessments become lien.* If any person liable to pay any tax neglects or refuses to pay the same after demand, the amount (including any interest, penalty, additional amount, or addition to such tax, together with any costs that may accrue in addition thereto) shall be a lien in favor of the United States upon all property and rights to property, whether real or personal, belonging to such person.

(a) *Release of lien.* Certificates of release of assessment items may be procured from the collector of internal revenue in accordance with section 3673, I.R.C., and regulations thereunder.* (Secs. 3670, 3673, I.R.C.)

*Sales of Alcohol*

§ 182.485 *Exemption from special tax liability.* In view of the exemption provided by law, the proprietor of a bonded warehouse may sell or offer for sale tax-paid alcohol in the tax-paid storeroom provided in connection with such bonded warehouse without being required to pay such special tax as wholesale or retail liquor dealer, provided the sales are made from the bonded warehouse. If tax-paid alcohol is sold elsewhere, the proprietor engaging in the traffic will not be entitled to the exemption but will be subject to the special tax imposed by law.

(a) *Limitation of exemption.* The tax-paid storeroom provided in connection with the bonded warehouse is covered by the basic permit required to be held by the proprietor of a bonded warehouse and, accordingly, the above exemption is held applicable to alcohol tax-paid in such bonded warehouse and stored in the tax-paid storeroom provided in connection therewith. Such tax-paid alcohol so stored may not be transferred to another similar tax-paid storeroom established in connection with another bonded warehouse nor will the above exemption apply to any premises to which such tax-paid alcohol may be transferred.* (Secs. 1650 (a), (b), 3103, 3250 (a) (1), (b) (1), I.R.C.)

§ 182.486 *Bulk containers.* Under the regulations issued pursuant to the Federal Alcohol Administration Act (27 CFR, Part 3), proprietors of industrial alcohol plants and bonded warehouses may sell or dispose of alcohol in bulk, that is, in containers having a capacity in excess of 1 gallon (1) to distillers, internal revenue bonded warehousemen, and proprietors of industrial alcohol plants and bonded warehouses, including those operating tax-paid bottling houses; (2) to proprietors of denaturing plants; (3) to proprietors of class 8 customs bonded warehouses (imported spirits only); (4) to rectifiers; (5) to winemakers (for fortification of wine); (6) for exportation; (7) to any agency of the United States or any State or political subdivision thereof; (8) for industrial use as follows: for experimental purposes, and for use in the manufacture (a) of medicinal, pharmaceutical, or antiseptic products, including prescriptions compounded by retail druggists, (b) of toilet products, (c) of flavoring extracts, sirups, or food products, or (d) of scientific, chemical, mechanical or industrial products; provided such products are unfit for beverage use.* (Sec. 6, 49 Stat. 985 (27 U.S.C., Sup., 206).)

§ 182.487 *Retail containers.* Except as provided in § 182.486, proprietors of bonded warehouses may sell or dispose of alcohol only in containers having a capacity of 1 gallon or less. All such containers having a capacity of one-half pint or more, except those containing anhydrous alcohol and tax-free alcohol, must conform to the requirements of Regulations 13 (26 CFR, Part 175).* (Sec. 6, 49 Stat. 985; 27 U.S.C., Sup., 206; sec. 2871, I.R.C.)

*Sufficiency of Bond*

§ 182.488 *Storekeeper-gauger to be informed.* Where the warehouse bond is in an amount less than the maximum penal sum prescribed by these regulations, and the basic permit, Form 1433, limits the quantity of alcohol that may be on hand, in transit, and unaccounted for at any one time, the district supervisor will inform the storekeeper-gauger in charge of such limitation, and the storekeeper-gauger will see that the quantity of alcohol deposited in the warehouse does not exceed that authorized by the bond and basic permit.*

*Receipt of Alcohol*

§ 182.489 *By pipe line from industrial alcohol plant on premises.* If the bonded warehouse is located on the premises of an industrial alcohol plant, the alcohol produced at such plant may be transferred from the receiving tanks to storage tanks in the bonded warehouse by means of pipe lines.

(a) *Supervision of pipe-line transfers.* The transfer of alcohol by pipe line from the receiving room to storage tanks in the bonded warehouse will be under the immediate supervision of the storekeeper-gauger in charge of the receiving room and the storekeeper-gauger in charge of the warehouse. The storekeeper-gauger supervising the deposit of the alcohol in the warehouse storage tanks will see that the outlet and all other openings of the tanks affording access to the alcohol are closed and locked and that the valves in the pipe line are so adjusted as to control the flow of alcohol into the tank. When the alcohol has been deposited in the tank, the inlet will be immediately closed by the proprietor and locked by the storekeeper-gauger. The valves on the pipe lines and the openings of tanks containing alcohol shall be kept closed and locked at all times, except when necessary to be open

for the transfer of alcohol. Whenever alcohol is transferred into or out of storage tanks or weighing tanks, the storekeeper-gauger will open and close the locks but it shall be the duty of the proprietor to manipulate the stopcocks or valves controlling the flow of the alcohol.* (Sec. 3103, I.R.C.)

§ 182.490 *In packages from industrial alcohol plant on the same premises.* Where alcohol is received in casks, drums, or similar containers for deposit from an industrial alcohol plant on the same premises, the packages will be transferred from the receiving room to the bonded warehouse under the supervision of the storekeeper-gauger in charge of the receiving room and the storekeeper-gauger in charge of the bonded warehouse.* (Sec. 3101, I.R.C.)

§ 182.491 *From another bonded warehouse.* Upon receiving Form 1440, with Form 1439, covering alcohol transferred in bond from another bonded warehouse, the storekeeper-gauger in charge of the receiving warehouse will compare the two forms and deliver Form 1440 to the proprietor of that warehouse. When the alcohol is received at the warehouse, the shipment will be exemanied by the proprietor and the storekeeper-gauger, in accordance with §§ 182.492 and 182.493.* (Sec. 3113, I.R.C.)

§ 182.492 *Examination of packages.* Alcohol received in drums, cans, and similar containers need not be gauged upon receipt unless so desired by the proprietor. Where packages are received bearing evidence of having sustained losses in transit, the following procedure will be observed in examining the packages:

(1) Weigh and proof each package which appears to have sustained a loss by casualty or theft while in transit.

(2) Examine the condition of each such package.

(3) The storekeeper-gauger will make a full report of the loss to the district supervisor setting forth the quantity lost from each package, the condition of the package, and the apparent cause of the loss.* (Sec. 3113, I.R.C.)

§ 182.493 *Examination of tank car.* When a railroad tank car is received, it will be examined, and if the car bears evidence of loss by leakage, theft, or otherwise, or if the gauge of its contents discloses a loss or shortage, the storekeeper-gauger will make a report of the loss to the district supervisor similar to that required when packages which have sustained a loss in transit are received.* (Sec. 3113, I.R.C.)

§ 182.494 *Deposit in receiving warehouse.* Upon completion of the examination of the containers, the proprietor will accurately determine the quantity received and will check in the receipt of the alcohol against Form 1440 in the presence of the storekeeper-gauger and will execute the certificate of receipt on both copies of the form, and will note thereon and on Form 1443-A, or Form 1443-B, any loss or deficiency in the shipment. The proprietor will then file one copy of Form 1440 as a permanent record, as provided in § 182.643 (a), and at the close of the day will deliver the other copy with Form 1441 to the storekeeper-gauger for transmittal to the district supervisor of his district. On the day of receipt of the alcohol, the storekeeper-gauger shall fill in the certificate of receipt on Form 1439, noting any losses and discrepancies. Where a loss in transit is sustained the storekeeper-gauger will report the total loss and, in the case of packages, the loss from each package. The receipted form shall be forwarded to the district supervisor of the district from which the alcohol was shipped.* (Secs. 3101, 3113, I.R.C.)

§ 182.495 *Method of deposit*—(a) *Alcohol received in packages.* Alcohol received in packages may be deposited in the warehouse in the packages in which it is received, or the contents of the packages may be dumped into storage tanks if report is made thereof on Forms 1440, 1443-A, and 1443-B, as provided in §§ 182.643, 182.645, and 182.646. If packages of alcohol containing exactly 1, 2, 5, and 10 wine gallons are received, the warehouse must be equipped with scales capable of weighing in terms of ounces, from which the weight, to hundredths of a pound, can be calculated in accordance with the Gauging Manual.

(b) *Alcohol received in tank cars.* Alcohol received in tank cars must be deposited, after gauging, in warehouse storage tanks. If it is desired to receive alcohol in bond in railroad tank cars, proper railroad siding facilities must be provided at the bonded warehouse. When alcohol is received in tank cars, the seals must not be broken or any alcohol removed, except in the presence of the storekeeper-gauger assigned to the bonded warehouse.* (Sec. 3101, I.R.C.)

§ 182.496 *Return of unused alcohol withdrawn free of tax.* As provided in § 182.664, where tax-free alcohol lawfully in possession of a permittee authorized to use the same is found to be unsuitable for use, or where such permittee discontinues the use thereof, or where for any other legitimate reason such permittee desires so to do, such alcohol may be returned to the bonded warehouse for lawful disposition: *Provided,* That the proprietor of such bonded warehouse consents to such return and permission therefor is, in each instance, first obtained from the district supervisor of the district from which the tax-free alcohol is to be returned. If the bonded warehouse is situated in another district, the district supervisor authorizing the return will forward a copy of his letter of authority to the district supervisor of such other district. Notation of such return on Form 1443-B will be made as provided in § 182.646.* (Sec. 3101, I.R.C.)

*Samples*

§ 182.497 *General.* The proprietor may take samples of alcohol from storage tanks and other containers in the warehouse, for the purposes specified in §§ 182.393 to 182.399, inclusive, subject to the procedure prescribed in such sections.*

*Removal of Alcohol From Receiving and Storage Tanks*

§ 182.498 *Gauge on withdrawal.* Where alcohol is drawn into drums, barrels, or similar containers from receiving and storage tanks, the packages shall be gauged in accordance with the provisions of the Gauging Manual (26 CFR, Part 186). Where alcohol is drawn into tank cars, or is transferred by pipe lines as authorized by these regulations, such alcohol shall be gauged in accordance with the rules prescribed in these regulations and in the Gauging Manual; the weight of the alcohol will be determined by means of weighing tanks, as provided in § 182.407. Alcohol may be drawn from receiving and storage tanks only under the immediate supervision of the storekeeper-gauger.

(a) *Fractional parts of a gallon.* All fractional parts of a gallon less than one-tenth, shown in the Gauging Manual, shall be disregarded in gauging alcohol. For example, a package of 190 degrees proof alcohol, weighing 326 pounds net, shall be reported on Form 1440 as containing 47.90 wine gallons and 91.10 proof gallons. A package containing 190 degrees proof alcohol, weighing 340 pounds, shall be reported as containing 50 wine gallons and 95 proof gallons.

(b) *Details of gauge.* The details of all alcohol gauged in the bonded warehouse shall be recorded by the proprietor on Form 1440, as hereinafter provided.* (Sec. 3101, I.R.C.)

§ 182.499 *Gauging to be done by proprietor.* All alcohol drawn from receiving and storage tanks will be proofed and weighed by the proprietor and the packages marked, in accordance with the provisions of this article, in the immediate presence of the storekeeper-gauger. The storekeeper-gauger will verify the proof, weight, and gallonage, of all alcohol and will see that the instructions in the Gauging Manual respecting the proofing of alcohol are strictly followed in order that the proof may be accurately determined.

(a) *Gauging instruments.* The proprietor shall provide, at his own expense, accurate and standard hydrometers, hydrometer cups, and thermometers for the purpose of gauging alcohol.* (Secs. 2808, 3101, 3103, I.R.C.)

§ 182.500 *Testing of scales.* The storekeeper-gauger shall balance the scales before either empty or filled packages are weighed, and will frequently test by means of test weights, provided in accordance with § 182.66, the accuracy of such scales. During the process of weighing, he shall verify the weight of each package.* (Sec. 2808, I.R.C.)

§ 182.501 *Inspection of tank car.* When it is desired to transfer alcohol in bond in a railroad tank car, the storekeeper-gauger will first inspect the car to see that the dome may be locked with a seal lock when closed and that all other openings to or from the car may be closed and securely fastened on the inside or locked in like manner. If the car is not so constructed, the officer will not permit it to be filled.* (Secs. 3101, 3107, 3108, I.R.C.)

§ 182.502 *Filling of tank car.* The tank car must be filled in the immediate presence of the storekeeper-gauger. The pipe line from the weighing tank to the tank car must be in full view of the officer and must not be connected or used except in his presence. The officer will seal-lock the car as soon as it is filled. The proprietor will enter on Form 1440, covering the gauge of the alcohol, the symbol and serial number of the car, the serial number of the lock seal or seals, the destination and the date of shipment; for example: "Withdrawn in U. P. tank car number 1643, lock seal number 46457 for transfer to Ind. Alc. Bonded Whse. No. 56, New York, N. Y. Billed out 4:30 p. m., May 1, 1941." The lock seal numbers will also be entered on Form 1439.* (Secs. 3101, 3107, 3108, I.R.C.)

§ 182.503 *Transfer by pipe line to denaturing plant*—(a) *To be weighed in warehouse.* Where alcohol is to be transferred by means of pipe lines to a denaturing plant situated on the same premises with the bonded warehouse, such alcohol shall be carefully proofed and weighed in weighing tanks in the bonded warehouse immediately before transfer: *Provided,* That if the denaturing plant is equipped with weighing tanks, the alcohol transferred to the denaturing plant by pipe line may be weighed in the denaturing plant instead of in the bonded warehouse.* (Secs. 3101, 3108, I.R.C.)

§ 182.504 *Filling approved containers.* Alcohol may be drawn into drums, barrels, or other containers conforming to the specifications prescribed in §§ 182.506 to 182.513, inclusive, for storage or for direct entry and withdrawal from the bonded warehouse.* (Sec. 3101, I.R.C.)

§ 182.505 *Supervision of drawing off, gauging, etc.* The procedure prescribed in §§ 182.404 and 182.408, in respect to the supervision and weighing of alcohol removed from receiving tanks, shall be followed when alcohol is removed from warehouse storage tanks.*

*Approved Containers*

§ 182.506 *Drums or barrels.* Alcohol may be drawn into drums or barrels of any desired capacity, but packages may be tax-paid only in the sizes for which tax-paid stamps are provided. Metal drums used to ship alcohol in bond or for tax-free purposes must be substantial and so constructed that all openings therein may be sealed.* (Sec. 3101, I.R.C.)

§ 182.507 *Tin, glass, or similar containers.* Alcohol may be packaged in containers of tin, glass, or similar substance, but such containers, in order to better insure safe transportation, must be completely encased in wood, fiberboard, or other approved material, in such a manner that the surface of the actual container is not exposed. The opening in the package must be entirely covered by the casing. The marks and stamps required to be affixed to such a package must be applied to an exposed surface of the case. The case must be so constructed as to insure that the portion of the case containing the marks and stamps will remain securely attached to the inner container until all of the alcohol has been removed therefrom: *Provided,* That this requirement shall not apply to cases of bottled alcohol, filled in accordance with §§ 182.510 and 182.537 to 182.544. A statement reading "Do Not Remove Inner Container Until Emptied," or of similar import, shall be placed on the portion of each such case containing the marks and stamps. Before any such cases are used, two sample or specimen cases or models thereof, with the inner container, must be submitted to the Commissioner for approval. If the cases are approved, the Commissioner will retain one, and forward the other to the district supervisor of the district in which the bonded warehouse is located.* (Sec. 3101, I.R.C.)

§ 182.508 *Steel containers.* Upon approval by the Commissioner, alcohol may also be packaged in steel containers of not less than 24-gauge, or other metal containers of similar strength, having a capacity of not more than 10 wine gallons. The marks and brands and stamps shall be placed in a separate panel on the side of the container.* (Sec. 3101, I.R.C.)

§ 182.509 *Small packages containing exactly 1, 2, 5, and 10 wine gallons.* Where it is desired to market packages of alcohol containing exactly 1, 2, 5, and 10 wine gallons, which would require weighing in terms of pounds and ounces, the proprietor shall provide scales which will weigh accurately to ounces, from which the weight to hundredths of a pound can be calculated. Where such packages are filled, the ounces will be reduced to hundredths of a pound and the weight in pounds and hundredths marked on the packages.

(a) *Table for filling and marking.* The following table will serve as a guide in the filling and marking of the packages of 1, 2, 5, and 10 wine gallons capacity where the weights have been determined in ounces:

| Type of container | Weight of contents | | Weight to be marked on package | Contents in wine gallons | Proof gallons |
|---|---|---|---|---|---|
| **190 PROOF ALCOHOL** | | | | | |
| | *Lbs.* | *Ozs.* | *Pounds* | | |
| 1 wine gallon | 6 | 13 | 6.81 | 1 | 1.00 |
| 2 wine gallons | 13 | 10 | 13.62 | 2 | 3.80 |
| 5 wine gallons | 34 | 00 | 34 | 5 | 9.50 |
| 10 wine gallons | 68 | 00 | 68 | 10 | 19 |
| **192 PROOF ALCOHOL** | | | | | |
| 1 wine gallon | 6 | 13 | 6.81 | 1 | 1.00 |
| 2 wine gallons | 13 | 9 | 13.56 | 2 | 3.50 |
| 5 wine gallons | 33 | 13 | 33.81 | 5 | 9.60 |
| 10 wine gallons | 67 | 10 | 67.63 | 10 | 19.20 |
| **200 PROOF ALCOHOL** | | | | | |
| 1 wine gallon | 6 | 10 | 6.62 | 1 | 2 |
| 2 wine gallons | 13 | 4 | 13.25 | 2 | 4 |
| 5 wine gallons | 33 | 1 | 33.06 | 5 | 10 |
| 10 wine gallons | 66 | 2 | 66.12 | 10 | 20 |

Where packages filled contain over 10 wine gallons and show a fraction of 0.98 or 0.99 of a wine gallon, such fraction may be called a whole gallon and the package so marked, if desire, as a package containing 24.99 wine gallons may be marked 25 wine gallons.

(b) *Packages of other proof or size.* Where packages of other proof or size are filled, the following rule may be used for ascertaining the weight of the alcohol to be placed in and marked on the package: Divide the number of gallons representing the quantity of alcohol to be placed in the contained by the fractional part of a gallon equivalent to 1 pound, to obtain the weight of the alcohol in pounds and fractions of a pound to two decimal places. Reduce the decimal fraction of a pound to ounces by multiplying by 16, calling any fraction of an ounce a whole ounce. The pounds and ounces thus obtained will determine the point to which the alcohol must be weighed to produce the results desired. In order, however, to mark the weight on the package in pounds and fractions of pounds, it will be necessary to reduce the ounces to express same in fractions to two decimal places. The fraction of a gallon equivalent to 1 pound at any given proof will be ascertained by reference to table No. 4 of the Gauging Manual. For example, where it is desired to fill a 1-gallon can of 194 proof alcohol with precisely 1 wine gallon, the weight of the alcohol to be placed in the can will be determined as follows:

1.00÷.14866=6.73 lbs.
.73×16=11.68 ozs., to be called 12 ozs.
Weight of alcohol 6 lbs., 12 ozs.
Weight to me marked on can 6.75 lbs.

(c) *Transfer to other warehouses.* Packages of alcohol so filled and marked may not be transferred in bond to other bonded warehouses unless such warehouses are equipped with scales capable of weighing in ounces.*

§ 182.510 *Cases containing one-half pint to 1-gallon bottles.* Original packages of alcohol filled at industrial alcohol bonded warehouses may consist of cases containing one-half pint, 1-pint, 1-quart, or 1-gallon bottles (liquid measure), as follows: 32 one-half pint bottles; 48 one-half pint bottles; 16 1-pint bottles; 24 1-pint bottles; 12 1-quart bottles; 1 1-gallon bottle; or 3 1-gallon bottles. When alcohol is bottled for immediate withdrawal free of tax for use of the United States or a governmental agency thereof, or for export, it may be placed in bottles and cases of any desired size, provided each case is marked as required by § 182.519 (b).

(a) *Construction of cases.* Bottled alcohol shall be placed in cases of secure and substantial construction, which meet the requirements of the Interstate Commerce Commission regulations and the official freight and express specifications, and which adequately protect the bottled alcohol against breakage and theft during storage and transportation. The construction and method of sealing or fastening of the cases shall be such as will effectively prevent pilfering or access to the contents without such destruction of the case as will render it unfit for use and will result in ready

detection. The tops and bottoms of fiberboard cases shall be secured by stapling or gluing the flaps, and the manufacturer's joint of the case shall be securely fastened. Wooden cases shall be secured by metal straps or heavy wires, in addition to being securely nailed.* (Sec. 3103, I.R.C.)

§ 182.511 *Railroad tank cars.* Alcohol may be drawn into railroad tank cars for removal but only in case the warehouse and the premises of the consignee are equipped with suitable railroad siding facilities.

(a) *Manhole covers and outlet valves.* The dome or manhole covers on all railroad tank cars used for shipping alcohol in bond shall be equipped with facilities for locking with a seal lock when closed, and the outlet valves and all other openings to or from the cars shall be so constructed that they may be closed and securely fastened on the inside or locked in like manner. If the car is not so constructed, the storekeeper-gauger will not permit it to be filled.

(b) *Construction of route board.* Railroad tank cars used for the transportation of alcohol, whether in bond, tax-free, or tax-paid, must be equipped with a route board at least 10 by 12 inches in size to which the prescribed stamp or certificate can be attached. Such board shall be of substantial material and shall be fixed permanently and securely to the tank cars of alcohol shipped in bond bolts, nutted and riveted, battered or welded.

(c) *Seal locks; proprietor to furnish.* Seal locks for the locking of railroad tank cars of alcohol shipped in bond shall be furnished by the shipper, and the seals for the same will be furnished by the Government. As soon as the tank car is filled the storekeeper-gauger shall attach the lock to the car. The key of each seal lock so used will be forwarded, on the day of shipment, by the storekeeper-gauger to the storekeeper-gauger in charge of the bonded warehouse or denaturing plant to which the alcohol is consigned. Upon arrival at destination of a tank car containing alcohol shipped in bond, the seal must not be broken nor alcohol removed except in the presence of the storekeeper-gauger in charge of the warehouse or denaturing plant. All locks and keys in such cases shall be returned by such storekeeper-gauger to the storekeeper-gauger in charge of the bonded warehouse from which the shipment was made at the expense of the proprietor of the receiving warehouse or denaturing plant.* (Secs. 3101, 3107, 3108, I.R.C.)

§ 182.512 *Tank ships and barges.* Alcohol may be shipped in bulk by means of tank ships or barges pursuant to special permission first obtained in each instance from the Commissioner and subject to such limitations and conditions as may be imposed by him. Such shipments may be made only where the premises of both the consignor and consignee are equipped with suitable dock facilities, and where the alcohol is run directly from the tank ship or barge into suitable storage tanks on the consignee's premises.* (Secs. 3101, 3107, 3108, I.R.C.)

§ 182.513 *Pipe-line removals.* Pipe lines may be used for the transfer of alcohol to a denaturing plant located on the same premises, or, after tax-payment, to a rectifying plant or contiguous or nearby premises (as authorized by §§ 182.574a to 182.574g). Pipe lines may also be used to transfer alcohol to railroad tank cars for shipment. Such pipe lines must conform to the requirements of § 182.82, except that alcohol may be transferred into a tank car by means of a hose connection where the same is in full view of the Government officer throughout its entire length. The locking of valves and the supervision of removals shall be in accordance with § 182.489.* Secs. 3101, 3107, 3108, I.R.C.)

§ 182.514 *Tank wagons and tank trucks prohibited.* The transportation of alcohol in tank wagons or tank trucks will not be permitted.* (Sec. 3101, I.R.C.)

*Marks, Brands, and Stamps*

§ 182.515 *General.* The determination and marking of the weight (tare) on empty packages will be done immediately preceding the filling of the same in all cases: *Provided,* That the tare of a number of packages may be ascertained and marked before any are filled, but not exceeding the number which are to be filled on the same day or the following day. If the packages are not to be filled until the following day, they must be kept in the receiving room or bonded warehouse after being weighed and marked. All packages of alcohol when filled shall be further marked as provided in these regulations and in the Gauging Manual; and where such are tax-paid, the tax-paid stamps shall be affixed thereto and canceled in the manner prescribed in these regulations and in such Manual.* (Sec. 3101, I.R.C.)

§ 182.516 *Proprietor to mark and brand packages.* The proprietor shall have the prescribed marks and brands placed upon the package by stenciling, printing, cutting, burning, or embossing. The height of the letters and figures must be large enough to be easily read and, when printed or stenciled, shall be in permanent ink and in a color distinctly in contrast to the color used as a background.* (Sec. 3103, I.R.C.)

§ 182.517 *Description of material from which produced.* Packages of alcohol, when withdrawn from bonded warehouse tax-paid for other than industrial or tax-free use, must have stenciled thereon the work "Alcohol," followed by a word or phrase descriptive of the material from which produced, such as "Alcohol—Grain," "Alcohol—Cane," "Alcohol—Fruit Products," "Alcohol—Distilled from Grain," "Alcohol—Distilled from Cane," or "Alcohol—Distilled from Fruit." Alcohol in containers of a capacity of 1 wine gallon or less, except anhydrous or tax-free alcohol, will be deemed to be for nonindustrial use.* (Sec. 5, 49 Stat. 982, 27 U.S.C. Sup. 206)

§ 182.518 *Numbering of packages.* Where packages of alcohol are filled from receiving tanks in industrial alcohol plants and from storage tanks in bonded warehouses located on the same premises, only one series of numbers will be used. Packages filled from storage tanks in the bonded warehouse shall be given a serial number in sequence to the serial numbers of the packages filled from the receiving tanks. At a bonded warehouse not operated in connection with an industrial alcohol plant packages shall be numbered in serial order as filled from the storage tanks. Packages filled with alcohol will be serially numbered beginning with number 1 for the first package filled and continuing in regular sequence: *Provided,* That the series in current use at existing alcohol plants and bonded warehouses will be continued. Where there is a change in the trade name or style or in the proprietorship of the business, the series in use at the time of such change will be continued. A new series will be used where there is a change in the type of plant; but use of the prior series will be resumed when the plant is again operated as an industrial alcohol plant. When the serial numbers of packages filled have reached the number 1,000,000, the proprietor may, if he so desires, begin a new series, commencing with number 1, preceded or followed by a letter to distinguish it from the prior series as 1A, 2A, etc., and when the number 1,000,000 so distinguished is again reached, the proprietor may begin another series distinguished by the second letter of the alphabet, as 1B, 2B, etc., and subsequent series, distinguished by other letters of the alphabet in order, may likewise be commenced.* (Sec. 2808, I.R.C.)

§ 182.519 *Marks and brands*—(a) *Drums, barrels, etc.* Alcohol withdrawn into drums, barrels, or other approved containers shall be weighed and proofed by the proprietor. Such proprietor shall have marked upon the head of each package, in the order named, the gross weight, tare, net weight in pounds and half pounds, wine gallons, proof, and proof gallons, retaining fractions of gallons in all instances. The name of the proprietor of the warehouse at which the package is filled; the number of the warehouse, the city or town and State in which the plant is located, and the date the package was filled shall also be marked on the package. In addition to the foregoing, the word "Alcohol" must also appear on the heads of all packages of more than 30 wine gallons capacity, in letters of not less than 1 inch in height. On packages of 30 wine gallons or less such letters shall not be less than three-fourths of an inch in height. On small containers, the required markings shall be placed on the side of the container. In addition to the foregoing, each package shall be serially numbered in accordance with § 182.518. There shall also be placed upon the Government head or side of each container, by printing, stenciling, or labeling, a statement to the effect that all marks and stamps must be destroyed immediately the container is emptied.

(b) *Cases of bottled alcohol.* Each package containing alcohol in bottles shall bear all the marks required by

§§ 182.517 and 182.518, inclusive, except the gross weight, tare, and net weight, it not being necessary to ascertain such. The number and capacity of the bottles shall, however, be shown on each package. The warehouse stamps and marks shall be placed on one side.* (Secs. 2808, 3103, I.R.C.)

§ 182.520 *Previously marked packages and cases.* Empty packages and cases marked in accordance with regulations heretofore in effect may continue to be used until the existing supply is exhausted, and, where necessary, the district supervisor may permit an additional number of packages and cases marked in accordance with such regulations to be used pending the securing of new stencils or other marking devices.* (Sec. 3103, I.R.C.)

§ 182.521 *Tank cars.* Each railroad tank car used to transport alcohol must have permanently and legibly marked or painted thereon its number, capacity in wine gallons, and the name or symbols of the owner. If the tank car consists of two or more compartments, each compartment must be identified by a letter of the alphabet, such as "A," "B," etc., and the capacity in wine gallons of the compartment must be marked thereon.* (Sec. 2808, I.R.C.)

§ 182.522 *Regauge marks.* If a package is regauged, the proprietor will stencil on the side of the metal package next to the bunghole, in the order named, the gross weight, tare, net weight, wine gallons, proof, and proof gallons, determined at the time of withdrawal. In the case of barrels, the proprietor will cut the above data, in the order named, on the stave to the right of the bungstave of each package withdrawn beginning at the middle and extending toward the Government head.* (Secs. 2803, 3103, I.R.C.)

§ 182.523 *Marks on packages repackaged or re-marked*—(a) *Repackaged.* Where alcohol in packages in a bonded warehouse is repackaged because of loss or other valid reason, the new packages shall be properly marked, as in the case of original containers, and record made of the transaction, as required by §§ 182.643 (h) (1), 182.644 (e) (1), and 182.645 (d) (1).

(b) *Re-marked.* Where packages of alcohol are received in bond from another bonded warehouse and are re-marked with the marks of the receiving warehouse, the packages shall be renumbered and re-marked the same as original packages filled at the receiving warehouse and proper record made of the transaction, as required by §§ 182.643 (h) (2), 182.644 (e) (1), and 182.645 (d) (1).* (Secs. 2808, 3103, I.R.C.)

§ 182.524 *Other marks.* The marks required to be on packages by these regulations must be placed on the Government head of a package or side of a case, and no other marks may be shown, with the exception of those required or authorized to be affixed by Federal law and regulations. All marks required by these regulations on Government heads of packages or sides of cases must be in a color distinctly in contrast with the color of the background on which they are placed.

(a) *Brand or trade names.* The proprietor may show on the Government head, or end of packages, the brand or trade name, provided the brand or trade name will not interfere with or detract from the required Government markings.

(b) *Caution notice, etc.* Caution notices, etc., required by Federal law and regulations, may be placed on the Government head of packages, or side of cases, but such notices must be so placed as to not obscure the markings prescribed by these regulations and the Gauging Manual.* (Sec. 2808, I.R.C.)

§ 182.525 *Stamp numbers.* When alcohol is withdrawn tax-paid, or tax-free for export, transfer to customs manufacturing bonded warehouse, or for use on vessels and aircraft, the serial number of the tax-paid stamp or export stamp and the date of withdrawal shall be marked on the package or case immediately below such stamp.* (Sec. 2808, I.R.C.)

§ 182.526 *Withdrawn for tax-free use or for export*—(a) *Tax-free use.* When alcohol is withdrawn free of tax from a bonded warehouse for scientific purposes, use of hospitals, etc., or for use of the United States, there shall be stenciled on the Government head of each package or side of each case in letters and figures not less than one-half inch in height the date and purpose of withdrawal, such as "Hospital Use," "Scientific Purposes," "Use of U. S.," etc., and the symbol and serial number of the permit authorizing the withdrawal, in addition to the other marks and brands required by these regulations.

(1) *Tank cars.* When alcohol is withdrawn in tank cars for use of the United States or a governmental agency thereof, there shall be attached to the route board of the tank car, a label showing the name, registry number, and location (city or town and State) of the bonded warehouse, and the name and address of the Government establishment to which the alcohol is consigned, followed by the permit number under which the alcohol is withdrawn, the words "For use of U. S." and the date of withdrawal. The label, which shall be furnished and attached by the proprietor, shall be in substantially the following form:

Shipped by
Standard Alcohol Co.,
B. W. 271, Baltimore, Md.
To
U. S. Navy Yard,
Washington, D. C.
US-TF-71
For use of U. S.
Aug. 15, 1941.

(b) *For export.* When alcohol is withdrawn for exportation, the word "For Export" and the names of the ports from and to which the alcohol is to be exported, and the number of the export permit, as for example "For Export, New York to Lisbon, Permit AX-NY-15," shall also be marked on each package or case in letters not less than one-half inch in height.* (Sec. 2808, I.R.C.)

§ 182.527 *Stamps*—(a) *Affixing.* Tax-paid, transfer, warehousing, and export stamps shall be securely affixed to the Government head of packages on side of cases with a good adhesive, and, when affixed to wooden packages or cases, with a tack or staple in each corner of the stamp. Transfer stamps shall be similarly affixed to the route board of railroad tank cars.

(b) *Cancellation.* After the stamp is affixed, it must be immediately canceled. For this purpose, the proprietor shall use a stencil of brass or copper in which shall be cut at least five fine parallel waved lines, long enough to extend not less than three-fourths of an inch beyond the top and bottom of the stamp. This plate must be imprinted with a black, durable, coloring material over and across the stamp. The stencil plate shall be so set as to bring the five parallel waved lines across the stamp at such points as will least obscure the data thereon. The coloring material will be so applied with the brush as to make the cancellation lines distinct, without smearing or spreading over the stamp. To this end, the cutting of the lines in the stencil shall be kept clean, and the coloring material must be kept in proper condition to make a distinct and durable mark, without smearing or spreading.

(c) *Covering.* After the stamp has been canceled, it must be covered with a coating of transparent shellac, lacquer, or varnish, to protect it against moisture, alteration and removal. Transfer and warehousing stamps, which are not required to be "scalped," may be coated over with a glue that does not discolor the stamps and that affords protection against moisture, alteration, and removal equal to that afforded by shellac, lacquer, or varnish.* (Sec. 3301, I.R.C.)

§ 182.528 *Illustrations of marks and stamps.* The following cuts illustrate the prescribed marks and stamps and the suggested order and manner in which they should be placed on packages:

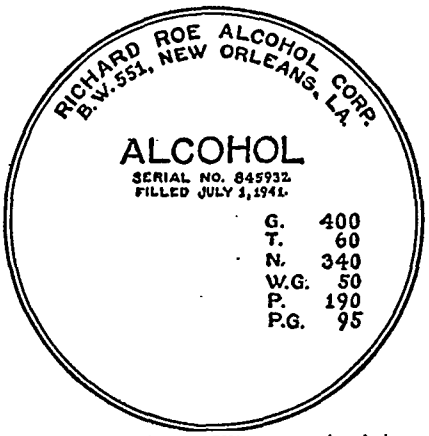


FIG. 1.—Marks on filling or entry into warehouse.

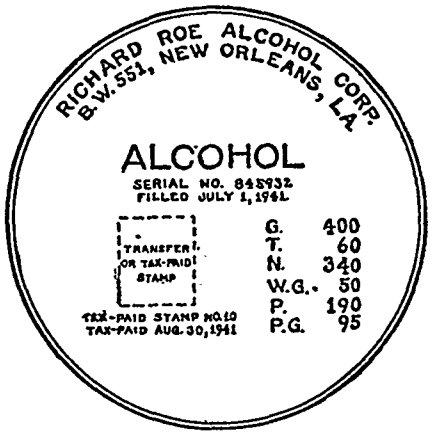


FIG. 2.—Marks on transfer or tax-payment.

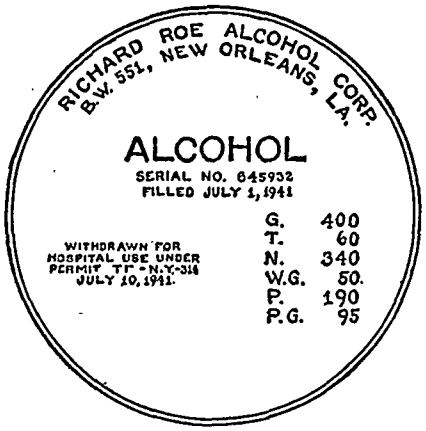


FIG. 3.—Marks on withdrawal for a tax-free use.

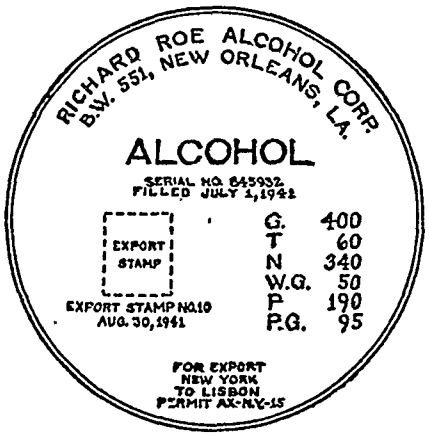


FIG. 4.—Marks on withdrawal for export.

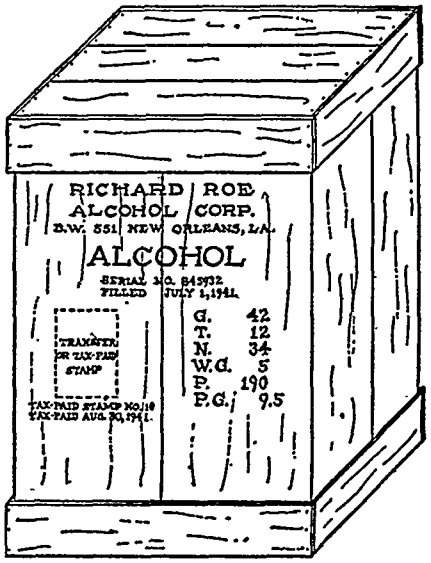


FIG. 5.—Marks on case containing 5-gallon can.

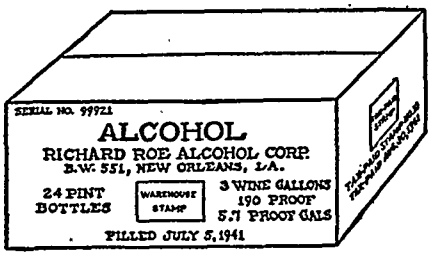


FIG. 6.—Marks on case containing bottled alcohol.

Where packages are transferred in bond to another warehouse and withdrawn from such warehouse bearing the marks of the warehouse at which they were filled, the name, registry number, and location of the warehouse from which the packages are withdrawn, as "Standard Alcohol Co., BW 17, Baltimore, Md.," shall be stenciled or otherwise marked on the package, as illustrated below:

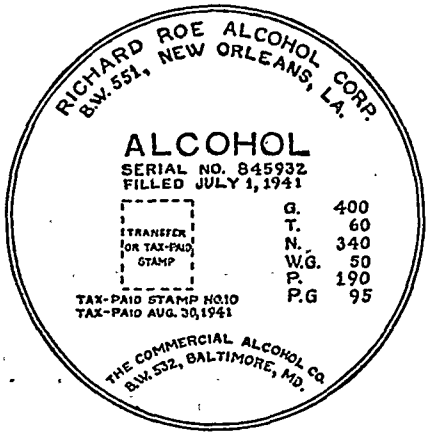


FIG. 7.—Marks on transfer or tax-payment at warehouse other than that at which filled.

§ 182.529 *Verification of marks, brands, and stamps.* The storekeeper-gauger will verify the gross weight, tare, net weight, wine gallons, proof, and proof gallons marked on packages by comparison with the reports prepared by the proprietor, and shall satisfy himself of the accuracy and correctness of the marks, brands, and stamps (if any) on each package.*

§ 182.530 *Obscurity of stamps, etc.* The stamps, marks, and brands required by law and regulations to be applied to packages of alcohol are designed to bear witness of the legality of the alcohol which they cover and they should not be obscured in any manner or covered by the encasing of the package bearing the same, but should at all times be in such condition as to admit of ready examination by Government officers.* (Sec. 3103, I.R.C.)

§ 182.531 *Imitation stamps, labels, trade marks, or caution notices.* Any person who affixes, or causes to be affixed, to any package containing alcohol any imitation stamp or other label, device, or document, either designed as a trade mark, caution notice, caution, or otherwise, and which shall be in the similitude or likeness of, or which have the semblance or general appearance of any internal revenue stamp required by law to be affixed to or upon any packages containing alcohol, is liable to severe penalties, and in addition the package with its contents shall be forfeited to the United States.* (Sec. 2869, I.R.C.)

§ 182.532 *Packages to be stamped.* With the exception of tax-paid alcohol in railroad tank cars, which must bear a certificate of the proper collector showing tax-payment, or in cases or packages, withdrawn for scientific, mechanical, or hospital purposes, etc., or use of the United States, the several States and Territories and municipal subdivisions thereof, and the District of Columbia, and where such use is indicated on the container, every package of alcohol lawfully upon the market must bear a stamp, or stamps, of one of the prescribed classes.* (Sec. 3103, I.R.C.)

*Obliteration of Marks and Stamps and Transportation of Empty Packages*

§ 182.533 *Obliteration of stamps and marks and brands on empty packages.* When packages of alcohol are emptied, all stamps and marks and brands required to be placed thereon must be completely effaced and obliterated. Where a portion of a stamp is cut out for submission to the district supervisor when packages are dumped for rectification or for bottling, the remnant remaining affixed to the package must be completely effaced and obliterated when the package is emptied. Any empty package from which the marks, brands, or stamps have not been effaced or obliterated is declared to be forfeited and any internal revenue officer will seize the same wherever found.* (Sec. 2866, I.R.C.)

§ 182.534 *Failure to efface or obliterate marks, brands, and stamps.* Any person who shall fail to efface or obliterate marks, brands, or stamps at the time of emptying packages of alcohol, or who shall receive any such emptied package or any part thereof having thereon such marks, brands, or stamps, with intent to transport the same, or who shall transport the same or knowingly aid or assist therein, or who shall remove any stamp from the package without defacing or destroying the same at the time of such removal, or aid or assist therein, or who shall have in his posses-

sion any such stamps so removed or who shall have in his possession any canceled stamp or any stamp which has been or purports to be used, is deemed guilty of a felony and is punishable by fine and imprisonment.* (Sec. 2866, I.R.C.)

§ 182.535 *Intent of law.* It shall be understood that the intent of the law is to require that the marks, brands, and stamps on any package of alcohol shall be effaced, obliterated, and destroyed at the time the package is emptied and the responsibility of doing this is placed upon the person emptying it. The terms "efface and obliterate" must be understood to mean a complete destruction so as to leave no part or portion of the marks, stamps, or brands legible or intelligible. Persons who have possession of, deal in, or engage in the transportation of emptied alcohol packages will be held to understand their liability if they violate the law; the penalties, though severe, must be enforced; and ignorance of the law, negligence or carelessness on the part of themselves or their subordinates shall not be deemed sufficient excuse.* (Secs. 2866, 2867, 3323, I.R.C.)

§ 182.536 *Transportation of emptied packages.* Any person or transportation company who shall receive or transport or have in their possession with intent to transport or to cause or procure to be transported any emptied package or any part thereof having thereon any brand, mark, or stamp required to be placed on packages containing alcohol is liable to a penalty of $300 for each such package or part of such package; and any boat, railroad box car, or other vehicle and all horses or other animals used in carrying or to transport the same are to be forfeited.* (Sec. 2866, I.R.C.)

*Bottling of Alcohol in Bonded Warehouse*

§ 182.537 *Bottling conducted under supervision.* The entire operation of bottling alcohol in a bonded warehouse, the filling and stamping of the bottles and the casing of the bottles, will be performed by the proprietor of the warehouse under the supervision of the storekeeper-gauger.*

§ 182.538 *Liquor bottles.* The proprietor must comply with the provisions of Regulations 13 (26 CFR, Part 175) respecting the use of liquor bottles when bottling alcohol.* (Sec. 2871, I.R.C.)

§ 182.539 *Warehousing stamps.* Except when alcohol is bottled for export, an engraved case warehousing stamp with the serial number printed thereon shall be attached to each case containing bottled alcohol, and there shall be affixed to each bottle placed therein a bottle warehousing stamp bearing the same serial number as the case stamp.* (Sec. 3300, I.R.C.)

§ 182.540 *Procurement and issuance of stamps*—(a) *Procurement.* Warehousing stamps are supplied to collectors of internal revenue in the same manner as other stamps. District supervisors will obtain supplies of such stamps from the collectors as desired. When necessary, the district supervisors shall forward one or more books of each denomination to the storekeeper-gauger in charge of the bonded warehouse.

(b) *Issuance.* The storekeeper-gauger will issue warehousing stamps as needed. All of the necessary entries on the stamps shall be made by the storekeeper-gauger or by the proprietor under his supervision. Proper entries shall also be made on each stamp stub and, when all the stamps in a book have been used, the storekeeper-gauger shall forward the stub book to the district supervisor. The stamps shall be used consecutively, affixing the one bearing the lowest serial number to the first case filled and the serial number thereof shall be reported on Form 1440 on the same line with the serial number of the case. The stamps must be signed by the storekeeper-gauger in charge. Facsimile signatures of storekeeper-gaugers may be affixed by the use of hand stamps, provided care is taken to use such ink as will neither fade nor blur.*

§ 182.541 *Manner of affixing stamps*—(a) *Case stamps.* The case warehousing stamp shall be affixed and canceled in accordance with §§ 182.527 and 182.528.

(b) *Bottle stamps.* The bottle stamps must be securely affixed to the bottles with the use of a good adhesive. The adhesive used must be in proper liquid condition, and care must be taken to cover the entire back of the stamp with the adhesive, and to press the whole surface of the stamp firmly against the surface of the bottle sufficiently long to cause the entire surface of the stamp to adhere securely to the bottle. The stamp must pass over the mouth of the bottle, extending an approximately equal distance on two sides of the bottle. The stamp must be affixed in such manner that upon opening the bottle a portion of the stamp will be left attached thereto until emptied.* (Sec. 3301, I.R.C.)

§ 182.542 *Concealing or obscuring bottle stamps.* No part of the bottle stamp shall be concealed or obscured by any label or other covering, except that a cup may be placed over the opening of the bottle, or the bottle may be placed in a carton, as hereinafter provided. Seals made of cellulose or other material which are shrunk or otherwise fitted over the necks of the bottles and cover the stamps must be sufficiently transparent to permit the stamps to be plainly seen and the data thereon easily read. No cup or cap may be placed over the opening of a bottle and cover the stamp, unless such cup or cap is transparent, or is so placed on the bottle that it may be readily removed at any time without injury to the stamp, and the arrangement is such that the ends of the stamp will be plainly visible when the cap or cup is in place. Cartons or other coverings of bottles of alcohol are permitted, if so made that they may be opened and closed without being torn or broken. Sealed cartons or other coverings may not be used unless transparent, or unless openings therein permit the data on the stamp and the indicia and penalty clause required by Regulations 13 (26 CFR, Part 175) on the bottle to be plainly seen and read.* (Secs. 2871, 3301, I.R.C.)

§ 182.543 *Affixing bottle stamp over cup or cap.* The bottle stamp may be affixed over a cup or cap placed over the opening of the bottle, provided the arrangement is such that the stamp will be torn apart or destroyed when the cup or cap is unscrewed or removed or destroyed. Where it is desired to affix the bottle stamp over a removable cup or cap, the cup or cap must be securely screwed or fastened over the opening of the bottle, and must be of such size and construction that the stamp will pass over the top and extend beyond the cup or cap for such length that each end of the stamp may be securely affixed to the surface of the bottle. The stamp must be securely affixed with a strong adhesive to both the cup or cap and the bottle. Where it is desired to affix the stamp over a cap or seal made of cellulose or other similar adhesive material which is so shrunk or otherwise fitted over the neck of the bottle as to be unremovable without being destroyed, and is of such size and construction that the stamp will not extend beyond such cap or seal to permit each end to be affixed to the surface of the bottle, it will not be necessary for the ends of the stamp to be affixed to the surface of the bottle, provided the cap or seal is affixed to the bottle in such manner that when the bottle is opened the stamp will be torn apart and a portion of the cap or seal and stamp will remain attached to the bottle. In any case where there is doubt as to the propriety of the use of any cup or cap, the bottle and cup or cap should be submitted to the district supervisor for a ruling thereon.* (Sec. 3301, I.R.C.)

§ 182.544 *Bottling alcohol after taxpayment.* Where the proprietor of a bonded warehouse desires to bottle alcohol after payment of the tax thereon, he must comply with the provisions of Regulations 11 (26 CFR, Part 189), concerning the location, construction, equipment, etc., and operation of tax-paid bottling houses.*

*Changes in Packages*

§ 182.545 *Repackaging.* Packages of alcohol in bonded warehouses may be repackaged in order to prevent loss or for other valid reason. The new packages must be properly marked, as in the case of the original packages, and proper record made of the transaction. The transfer of the contents of the old packages to the new packages shall be made by the proprietor under the immediate supervision of the storekeeper-gauger.

(a) *Entire contents to be repackaged.* The entire contents of a package must be repackaged. Notation should be made on Form 1440, covering the entry gauge of the original package that its contents have been repackaged into another package or packages, giving the serial numbers of the recasked packages and the date of the repackaging. The recasked packages should be gauged and notation made on Form 1440 covering such gauge that they were filled from other packages, giving the serial numbers of the original packages: *Provided,* That where it is desired to recask only a portion of the contents of the package, the package should be dumped into a storage tank and proper notation thereof made on Forms 1440, 1443-A, and 1443-B.* (Sec. 2808, I.R.C.)

§ 182.546 *Changes in packages for export.* In the event of a change in a package for export, all the required marks and brands, including the results of regauging, which must be made under any circumstances, shall be placed on the new package.* (Sec. 2808, I.R.C.)

*Removal of Alcohol from Warehouse*

§ 182.547 *Authorized removals.* Alcohol may be removed from bonded warehouses in accordance with the procedure prescribed in these regulations, for the following purposes:

(1) Transferred in bond to another bonded warehouse.
(2) Transferred to a denaturing plant for denaturation.
(3) Withdrawn upon payment of tax.
(4) Withdrawn tax-free for scientific purposes, use of hospitals, States, etc.
(5) Withdrawn for use by the United States or governmental agency thereof.
(6) Withdrawn for exportation.
(7) Transferred to customs manufacturing bonded warehouses.
(8) Withdrawn tax-free for use on certain vessels and aircraft.

* (Secs. 2885, 2891, 3070 (a), 3103, 3107, 3108, I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.548 *Transportation*—(a) *In bond.* Alcohol shipped in bond to another bonded warehouse shall be transported to the premises of the receiving warehouse by the proprietor of the shipping warehouse; or by a railroad or steamship company, or an express company operating thereon; or by a motor carrier who holds a permit to transport tax-free or specially denatured alcohol or who has qualified with the Interstate Commerce Commission as a "self insurer"; or by other carriers, including motor and barge lines, who are actively and regularly engaged in the legitimate business of transportation and who possess adequate facilities to insure safe delivery at destination of any alcohol transported by them, and who are approved by the district supervisor.

(b) *Tax-free.* Alcohol withdrawn free of tax for denaturation, export, transfer to customs manufacturing bonded warehouse, use on vessels and aircraft, use of the United States or any governmental agency thereof, the several States and Territories or any municipal subdivision thereof, or the District of Columbia, hospitals, sanatoriums, colleges, laboratories, scientific purposes, etc., must be transported to the premises of the consignee or, if withdrawn for export, to the port of export, by the proprietor of the bonded warehouse or a carrier holding permit on Form 145 to transport tax-free alcohol: *Provided,* That the consignee may transport the alcohol from the premises of the delivering carrier at the place of destination to his own premises or, in the case of export, or use on vessels and aircraft, to the point of lading.

(c) *Method of transportation.* Alcohol shipped in bond or tax-free in accordance with paragraphs (a) and (b), must be transported by the proprietor of the bonded warehouse or the authorized carrier personally, or by some person regularly and exclusively in their employ, and the right to the possession of any vehicle used for such transportation must be vested in the vendor or carrier.

(d) *Responsibility for delivery.* The consignor will be responsible for proper delivery of alcohol shipped in bond or tax-free to an authorized carrier, or to the premises of the consignee when delivery is made by the consignor. The consignee will likewise be responsible for the proper delivery to his permit premises of alcohol shipped to him in bond or tax-free and transported by him from the premises of the authorized carrier. Failure to make such delivery will be deemed to be grounds for citation for revocation of the basic permit of the person responsible for the proper delivery of the alcohol.

(e) *Certificate in bill of lading, waybill, etc.* When alcohol is transported by a carrier, as authorized herein, the proprietor of the shipping warehouse shall include in his bill of lading, waybill, express receipt, etc., a statement to the following effect: "Before making delivery, the agent of the delivering carrier at destination must have received from the consignee a certified copy of the withdrawal permit authorizing this shipment."

(1) *Exception; written statement.* Where no bill of lading is issued, as in the case of delivery by local express company, a written statement to the above effect, signed by the shipper, shall be delivered to the carrier.* (Secs. 3070 (a), 3107, 3108, 3114, I.R.C.)

*Regauge of Alcohol*

§ 182.549 *Regauge of alcohol in packages.* Packages of alcohol in bonded warehouses may be withdrawn on the original gauge made at the time of filling where there is no reason to believe that the data shown on the original gauge differs from the present contents of the packages and the proprietor of the warehouse does not desire to regauge the same. Where the proprietor or storekeeper-gauger believes that the present contents of the packages may differ from the data shown on the original gauge, a regauge will be made. The results of the regauge shall be placed on the packages in accordance with the provisions of § 182.522, and notation on the records must be made as hereinafter provided.* (Sec. 2808, I.R.C.)

*Transfer of Alcohol in Bond Between Bonded Warehouses*

§ 182.550 *General.* Alcohol may be transferred in bond from any bonded warehouse in original packages or other approved containers, after the same has been correctly weighed and proofed to determine the exact contents of each package, unless withdrawn on the original gauge, to another bonded warehouse as hereinafter provided.* (Sec. 3107, I.R.C.)

§ 182.551 *Application and withdrawal permit, Form 1436*—(a) *Application.* Where the proprietor of the bonded warehouse desires to procure alcohol from another bonded warehouse, he will file application on Part I of Form 1436, "Application for Withdrawal Permit," in duplicate, with the district supervisor for withdrawal permit to procure alcohol. The names, warehouse numbers, and addresses of the warehouses from which alcohol will be procured will be stated in the application. Where the bond, Form 1432-A, filed by the proprietor covering the receiving warehouse is in less than the maximum penal sum, the application should be for a fixed number of proof gallons to be withdrawn during a calendar month, which amount shall not exceed the quantity authorized in the applicant's basic permit, Form 1433, to be on hand, in transit, and unaccounted for at any one time.

(b) *Withdrawal permit.* If the application is approved by the district supervisor, he will issue a withdrawal permit on Part II of the Form 1436. If the applicant's basic permit on Form 1433 for his bonded warehouse limits the quantity of alcohol that may be on hand, in transit, and unaccounted for at any one time, the quantity authorized by the withdrawal permit on Form 1436 to be withdrawn during any calendar month, shall not exceed such quantity specified in the applicant's basic permit. The district supervisor will forward the original copy of the withdrawal permit to the applicant and will retain the duplicate copy for his files. If the shipping warehouse is located in another supervisory district, a copy of the withdrawal permit, and any renewals or amendments thereof, will be prepared on the prescribed form and transmitted by the district supervisor issuing the same to the district supervisor of the district from which shipments are to be made. When the proprietor of the receiving warehouse desires to procure alcohol, he will forward the original of the withdrawal permit to the proprietor of the bonded warehouse named therein from whom he desires to procure the alcohol. Upon shipment, the proprietor of the shipping warehouse will enter the shipment on the permit and return it to the consignee, unless he has been authorized by the consignee to retain the permit for the purpose of making future shipments. No alcohol may be shipped by a consignor named in the withdrawal permit until such permit is in his possession. Except as provided in paragraph (d), further like transfers may be made under such permit during the term for which it is issued.

(c) *Carrier to be furnished copy of Form 1436.* Where the alcohol is to be delivered by a person other than the vendor, the consignee shall procure from the district supervisor a certified copy (or copies, if delivery is to be made by more than one carrier), on the prescribed form, of the withdrawal permit, Form 1436, and shall file the same with the delivering carrier's agent at destination. Application for such certified copy or copies shall be made by the permittee to the district supervisor by letter, specifying the name of the delivering carrier. Where such delivering carrier is known at the time Form 1436 is filed, the application should accompany such form.

(d) *Expiration or termination of permit.* Upon expiration of a withdrawal permit it shall be returned to the district supervisor for cancellation. Where the permit is in the possession of a consignor on the date of expiration, such consignor shall return it to the permittee for surrender to the district supervisor. Should a basic permit, Form 1433, held by a person to whom withdrawal permit, Form 1436, was issued, be terminated, surrendered, or revoked, the

proprietor of each bonded warehouse named as vendor in such withdrawal permit shall, upon notice from the district supervisor, make no further shipments thereunder, and if such withdrawal permit is in his possession, he shall return it to the district supervisor for cancellation.* (Secs. 3101, 3107, I.R.C.)

§ 182.552 *Application for renewal of withdrawal permit.* Applications on Part I of Form 1436 for renewal of withdrawal permits must be submitted by the permittee to the district supervisor not less than one month prior to the date of expiration of the permit to be renewed, in order that the renewal permit may be issued and become available for withdrawals by the 1st day of the calendar month following the date of expiration of the permit to be renewed. Application for renewal of withdrawal permits shall be executed in conformity with § 182.551 (a).*

§ 182.553 *Renewal of withdrawal permit, Form 1436* Withdrawal permits on Part II of Form 1436 shall remain in force for the calendar year or for the term of the basic permit, Form 1433. A renewal permit must be procured for each year, commencing with January 1, after the expiration of the original permit. The provisions of § 182.551 (b) shall be applicable to the issuance of renewal permits.*

§ 182.554 *Quantity procurable under withdrawal permits.* Where the permittee's basic permit, Form 1433, limits the quantity of alcohol that may be on hand, in transit, and unaccounted for at any one time at the bonded warehouse, he shall in procuring alcohol from another bonded warehouse deduct the quantity on hand, in transit, and unaccounted for from the quantity so limited in his basic permit, and if the available balance is less than the quantity procurable under the withdrawal permit during the calendar month, give his order for an amount not exceeding the available balance. For this purpose, alcohol shall be deemed to be unaccounted for when disposed of or lost otherwise than as provided by these regulations. Failure on the part of permittees to observe the foregoing requirements concerning withdrawals will be regarded as sufficient grounds for citation for revocation of their basic permits.* (Secs. 3101, 3107, I.R.C.)

§ 182.555 *Transfer stamps.* An industrial alcohol transfer stamp shall be attached to each container of alcohol transferred in bond from one bonded warehouse to another such warehouse, or to a denaturing plant not on the same premises with the bonded warehouse. Such transfer stamp must be effaced and obliterated when the package is finally withdrawn or emptied at the receiving bonded warehouse or denaturing plant. The storekeeper-gauger shall issue transfer stamps as needed and all necessary entries thereon shall be made by the storekeeper-gauger or by the proprietor under his immediate supervision. Proper entries shall also be made on each stamp stub and, when all the stamps in a book have been used, the storekeeper-gauger shall forward the stub book to the district supervisor. Transfer stamps will be furnished by collectors to district supervisors upon request. District supervisors may supply storekeeper-gaugers in charge at bonded warehouses with sufficient quantities of such stamps to enable shipment in bond to be made from such warehouse without unnecessary delay. The transfer stamps must be signed by the storekeeper-gauger in charge of the bonded warehouse. Facsimile signatures of storekeeper-gaugers on stamps may be affixed by the use of hand stamps, provided care is taken to use only such ink as will neither fade nor blur. The stamps shall be affixed, canceled, etc., in accordance with §§ 182.527 and 182.528.* (Sec. 3300, I.R.C.)

§ 182.556 *Report of gauge, Form 1440.* The proprietor will prepare Form 1440, in quadruplicate, giving the details of the re-gauge, or original gauge, if withdrawn on such gauge, of the alcohol. The proprietor will deliver all copies of the form to the storekeeper-gauger in charge, who shall upon shipment forward one copy to the supervisor of the district in which the shipping warehouse is located, and two copies, with one copy of Form 1439, to the storekeeper-gauger in charge of the receiving warehouse, and return the remaining copy to the proprietor of the shipping warehouse, who shall file the same as a permanent withdrawal record, as provided in § 182.643 (b).* (Secs. 3101, 3107, I.R.C.)

§ 182.557 *Report of shipment, Form 1439.* When alcohol is transferred in bond to another bonded warehouse, the proprietor shall, at the time of shipment, prepare Form 1439, in duplicate, if shipment is made to a warehouse located within the same district, or in triplicate, if shipment is made to a warehouse located in another district, and immediately deliver all copies thereof to the storekeeper-gauger in charge, who shall, on the same day, forward one copy to the supervisor of the district from which the alcohol is shipped, one copy to the supervisor of the district to which the alcohol is shipped (where shipment is to another district), and the remaining copy to the storekeeper-gauger in charge of the receiving bonded warehouse, who, upon receipt of the alcohol, will dispose of the form in accordance with § 182.494.* (Secs. 3101, 3107. I.R.C.)

*Withdrawal for Denaturation*

§ 182.558 *General.* Alcohol may be withdrawn free of tax for denaturation in an approved denaturing plant, as hereinafter provided.* (Secs. 3070 (a), 3101, 3108 (a), 3114 (a), I.R.C.)

§ 182.559 *Transfer to denaturing plant on same premises.* Alcohol may be withdrawn from a bonded warehouse and transferred to a denaturing plant located on the same premises, without the necessity of procuring withdrawal permit, Form 1463. Alcohol may be so transferred by pipe line or in approved containers. Where the bond for the denaturing plant is in an amount less than the maximum penal sum prescribed by these regulations, and the basic permit, Form 1433, for the denaturing plant limits the quantity of alcohol that may be received in the denaturing plant during a calendar month, no larger quantity of alcohol than that covered by the bond or authorizing by the basic permit may be transferred to the denaturing plant. Storekeeper-gaugers will see that such limitations are observed.* (Secs. 3070 (a), 3101, 3108 (a), I.R.C.)

§ 182.560 *Shipment to denaturing plant located on other premises.* Alcohol may be withdrawn from a bonded warehouse for shipment to a denaturing plant located on other premises only pursuant to withdrawal permit, Form 1463, authorizing such shipment. Alcohol may be so shipped in tank cars, drums, or other approved containers. Such shipments may not be made until the proprietor of the bonded warehouse has received from the denaturer the withdrawal permit, Form 1463, naming him as vendor, and then only in the quantity specified in the withdrawal permit. Upon shipment the proprietor of the bonded warehouse will enter the shipment on the permit and return it to the denaturer, unless he has been authorized by the denaturer to retain the permit for the purpose of making future shipments.

(a) *Form 1439.* When alcohol is shipped to a denaturing plant located on other premises, the proprietor of the warehouse shall prepare Form 1439, in duplicate, if shipment is made to a denaturing plant located in the same district, or in triplicate, if shipment is made to a denaturing plant located in another district, and immediately deliver all copies thereof to the storekeeper-gauger in charge, who shall, on the same day, forward one copy to the district supervisor of the district from which the alcohol is shipped, one copy to the district supervisor of the district to which the alcohol is shipped (where shipment is to another district), and the remaining copy to the storekeeper-gauger in charge of the denaturing plant.* (Secs. 3070 (a), 3101, 3108 (a), 3114 (a), I.R.C.)

§ 182.561 *Gauging, marking, and stamping upon withdrawal.* When alcohol is transferred by pipe line, or shipped in tank cars, to a denaturing plant, it will be run into a weighing tank and weighed and proofed by the proprietor, in accordance with §§ 182.405 and 182.407. When alcohol is transferred or shipped to a denaturing plant in other approved containers, the proprietor will regauge the packages, unless withdrawn on the original gauge, and will mark each package in accordance with §§ 182.518 to 182.524, inclusive: *Provided,* That where packages are transferred to a denaturing plant on the same premises the regauged markings prescribed by § 182.522 need not be placed upon the packages: *And provided further,* That where packages are filled from the receiving tanks of the industrial alcohol plant or from storage tanks in the bonded warehouse for transfer to the denaturing plant located on the same premises, and the alcohol is to be denatured immediately in such packages and the location of the receiving room, bonded warehouse and denaturing plant is such that the packages are transferred from the receiving room or bonded warehouse to the denaturing plant in the immediate personal presence

of the storekeeper-gauger and under his constant observation, the district supervisor may authorize the data, which these regulations require to be marked upon the Government head or side of the package, to be placed upon a label attached to the head or the side of the container, in lieu of being printed, stenciled, or cut thereon. Such label shall be destroyed when the contents of the package are denatured. A transfer stamp must be affixed to each package shipped to a denaturing plant not located on the same premises, as required by § 182.555. Transfer stamps need not be affixed to packages transferred to a denaturing plant on the same premises.

(a) *Form 1440.* The proprietor will prepare Form 1440, in quadruplicate, giving the details of the regauge, or original gauge if withdrawn on such gauge, of the alcohol. The proprietor will deliver all copies of the form to the storekeeper-gauger in charge, who shall upon shipment forward one copy to the supervisor of the district in which the bonded warehouse is located, and two copies with one copy of Form 1439 to the storekeeper-gauger in charge of the denaturing plant, and return the remaining copy to the proprietor of the warehouse, who shall file the same as a permanent withdrawal record, as provided in § 182.643.* (Secs. 3070 (a), 3101, 3108 (a), I.R.C.)

§ 182.562 *Expiration or termination of permit.* Where a withdrawal permit, Form 1463, is in the possession of the proprietor of a bonded warehouse on the date of expiration, such proprietor shall return it to the denaturer for surrender to the district supervisor. Should a basic permit, Form 1433, held by a denaturer to whom withdrawal permit, Form 1463, was issued, be terminated, surrendered, or revoked, the proprietor of each bonded warehouse named as vendor in such withdrawal permit shall, upon notice from the district supervisor, make no further shipments thereon, and if such withdrawal permit is in his possession, he shall return it to the district supervisor for cancellation.* (Sec. 3114 (a), I.R.C.)

*Tax-payment of Alcohol in Packages or Cases*

§ 182.563 *Gauging of packages or cases.* Whenever the proprietor desires to withdraw alcohol in packages on payment of tax, he shall, unless withdrawn on the original gauge, correctly weigh and proof the alcohol and determine the exact contents of each package in proof gallons. He shall prepare Form 1440, in quadruplicate, giving the details of the gauge, and deliver all copies thereof to the storekeeper-gauger in charge for examination. Cases of bottled alcohol are not required to be weighed and proofed, but Form 1440 shall be prepared giving the serial numbers, contents, etc., of the cases. If the forms are in proper order, the storekeeper-gauger will retain one copy and return three copies to the proprietor, who will forward all three copies to the collector of internal revenue with remittance in cash or by certified check or post office money order for the tax.* (Secs. 3101, 3103, 3656 (a), I.R.C.)

§ 182.564 *Issuance of tax-paid stamps.* The collector will issue the tax-paid stamps. Each tax-paid stamp shall bear the signature of the collector, who shall write or stamp thereon the date of payment of the tax, by whom paid, the number of gallons and tenths of gallons of proof spirits, and serial number of package or case. Facsimiles of signatures of collectors may be affixed by the use of hand stamps to the tax-paid stamps, care being taken to use only such ink as will neither fade nor blur. The collector will enter the serial numbers of the stamps in the appropriate spaces on all three copies of Form 1440, execute the certificate of tax-payment on all copies, retain one copy, and return the remaining two copies of the form to the proprietor of the warehouse with the stamps.* (Sec. 3103, I.R.C.)

§ 182.565 *Removal of alcohol.* The proprietor shall deliver all copies of Form 1440 with the tax-paid stamps to the storekeeper-gauger, who will verify the data thereon, and, if no discrepancies are found, he will affix his signature to each stamp. Facsimiles of signatures of storekeeper-gaugers may be affixed by the use of hand stamps, care being taken to use only such ink as will neither fade nor blur. The storekeeper-gauger will then return the stamps to the proprietor, who will stamp and mark the packages or cases, as provided in §§ 182.525, 182.527, and 182.528 and in the Gauging Manual, after which the proprietor will immediately remove the alcohol from the premises or to his tax-paid storeroom, if one has been provided. When the alcohol has been removed, the storekeeper-gauger will forward one copy of Form 1440 to the district supervisor, and return two copies to to the proprietor, who will retain one copy as a permanent record, as provided in § 182.643, and if he so desires, furnish the remaining copy to the vendee.* (Sec. 3103, I.R.C.)

*Tax-Paid Withdrawals in Tank Cars*

§ 182.566 *Gauging of alcohol.* Whenever the proprietor desires to withdraw alcohol from receiving or storage tanks for tax-payment and removal in railroad tank cars, the alcohol will be run into a weighing tank, where it will be correctly gauged and then run into the railroad tank car. The proprietor shall prepare Form 1440, in quadruplicate, giving the details of the gauge and submit all copies to the storekeeper-gauger for examination. If the forms are in proper order, the storekeeper-gauger will retain one copy and return three copies to the proprietor.* (Secs. 3101, 3103, I.R.C.)

§ 182.567 *Application for certificate of tax-payment Form 1594.* The proprietor will forward all copies of Form 1440 with Form 1594, "Application for Collector's Certificate of Tax-Payment of Distilled Spirits for Shipment in Tank Cars," in duplicate, if the vendee is located in the same supervisory district, and in triplicate if the vendee is located in a different supervisory district, accompanied by proper remittance for the tax to the collector of internal revenue. The collector may, in his discretion, accept uncertified checks in payment of the tax on alcohol contained in tank cars where certificates are issued in lieu of stamps.* (Secs. 3101, 3112 (b), 3656 (b), I.R.C.).

§ 182.568 *Certificate of tax-payment, Form 1595.* The collector will issue Form 1595, "Collector's Certificate of Tax-Payment of Distilled Spirits for Shipment in Tank Cars," execute his certificate of tax-payment and enter the serial number of the certificate (in the column provided for entering the serial numbers of tax-paid stamps) on all copies of Form 1440. The collector will fill in all the required data in the blank spaces on the certificate, except those provided in the lower left corner for the verification of the storekeeper-gauger, and date and sign the certificate in the same manner as a tax-paid stamp is required by § 182.564 to be filled in, dated, and signed. This certificate is not negotiable and shall not be used on any tank car other than the one specified therein. The collector will enter on the original and the copy, or copies, of Form 1594, in the space provided, the serial number, date, and amount of the certificate issued. The collector will retain one copy of Form 1440 and the original copy of Form 1594. He will mail or deliver the certificate (Form 1595) and the original and remaining copies of Form 1440 to the vendor or his designated agent, in accordance with the vendor's request in Form 1594. The collector will send one copy of the application (Form 1594) to the district supervisor. Where the vendee is located in a different supervisory district, the collector will send the remaining copy of Form 1594 to the supervisor of the district in which the vendee is located.* (Sec. 3101, I.R.C.)

§ 182.569 *Bill of lading.* The proprietor shall incorporate in the bill of lading a description of Form 1595 as follows:

Form 1595, "Collector's Certificate of Tax-Payment of Distilled Spirits for Shipment in Tank Cars," Serial Number _____, Owner and Number of Car _____, Vendor _____, Address _____, Vendee _____, Address _____.

* (Sec. 3101, I.R.C.)

§ 182.570 *Verification and affixing of certificate.* The proprietor shall give the certificate of tax-payment (Form 1595), the bill of lading, and all copies of Form 1440 to the storekeeper-gauger. The storekeeper-gauger will verify the contents of the tank cars and description of Form 1595 in the bill of lading, determine the security of the route board, and date and sign the certificate in the space provided therefor. The proprietor shall then affix the certificate to the route board in the presence of the storekeeper-gauger. The certificate must be securely affixed to the route board with a good adhesive and with a tack in each corner, after which it will be canceled in the same manner as a tax-paid stamp after attachment to a package and covered with a coating of transparent shellac, varnish, or lacquer to prevent its easy removal or alteration.* (Sec. 3101, I.R.C.)

§ 182.571 *Release of tank car.* When the certificate of tax-payment has been affixed to the route board and canceled, the storekeeper-gauger will return the

bill of lading to the proprietor and release the tank car for shipment. The storekeeper-gauger will forward one copy of Form 1440 to the district supervisor and deliver two copies to the proprietor, who will forward one copy to the vendee, and retain the remaining copy as a permanent record in accordance with § 182.643.* (Sec. 3101, I.R.C.)

§ 182.572 *Procedure when tank car is empty; scalping certificate.* When alcohol is received in a tank car by the proprietor of a rectifying plant, tax-paid bottling house, or other vendee authorized to receive tax-paid alcohol in tank cars, the vendee shall, at the time the car is emptied, scalp the certificate of tax-payment on Form 1595 by cutting send the scalped portion of the certificate within the border. The vendee shall then send the scalped portion of the certificate to the supervisor of the district in which the vendee is located and shall obliterate the remainder of the certificate. If the tank car is received without the certificate attached thereto, the vendee shall note such fact on the bill of lading and immediately notify the district supervisor, who will cause such inquiry to be made respecting the shipment and receipt of the car as he may deem appropriate. Where a tank car with the certificate missing is received by a plant where a storekeeper-gauger is assigned, such storekeeper-gauger will furnish a complete report to the district supervisor.*

§ 182.573 *Vendee's use of Form 1440.* The Form 1440 sent to the vendee by the vendor shall be attached to the storage tank in the rectifying plant, tax-paid bottling house, or premises of other vendee authorized to receive the alcohol. The proprietor shall enter the date and quantity of removals from the storage tank on Form 1440 attached to the storage tank. Form 1440 shall be kept on the tank until such time as the quantity covered by such form has been withdrawn from the tank. Form 1440 shall then be filed by the proprietor, available for inspection by Government officers. If the alcohol is transferred directly from the tank car into a bottling tank, the vendee shall make a notation to that effect on Form 1440 and file it.*

§ 182.574 *Comparison of scalped certificate with application.* The district supervisor will compare the scalped certificate with the copy of the application as to name of vendor and vendee, number of gallons of alcohol, the amount of tax, etc., and investigate any discrepancy. He will then send the copy of the application to the Commissioner, and, where there is a discrepancy, a report of his findings relative thereto.*

*Tax-paid Withdrawals by Pipe Line to Rectifying Plant*

§ 182.574a *Gauging of alcohol.* Where a pipe line has been installed and approved for the transfer of alcohol, after tax-payment, direct from the weighing tank in the industrial alcohol plant or bonded warehouse to a contiguous rectifying plant or rectifying plant in the immediate vicinity, as provided in §182.82a, and the proprietor desires to so transfer alcohol, the alcohol will be run into a weighing tank where it will be correctly gauged. The proprietor shall prepare Form 1440, in quadruplicate, giving the details of the gauge and submit all copies to the storekeeper-gauger for examination. If the forms are in proper order, the storekeeper-gauger will retain one copy and return three copies to the proprietor. The outlet of the weighing tank will be closed and locked before the alcohol to be tax-paid is transferred to the tank, and the inlet of the tank will be closed and locked after the alcohol has been run into the tank. Both the outlet and inlet will be kept locked, pending payment of tax and receipt of the collector's certificate of tax-payment, Form 1595, as hereinafter provided.* (Secs. 3101, 3103, 3106, 3124 (a) (2), I.R.C.)

§ 182.574b *Application for certificate of tax-payment, Form 1594.* The proprietor will make application for certificate of tax-payment on Form 1594, in duplicate, appropriately modified to indicate withdrawal by pipe line and the weighing tank by number for which the certificate is desired, and forward both copies of the form and the three copies of Form 1440, returned to him by the storekeeper-gauger, accompanied by proper remittance for the tax to the collector of internal revenue. The collector may, in his discretion, accept uncertified checks in payment of tax on alcohol withdrawn by pipe line where certificates are issued in lieu of stamps.* (Secs. 3101, 3112 (b), 3656 (b), I.R.C.)

§ 182.574c *Certificate of tax-payment, Form 1595.* The collector will issue Form 1595, "Collector's Certificate of Tax-Payment of Distilled Spirits for Shipment in Tank Cars," appropriately modified to indicate withdrawal by pipe line and the weighing tank by number for which the certificate is issued, and execute his certificate of tax-payment and enter the serial number of the certificate (in the column provided for entering the serial numbers of tax-paid stamps) on all copies of Form 1440. The collector will fill in all the required data in the blank spaces on the certificate, except those provided in the lower left corner for the verification of the storekeeper-gauger, and date and sign the certificate in the same manner as a tax-paid stamp is required by § 182.564 to be filled in, dated, and signed. This certificate is not negotiable and shall not be used on any weighing tank other than the one specified therein. The collector will enter on the original and the copy of Form 1594, in the space provided, the serial number, date, and amount of the certificate issued. The collector will retain one copy of Form 1440 and the original copy of Form 1594. He will mail or deliver the certificate (Form 1595) and the original and remaining copies of Form 1440 to the vendor or his designated agent, in accordance with the vendor's request in Form 1594. The collector will send one copy of the application (Form 1594) to the district supervisor.* (Sec. 3101, I.R.C.)

§ 182.574d *Verification and affixing of certificate.* The proprietor shall deliver the certificate of tax-payment, Form 1595, and all copies of Form 1440 to the storekeeper-gauger, who will verify the contents of the weighing tank and date and sign the certificate, Form 1595, in the space provided therefor. The certificate must be attached to the board on the weighing tank by means of a tack in each corner, after which it will be canceled in the same manner as a tax-paid stamp attached to a package and covered with a coating of transparent varnish, shellac, or lacquer to prevent any alteration thereof.* (Sec. 3101, I.R.C.)

§ 182.574e *Transfer of alcohol.* When the certificate of tax-payment has been affixed to the weighing tank and canceled, the storekeeper-gauger will unlock the outlet valve and permit the proprietor to transfer the alcohol by pipe line to the rectifying plant specified in the certificate. The alcohol shall be transferred only under the immediate supervision of the storekeeper-gauger at the industrial alcohol plant or bonded warehouse and the storekeeper-gauger at the rectifying plant, who shall verify by weight or measure the quantity received. After the alcohol has been transferred, the storekeeper-gauger will forward one copy of Form 1440 and the canceled Form 1595 to the district supervisor, and deliver two copies of Form 1440 to the proprietor, who will deliver one copy of such form to the rectifier.* (Sec. 3101, I. R. C.)

§ 182.574f *Rectifier's use of Form 1440.* The report of gauge, Form 1440, delivered to the rectifier by the proprietor, shall be attached to the storage tank in the rectifying plant. The rectifier shall enter the date and quantity of removals from the tank in the blank spaces of such Form 1440. The report of gauge shall be kept on the tank until such time as the quantity covered thereby has been withdrawn from the tank. The report shall then be filed by the rectifier available for inspection by Government officers. The alcohol transferred by pipe line may not be used by the rectifier prior to attachment of Form 1440 to the storage tank.* (Sec. 2801 (e) (1), I.R.C.)

§ 182.574g *Comparison of canceled certificate with application.* The district supervisor will compare the canceled certificate with the copy of the application, Form 1594, and the report of gauge, Form 1440, as to the number of gallons of alcohol, the amount of tax, etc., and investigate any discrepancy. He will then send a copy of the application to the Commissioner, and, where there is a discrepancy, a report of his findings relative thereto.*

*Tax-free Withdrawals for Scientific Purposes, Use of Hospitals, States, etc.*

§ 182.575 *Who may procure.* Under the law, alcohol may be withdrawn in accordance with these regulations from any industrial alcohol plant or bonded warehouse tax-free for use by the several States and Territories, or any municipal subdivision thereof, or by the District of

Columbia, or for the use of any scientific university or college of learning, any laboratory for use exclusively in scientific research, or for use in any hospital or sanatorium, or for the use of any clinic operated for charity and not for profit, including use in the compounding of bona fide medicines for treatment outside of such clinics or patients thereof, but not for sale, pursuant to permit Form 1450 in the possession of the proprietor and naming him as vendor.* (Sec. 3108 (b), (c), I.R.C.)

§ 182.576 *Gauge of alcohol.* The proprietor will gauge each package of alcohol withdrawn tax-free, unless withdrawn on the original gauge, and prepare Form 1440, in triplicate, giving the details of such gauge. The packages shall be marked in accordance with §§ 182.518 to 182.526. Upon shipment of the alcohol, one copy of Form 1440 will be forwarded to the supervisor of the district in which the warehouse is located and one copy to the consignee. The remaining copy will be filed at the warehouse as a permanent record in accordance with § 182.643.* (Secs. 3101, 3103, 3108 (b), (c), I.R.C.)

§ 182.577 *Notification of shipment, Form 1439.* When alcohol is withdrawn tax-free, the proprietor shall, at the time of shipment, prepare Form 1439, in duplicate, where the consignee is located within the same district, or in triplicate, where the consignee is located within another district, and immediately deliver all copies thereof to the storekeeper-gauger in charge, who shall on the same day forward one copy to the district supervisor of the district from which the alcohol is shipped, one copy to the district supervisor of the district to which the alcohol is shipped where shipment is to another district, and the remaining copy to the tax-free permittee.* (Sec. 3101, I.R.C.)

§ 182.578 *Entries of shipments on permit, Form 1450.* The proprietor of the bonded warehouse making shipment of tax-free alcohol shall enter on the withdrawal permit, Form 1450, date and number of proof gallons shipped. Future like shipments may be made under such permit during the period for which issued until the full quantity for which the permit was issued has been withdrawn.* (Sec. 3108 (b), (c), I.R.C.)

§ 182.579 *Permit may be retained at warehouse.* Withdrawal permit, Form 1450, may, at the option of the permittee-consignee, be returned to him after each shipment from a bonded warehouse, or it may be retained at the warehouse to cover additional shipments therefrom. If retained at the bonded warehouse, the permit must be returned to the permittee by the proprietor of the warehouse when the full quantity of alcohol authorized thereby has been obtained, or when the permit has expired or has been otherwise terminated or revoked.* (Sec. 3108 (b), (c), I.R.C.)

*Tax-free Withdrawals by the United States or Governmental Agency*

§ 182.580 *General.* Alcohol may be withdrawn from any industrial alcohol plant or bonded warehouse tax-free for the use of the United States or any governmental agency thereof, pursuant to permit issued on Form 1444.* (Sec. 3108 (b), I.R.C.)

§ 182.581 *Permit, Form 1444.* The proprietor of the warehouse may not ship alcohol to the United States or governmental agency thereof unless he is named as vendor in the basic permit, Form 1444, and such permit is in his possession. The permit may remain in the possession of the proprietor of the bonded warehouse until it is canceled or is recalled by the department or governmental agency to which issued.* (Secs. 3101, 3108 (b), 3114 (a), I.R.C.)

§ 182.582 *Gauge of alcohol.* The proprietor will gauge each package of alcohol withdrawn tax-free, unless withdrawn on the original gauge, and prepare Form 1440, in triplicate, giving the details of such gauge. The packages shall be marked in accordance with §§ 182.518 to 182.526. Upon shipment of the alcohol, one copy of Form 1440 will be forwarded to the supervisor of the district in which the warehouse is located and one copy to the consignee. The remaining copy will be filed at the warehouse as a permanent record in accordance with § 182.643.* (Secs. 3101, 3103, 3108 (b), I.R.C.)

§ 182.583 *Bill of lading.* Where the alcohol is transported from the bonded warehouse by a common carrier the person to whom the alcohol was delivered for shipment shall furnish a copy of the bill of lading covering transportation of the alcohol from the point of shipment to final destination to the storekeeper-gauger, who will forward the same to the district supervisor with Form 1440.* (Sec. 3101, I.R.C.)

§ 182.584 *Notice and receipt of shipment, Form 1453.* At the time of shipping alcohol tax-free to the United States or governmental agency thereof, the proprietor will prepare Form 1453 and forward it to the Government officer to whom the alcohol is to be delivered at destination. Such Government officer, upon receiving the shipment, will execute the certificate of receipt and forward the form to the district supervisor specified at the bottom of the form.* (Secs. 3101, 3108 (b), I.R.C.)

*Exportation of Alcohol Free of Tax*

§ 182.585 *General.* Alcohol may be withdrawn under proper permit and bond from an industrial alcohol bonded warehouse free of tax for exportation as hereinafter provided. Alcohol may be so withdrawn under a direct export bond, in which case the exporter must furnish to the district supervisor evidence of the actual landing of the alcohol in a foreign country or proof of a loss of the alcohol at sea. Alcohol may also be withdrawn for exportation under a transportation bond covering the transfer of the alcohol from the industrial alcohol bonded warehouse to the port of export, in which case the exporter must file with the collector of customs at the port of export, bond, Form 693 (Bureau of Customs), in a penal sum equal to the internal revenue tax on the alcohol to be exported, and proof of actual landing of the alcohol at the foreign port in accordance with regulations issued by the Bureau of Customs. In both cases a certificate showing the actual clearance of the alcohol from the port of export will be furnished to the district supervisor by the collector of customs.* (Sec. 2885, I.R.C.)

§ 182.586 *Kinds of containers.* Alcohol may be removed in bond free of tax as hereinafter provided for export in approved containers conforming with the specifications prescribed in §§ 182.506 to 182.512, inclusive, and paragraph (a) of this section.

(a) *Provision for reinspection.* Wooden packages containing tin or other metallic containers shall be securely fastened and provided with sufficient openings at the top to enable the inspecting officer at the port of export to readily test the alcohol without injury to the package. The openings to the inner containers enclosed in such wooden packages shall be, as nearly as practicable, on a line with the top of the packages and may be secured by screw-caps or other suitable device. Such screw-caps or other device should not be permanently fastened or sealed until the required reinspection at the port of export has been made, but after such reinspection and before the alcohol is laden on the exporting vessel, the exporter will be permitted in the presence of the inspecting officer to seal the cases in any manner desired.* (Sec. 3101, I.R.C.)

§ 182.587 *Application and entry.* Whenever an owner desires to remove alcohol from an industrial alcohol bonded warehouse either for direct exportation or for transportation for export in approved containers, he shall execute Part I of Form 1456, "Application and Entry for Withdrawal Tax-Free," in quadruplicate, for permits so to do. All of the information required by these regulations and called for by the form shall be furnished. The application must be subscribed and sworn to before a notary public or other officer authorized to administer oaths.* (Sec. 2885, I.R.C.)

§ 182.588 *Method of conveyance.* The conveyance to be used in transporting the alcohol from the bonded warehouse to the port of export and the name of the carrier or carriers, shall be shown in the application whenever possible. If the alcohol is shipped on a through bill of lading and all the carriers handling the alcohol while in transit are not known, the name of the carrier to whom the alcohol is to be delivered at the shipping warehouse must be shown.* (Secs. 2885, 2886, I.R.C.)

§ 182.589 *Gauging of alcohol.* The proprietor shall gauge the containers in which the alcohol is to be exported, unless withdrawn on the original gauge, and prepare Form 1440, in quadruplicate, giving the details of such gauge. One copy of Form 1440 will be attached to each copy of Form 1456.* (Sec. 3103, I.R.C.)

§ 182.590 *Export stamps required.* Every package of alcohol intended for exportation must have an export stamp affixed thereto at the time of its removal from the bonded warehouse. Such

stamps shall be purchased at a cost of 10 cents each by the proprietor of the warehouse from the collector of internal revenue of the collection district in which the warehouse is located.* (Sec. 2885 (b), I.R.C.)

§ 182.591 *Remittance to collector.* The proprietor of the warehouse will forward all copies of Form 1456, with Form 1440 attached, to the collector, together with remittance for the necessary number of export stamps. The remittance shall be in cash, post office money order, or certified check.*

§ 182.592 *Action by collector.* If the remittance is in the proper sum, the collector will (1) issue the necessary number of export stamps, (2) enter the kind and serial numbers of the stamps on all copies of Form 1440, and (3) retain one copy of each form (1456 and 1440) and return three copies, with the export stamps, to the proprietor of the warehouse.*

§ 182.593 *Application and bond to district supervisor.* The exporter shall forward to the district supervisor the three copies of Form 1456, with Forms 1440 attached, together with the proper bond, executed in accordance with § 182.594 and §§ 182.184–182.205 of these regulations, except that when an approved continuing bond (Form 1495 or 1496), in a sufficient penal sum, is on file in the district supervisor's office, applications covering exportation thereunder need not be accompanied by an export bond.* (Secs. 2885, 2886, 3170, I.R.C.)

§ 182.594 *Export bonds.* Bonds covering the exportation of alcohol may be executed by the exporter on one of the following forms in the penal sums indicated:

(a) *Continuing direct export bond, Form 1495.* If alcohol is to be withdrawn from time to time on one bond, a continuing bond on Form 1495 shall be filed, in triplicate. The penal sum of such bond shall be sufficient to cover the tax at the distilled spirits rate on the maximum quantity of alcohol that may remain unaccounted for at any one time, but in no case shall the penal sum be less than $1,000. Alcohol withdrawn for exportation shall remain unaccounted for until satisfactory proof of landing abroad, or loss at sea or in transit to the port of export, has been filed with the district supervisor, in accordance with §§ 182.604 or 182.612.

(b) *Continuing transportation for export bond, Form 1496.* If alcohol is to be withdrawn from time to time on one transportation for export bond, a continuing bond on Form 1496 shall be executed, in triplicate. The bond will be executed in a penal sum sufficient to cover the tax at the distilled spirits rate on the maximum quantity of alcohol that may remain unaccounted for at any time, but in no case shall the penal sum be less than $1,000. Alcohol withdrawn for transportation for export shall remain unaccounted for until satisfactory proof of clearance of the alcohol from the port of export, or of loss in transit to the port of export, is filed with the district supervisor, in accordance with §§ 182.604 or 182.612.

(c) *Direct export bond, Form 1497.* If the bond is intended to cover a specific lot of alcohol withdrawn for direct exportation it shall be executed on Form 1497, in triplicate. The penal sum of such bond shall be not less than the tax at the distilled spirits rate on the quantity of alcohol contained in the packages to be withdrawn for exportation, as shown by the Form 1440 and Form 1456.

(d) *Transportation for export bond, Form 1498.* If the alcohol is to be withdrawn for transportation for export and a bond is given only for a specific lot of alcohol, the bond shall be executed on Form 1498, in triplicate. The penal sum of such bond shall be not less than the tax at the distilled spirits rate on the quantity of alcohol contained in the packages to be withdrawn for exportation, as shown by the Form 1440 and Form 1456.*

§ 182.595 *Approval of bond and issuance of permit.* The district supervisor will examine the bond and if it is properly executed, as provided in Article X, and in a sufficient penal sum, computed as prescribed in § 182.594, to cover the tax at the distilled spirits rate on the alcohol contained in the packages, he shall note his approval thereon, retain one copy, forward one copy to the Commissioner, and return one copy to the principal. If the exporter has complied with the law and regulations in all respects, the district supervisor will issue permit on Part II of all copies of Form 1456 for removal and transportation of the alcohol and forward them to the storekeeper-gauger in charge of the warehouse: *Provided,* That if the exporter is not the warehouseman, the district supervisor finds that he is entitled to a permit under section 3114, I. R. C., and § 182.106 of these regulations.* (Secs. 2885, 2886, 3170, I.R.C.)

§ 182.596 *Marking and stamping packages.* Upon receipt by the storekeeper-gauger of Form 1456, with permit executed by the district supervisor, the proprietor will deliver the export stamps to the storekeeper-gauger in charge, who will verify the data thereon, and if no discrepancies are noted, he will sign the stamps and enter the serial numbers thereof on Form 1456. The packages will be marked, and the stamps shall be affixed, canceled and protected as required by §§ 182.525 to 182.528, by the proprietor in the immediate presence of the storekeeper-gauger.* (Secs. 2885, 2886, I.R.C.)

§ 182.597 *Release of alcohol.* After he packages have been properly stamped, marked, and branded, the storekeeper-gauger will approve the proprietor's application on Form 1440 to withdraw the packages, and will release the alcohol for delivery to the exporter named in the application. Upon removal of the alcohol from the warehouse, the storekeeper-gauger will execute his report of removal on Form 1456.* (Secs. 2885, 2886, I.R.C.)

§ 182.598 *Delivery to carrier.* If the alcohol is withdrawn from a bonded warehouse located elsewhere than at the port of exportation, the exporter will deliver the shipment to a carrier for transportation to the port of exportation. He shall procure two copies of the bill of lading covering such transportation and deliver both copies thereof to the storekeeper-gauger at the bonded warehouse. The alcohol must be consigned to the collector of customs of the port of export and must be properly described in the bill of lading by serial numbers and quantity.* (Secs. 2885, 2886, I.R.C.)

§ 182.599 *Delivery directly for customs inspection.* Where the alcohol is withdrawn from the bonded warehouse located at the port of exportation, the exporter will deliver the shipment directly for customs inspection and supervision of lading.* (Secs. 2885, 2886, I.R.C.)

§ 182.600 *Exportation through border ports.* In case of exportation through a border port to a contiguous foreign territory, the bill of lading will cover the transportation of the alcohol to its destination and must show the routing, particularly as to the carrier which will deliver the shipment for customs inspection at the border. The shipment must be consigned in care of the collector of customs or deputy collector of customs at the border port. The exporter shall deliver two copies of the bill of lading to the storekeeper-gauger at the bonded warehouse.* (Secs. 2885, 2886, I.R.C.)

§ 182.601 *Disposition of forms.* When the packages of alcohol have been delivered and the exporter has furnished copies of the bill of lading, the storekeeper-gauger will forward immediately a complete set of the Forms 1440 and 1456 and bill of lading to the district supervisor and a complete set to the collector of customs at the port of exportation and return the remaining copies of Forms 1440 and 1456 to the proprietor of the warehouse, who will retain them thereat as a permanent record in accordance with § 182.643.* (Secs. 2885, 2886, 3170, I.R.C.)

§ 182.602 *Records.* Upon the removal of the packages from the bonded warehouse, the proprietor shall record the quantity removed on Forms 1441, 1443–A, and 1443–B.* (Sec. 3171, I.R.C.)

§ 182.603 *Proceedings at port of export*—(a) *Export entry; alcohol withdrawn for direct export.* When alcohol withdrawn for direct export arrives at the port of export, the exporter or his agent shall file immediately with the collector of customs an export entry, Form 691, in duplicate. The collector of customs will compare the same with the application for withdrawal, Form 1456, received from the storekeeper-gauger of the bonded warehouse from which the alcohol was withdrawn for exportation and if the description of the alcohol in the export entry agrees with that given in the application for withdrawal, he shall execute Part 2 of both copies of Form 691, directing the surveyor of the port to inspect the packages described in the application and to supervise the scalping and destruction of export stamps thereon (as provided in paragraph (e) of this section) and the lading of spirits covered by the application.

(b) *Alcohol withdrawn for transportation for export.* In the case of alcohol withdrawn for transportation for export,

the prescribed export entry shall be signed by the exporter and formally filed with the collector of customs after the inspection and lading of the alcohol, as required by the law.

(c) *Supervision of lading.* Immediately upon arrival at the port of export of alcohol withdrawn for transportation for export, the exporter or his agent shall notify the collector of the port in order that the alcohol may be inspected and be under customs supervision from the time it is delivered from the cars or other conveyance in which received until laden on board the foreign bound vessel, car, or other vehicle and such vessel, car, or other vehicle departs for the foreign destination.

(d) *Bulk containers to be gauged.* Alcohol in packages, or in cases containing metallic cans, shall be carefully gauged by a customs gauger and a detailed report of such gauge shall be made on Form 696, in duplicate. In preparing the report, the customs gauger shall make entries thereon as to each package in accordance with the column headings. A copy of the gauger's report of gauge will be attached to each copy of the entry for exportation, Form 691, and delivered to the collector of customs as provided in paragraph (g) of this section.

(e) *Export stamps to be scalped and obliterated.* There shall be cut out of each export stamp that portion upon which is shown the serial number of the stamp, the date of issue, the name of the collector issuing the same, the serial number of the cask or package, the contents and proof gallons, and the name of the internal revenue storekeeper-gauger. The cut-out portions of the export stamps shall then be attached to one copy of Form 691 for delivery to the collector of customs. After the export stamps have been scalped, the portions thereof remaining on each cask or package shall be obliterated.

(f) *Inspection of bottled alcohol.* The inspector at the port of export will in every instance carefully inspect cases containing bottled alcohol for the purpose of ascertaining whether the cases bear evidence of tampering or have sustained losses in transit due to breakage. The inspector will report on Form 691 any cases as to which a discrepancy is found, giving the serial numbers of the cases, their original contents in proof gallons, and the nature of the discrepancies as to each case.

(g) *Return of inspection and lading; export bill of lading.* After the alcohol has been duly laden on board the export vessel or car, the customs inspector shall execute his certificate of inspection and lading on Part 3 of Form 691 and forward all copies to the collector of customs, together with Form 696, if any, and the exporter shall file immediately one copy of the export bill of lading with the collector of customs and one copy with the district supervisor, unless, in the case of exportation through border ports, a through bill of lading was filed at the time of withdrawal from warehouse as provided in § 182.600.

(h) *Certificate of clearance.* Upon receipt of the duly executed forms and clearance of the vessel or car, the collector of customs will execute his certificate of clearance on Part 4 of Form 691 and will forward one copy of such form bearing the cut-out portions of the export stamps and one copy of Form 696, if any, to the district supervisor of the district in which is located the warehouse from which the alcohol was removed for exportation.

(i) *Exportation in railroad cars or trucks from port of entry through another port.* Where alcohol is to be exported by rail or in trucks through a frontier port and it is desired to avoid the delay of customs inspection and gauge at such port, the alcohol may be entered for exportation at an interior customs port and inspected and gauged by a customs officer at that port. The inspecting customs officer will supervise the loading of the alcohol and seal the car or truck with customs seals and note the car number or license number of the truck, as the case may be, and the serial numbers of the customs seals, if a numbered seal is used, on Part 3 of both copies of Form 691 and forward the forms to the collector of customs. The collector will forward both copies of Form 691 to the customs officer at the frontier port. If the customs officer at the frontier port finds upon arrival of the car or truck that the seals are intact and there is no evidence of tampering with the contents, he will allow the car or truck to proceed to its destination without opening. The officer will then execute his certificate of exportation by sealed cars or trucks, on Form 691 and return both copies of the form to the collector of customs at the port of entry. If, however, the customs officer finds that the seals are not intact or there is evidence of tampering with the contents, he will open the car or truck, inspect and gauge the alcohol, and make report of his gauge on Form 696, in duplicate. When the alcohol is so inspected and gauged, the customs officer will modify his report on Form 691 accordingly before executing it and will append to each copy of Form 691 a copy of his gauge on Form 696 before forwarding the forms to the collector of customs at the port of entry. Upon receipt of Form 691 and Forms 696, if any, from the customs officer at the frontier port, the collector at the port of entry will execute his certificate of exportation on Part 4 of both copies of Form 691, properly modified, and forward one copy of each form and the cut-out portions of export stamps from packages to the district supervisor of the district from which the alcohol was withdrawn from warehouse.

(j) *Subsequent procedure.* Where alcohol is withdrawn and shipped under an export bond, the requirements of §§ 182.604 to 182.609, inclusive, must be observed. Where the alcohol is withdrawn under a transportation for export bond, the exporter must file with the collector of customs bond on Form 693 and proof of actual landing of the alcohol at the foreign port, as provided in § 182.585.

(k) *Delay in lading at port.* If the exporting vessel is not prepared to receive alcohol withdrawn for export upon arrival at the port of exportation, the collector of customs may permit such alcohol to remain in possession of the transportation company for a period not exceeding 15 days. Storage elsewhere for a like cause and not exceeding the same period may be approved by the collector of customs. In the event of further delay, the facts will be reported to the Commissioner of Internal Revenue, who will issue appropriate instructions concerning the disposition of the alcohol.* (Secs. 2885, 2886, 3170, I.R.C.)

§ 182.604 *Proof of landing.* Every person exporting alcohol free of tax under an export bond shall file with the district supervisor, within six (6) months from the date of exportation, or such additional time as may be granted under § 182.609, evidence satisfactory to the district supervisor that the alcohol described in the application has been landed at some port outside the jurisdiction of the United States. The landing certificate must give such description as will readily identify the alcohol to which it relates.* (Secs. 2885, 3170, I.R.C.)

§ 182.605 *Form of landing certificate.* The landing certificate shall be in substantially the following form:

Port of _____, _____, 19____.

I, _____, of _____, do hereby certify that the alcohol hereinafter described, shipped by _____ at the port of _____, on board the _____ on or about the ____ day of _____, 19____, has been landed at this port from on board the _____ on or about the ____ day of _____, 19____.

| Number and kind of containers | Serial numbers | Quantity | |
|---|---|---|---|
| | | Wine gallons | Proof gallons |
| | | | |
| | | | |
| | | | |

[SEAL] _____

Subscribed and sworn to before me this ____ day of _____ 19____.

[SEAL] _____
(Name)

_____
(Title)

* (Sec. 2885, I.R.C.)

§ 182.606 *Execution of landing certificate.* The landing certificate shall be signed by a revenue officer of the foreign country to which the alcohol is exported, unless it is shown that such country has no customs administration, in which event the certificate shall be signed by the consignee or by the vessel's agent at the place of landing and sworn to before a notary public or other officer authorized to administer oaths and having an official seal. Where the certificate offered is in a foreign language, a sworn translation must accompany the certificate.* (Sec. 2885, I.R.C.)

§ 182.607 *Several consignments may be covered by one landing certificate.* Where several consignments are made by the same shipper to the same consignee, or to a general agent, on the same date, by the same vessel or other conveyance, and

to the same foreign port, such consignments may be covered by one landing certificate, provided each consignment is specifically and separately described in the certificate.* (Sec. 2885, I.R.C.)

§ 182.608 *Collateral evidence of landing.* Whenever an owner is unable to procure a landing certificate but is able to establish by collateral evidence the actual exportation of the alcohol and its delivery to the foreign consignee, he may file application for relief with the district supervisor holding the export bond. Such application must be under oath and must recite the facts connected with the exportation, the date of withdrawal of the alcohol from the industrial alcohol bonded warehouse for exportation, the name and registered number of the industrial alcohol bonded warehouse from which withdrawn, the serial numbers of the packages or cases, the quantity of alcohol, the name of the consignee and the name of the vessel by and the foreign port to which shipment was made. The application must set forth the reason why a landing certificate cannot be filed and must be supported by such collateral evidence of exportation and delivery to the foreign consignee as the exporter may be able to submit. The application must be submitted to the district supervisor before the expiration of the time specified in § 182.604 for furnishing evidence of landing.* (Sec. 2885, I.R.C.)

§ 182.609 *Extension of time for submitting proof of landing.* In case the owner, from causes beyond his control, is unable to furnish the required proof of landing within six (6) months from the date of exportation, he may make application to the district supervisor for an extension of time for the production of such evidence. Such application must state specifically the cause of failure to produce the evidence and be verified under oath. An extension of three months may be granted by the district supervisor, and, if necessary, upon a second application, an additional three months may be granted.* (Sec. 2885, I.R.C.)

§ 182.610 *Records.* The district supervisor will take credit as "Exported and accounted for" in his monthly report, Form 1487, for alcohol withdrawn for export under a transportation for export bond upon receipt of Form 691 from the collector of customs showing that the alcohol covered by the application was cleared from the port of exportation. Alcohol withdrawn under an export bond will be credited as "Exported and accounted for" on Form 1487 upon receipt of evidence of foreign landing. In case of a shortage, credit may not be taken for the shipment until advised by the Commissioner that the liability thereon has been terminated.* (Secs. 3170, 3953 (b), I.R.C.)

§ 182.611 *Account with continuing export bonds.* The district supervisor will keep an account with each continuing direct export bond, Form 1495, and each continuing transportation for export bond, Form 1496. In the account with each continuing direct export bond, the principal will be charged with the internal revenue tax on each lot of alcohol withdrawn thereunder for exportation and will receive credit for each lot concerning which satisfactory evidence of landing in a foreign country has been received. In the account of each continuing bond for transportation for export, the principal will be charged with the internal revenue tax on each lot of alcohol withdrawn under the bond for transportation for export and will receive credit for each lot concerning which evidence of clearance from the port of export is received from the collector of customs. In case a shortage in any shipment is reported, credit will be entered for the actual quantity exported or cleared for exportation, as the case may be, but no credit will be entered for the loss until advice has been received from the Commissioner of the termination of liability therefor. Upon receipt of advice from the principal that no further exportations are to be made under the bond, the district supervisor will, if there are no outstanding charges against the bond, cancel the same in the manner prescribed by §§ 182.312 and 182.313.* (Secs. 2885, 2886, 3170, I.R.C.)

§ 182.612 *Loss of alcohol withdrawn free of tax for exportation.* Under the provisions of section 3113, I.R.C., allowance may be made for alcohol lost by leakage, casualty, or unavoidable cause during shipment, warehousing, storage, or transfer of any such alcohol, and the Commissioner may remit any tax incurred upon such alcohol provided he is satisfied that the alcohol has not been diverted to any illegal use: *Provided, also,* That such allowance shall not be granted if the person claiming same is indemnified against such loss by a valid claim of insurance.*

§ 182.613 *Notice to exporter.* If, upon examination of Forms 691 and 696 received from the collector of customs, it shall appear that there has been a loss of alcohol from the packages while in transit from the industrial alcohol bonded warehouse from which the packages were withdrawn to the port of exportation, the district supervisor shall notify the exporter of such deficiency, giving the serial numbers of the packages from which the loss occurred, the name and registry number of the bonded warehouse from which the packages were removed, the quantity of alcohol lost from each package, and advise him of his privilege of filing a claim for the remission of the tax on the alcohol so lost, except that where the deficiency from any package does not exceed 1 proof gallon and there is no evidence indicating that the deficiency was not due to leakage or evaporation, or to loss by an unavoidable accident, no account need be taken of such deficiency.* (Sec. 3113, I.R.C.)

§ 182.614 *Claims for remission of tax.* The exporter must file claim for the remission of tax on alcohol lost in transit for exportation with the district supervisor within 30 days from the date he is advised of the loss. Special forms for use by claimants in making claims for remission of tax are not provided. Such claims must, however, be made in affidavit form. The exporter shall furnish the following information:

(1) The name of the exporter;

(2) The serial numbers of the packages involved;

(3) The quantity of alcohol lost from each package and the total quantity of alcohol covered by the claim;

(4) The total amount of tax for which the claim is filed;

(5) The date, penal sum, and form number of the bond under which withdrawal and shipment were made;

(6) The name, registry number, and location of the bonded warehouse from which the alcohol was withdrawn;

(7) The date of the loss, if known, and the cause and nature thereof, together with all of the known facts surrounding the loss;

(8) Whether the alleged loss occurred without any fraud or negligence of the exporter, owner, carrier, or of their agents or employees, and whether claim has been made or is contemplated against said persons or any of them on account of such loss; and

(9) Whether the alcohol lost is covered by a valid claim of insurance in excess of the market value thereof exclusive of the tax. If the alcohol is insured, the statement will show the market value of the alcohol per proof gallon, the amount and date of each and every policy of insurance, the name and location of the company by which each and every policy was issued, the name and address of the bona fide owner of the alcohol and, to the best of the affiant's knowledge, whether any other person or party is indemnified against the payment of the tax sought to be remitted.* (Sec. 3113, I.R.C.)

§ 182.615 *Proof of loss at sea.* When the exporter is unable to furnish proof of landing at a foreign port in consequence of loss at sea, he shall file with the district supervisor with whom he filed the export bond an application for relief, setting forth fully the information specified in § 182.614. Such application must be accompanied by the affidavits of two or more creditable and disinterested persons as to the loss. If the alcohol was insured, the exporter shall also file certificates by officers of the insurance company or board of underwriters that the insurance has been paid and that to the best of their knowledge and belief the alcohol was actually destroyed at sea. When obtainable, affidavits must be furnished by the master and mate of the vessel detailing the cause and extent of the loss and all of the facts and circumstances surrounding the same. Such proof shall be furnished to the district supervisor within the time specified in § 182.604 for furnishing proof of landing of the alcohol in a foreign country.* (Sec. 3113, I.R.C.)

§ 182.616 *Filing of proof of loss at sea in case of exportation under bond on Form 693.* Where alcohol is exported under a bond furnished on Form 693, and the exporter is unable to furnish the required proof of landing at a foreign port in consequence of loss at sea, he will file application for relief and supporting evidence conforming to the provisions of the preceding section with the collector

of customs with whom the bond was filed. The collector of customs will forward the application and supporting evidence to the Commissioner of Customs with his recommendation thereon.* (Sec. 3113, I.R.C.)

§ 182.617 *Additional evidence.* The Commissioner may require such further evidence as the circumstances surrounding the case may require and the claimant, when preparing the claim, should furnish such additional evidence as may be material in the case.* (Sec. 3113, I.R.C.)

§ 182.618 *Tax to be reported for assessment.* In the event report received from the collector of customs indicates losses from packages while in transit and claim for remission of the tax thereon is not made as heretofore provided, the district supervisor will report the tax for assessment in accordance with the prescribed procedure.* (Secs. 3112 (b), 3113, I.R.C.)

§ 182.619 *Shipment to American possessions.* The provisions of these regulations relating to the exportation of alcohol free of tax to foreign countries and the forms prescribed for use in connection therewith shall apply to like removals and shipments to the Philippine Islands, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Panama Canal Zone. Alcohol shipped to other possessions of the United States and to Hawaii and Alaska must be taxpaid before withdrawal from bonded warehouses unless transferred in bond to industrial alcohol bonded warehouses located in one of these Territories or possessions.* (Secs. 3341 (b), 3351 (b), 3361 (b), I.R.C., Sup., and sec. 3650, I.R.C.)

*Transfer of Alcohol to Customs Manufacturing Bonded Warehouses.*

§ 182.620 *General.* Any manufacturer who manufactures medicines, preparations, compositions, perfumeries, cosmetics, cordials, and other liquors for export at a duly constituted customs manufacturing bonded warehouse established under section 3433, R.S. (26 U.S.C., 1351 (a)), may, under proper permit and bond, withdraw alcohol in approved containers from any industrial alcohol bonded warehouse free of tax for use in the manufacture of such products. Section 6, Act of March 8, 1902 (19 U.S.C., 152 (a)), provides that all articles manufactured in customs manufacturing bonded warehouses in whole or in part of imported materials or of materials subject to the internal revenue tax and intended for shipment from the United States to the Philippine Islands, shall, when so shipped, under such regulations as the Secretary may prescribe, be exempt from such tax. Under section 311, Tariff Act of 1930, as amended (19 U.S.C., 1311), alcohol may be removed from industrial alcohol bonded warehouses under proper permit and bond without payment of tax and transported to customs manufacturing bonded warehouses, class 6, to be rectified, or reduced in proof and bottled, and exported or shipped to Puerto Rico or the Philippine Islands.* (Secs. 2891, 3177, 3178, I.R.C.; sec. 6, 32 Stat. 54 (19 U.S.C., 152 (a))

§ 182.621 *Application and entry, Form 1603.* When any manufacturer, who is the proprietor of a customs manufacturing bonded warehouse, desires to remove alcohol to such warehouse from an industrial alcohol bonded warehouse free of tax for use in the manufacture of medicines, preparations, compositions, perfumeries, cosmetics, cordials, and other liquors for export or for shipment to the Philippine Islands, or, in the case of alcohol rectified, or reduced in proof and bottled, for export or for shipment to Puerto Rico or the Philippine Islands, he shall execute Part I of Form 1603, "Application and Entry for Withdrawal Tax-Free," in quadruplicate, for permission so to do, and submit all copies thereof to the district supervisor. The provisions of §§ 182.585 to 182.619, inclusive, concerning the withdrawal of alcohol for export, so far as applicable shall apply to packages to be removed to customs manufacturing bonded warehouses.* (Sec. 2891 (a), I.R.C.)

§ 182.622 *Bond.* The manufacturer shall execute bond to cover the transportation of the alcohol from the industrial alcohol bonded warehouse from which withdrawn to the customs manufacturing bonded warehouse. If the bond is to cover a specific lot of alcohol, it shall be executed on Form 1459, in triplicate, and in a penal sum sufficient to cover the tax at the rate prescribed by law on the alcohol to be so transported. If it is desired to furnish bond under which alcohol may be withdrawn from time to time, it shall be executed on Form 1460, in a penal sum sufficient to cover the tax at the rate prescribed by law on the maximum quantity of alcohol which may be outstanding against the bond at any time. The bond will be forwarded with the application, Form 1603, to the district supervisor.* (Sec. 2891 (a), I.R.C.)

§ 182.623 *Approval of bond and issuance of permit.* The district supervisor will examine the bond and if it is properly executed, as provided in §§ 182.184–182.205, and in a sufficient penal sum, computed as described in § 182.622, to cover the tax at the distilled spirits rate on the alcohol contained in the packages, he shall note his approval thereon, retain one copy, forward one copy to the Commissioner, and deliver one copy to the principal. If the application is complete and the proprietor of the customs manufacturing bonded warehouse has complied with the law and regulations in all respects, and the district supervisor finds that he is entitled to a permit under section 3114, I.R.C., and these regulations, he will issue permit on Part II of all copies of Form 1603 for removal and transportation of the alcohol. The provisions of §§ 182.106 and 182.282 of these regulations are hereby made applicable to the issuance of permits on Form 1603 for the procurement of alcohol free of tax by proprietors of customs manufacturing bonded warehouses.* (Secs. 2891 (a), 3114 (a), I.R.C.)

§ 182.624 *Export stamps.* Alcohol to be transferred to customs manufacturing bonded warehouses must bear export stamps and the same shall be procured from the collector of internal revenue in the same manner as provided in §§ 182.590 to 182.592, inclusive.* (Secs. 2885, 2891 (a), I.R.C.)

§ 182.625 *Account with continuing bond, Form 1460.* The district supervisor will keep an account with each bond on Form 1460, in which account the principal will be charged with the tax on each lot of alcohol removed for transportation to a customs manufacturing bonded warehouse and will receive credit for the tax on each lot concerning which satisfactory proof of the deposit in such warehouse is received. If there has been a loss of alcohol in transit, the account may be credited with the quantity of alcohol deposited in the manufacturing warehouse upon receipt from the collector of customs on Form 3923 (Bureau of Customs) covering the deposit. However, the loss shall not be credited until advice has been received from the Commissioner that liability for tax due thereon has been terminated. When no further withdrawals are to be made under the bond, the district supervisor will, if there are no outstanding charges, cancel the bond in accordance with the provisions of § 182.314.* (Secs. 2891 (a), 3113, I.R.C.)

§ 182.626 *Marking and stamping; shipment; disposition of forms; records.* The packages must be stamped, marked, and shipped, and the forms disposed of, in accordance with the procedure prescribed for the exportation of alcohol in §§ 182.596 to 182.602, inclusive.* (Secs. 2891 (a), I.R.C.)

§ 182.627 *Consignment of alcohol.* The alcohol when withdrawn for shipment must in all cases be consigned to the proprietor of the customs manufacturing bonded warehouse, in care of the collector of customs of the district in which such warehouse is located.* (Sec. 2891 (a), I.R.C.)

§ 182.628 *Regauge and deposit in customs manufacturing bonded warehouse.* Upon receipt of Form 1603, the collector of customs will direct the proper officer to inspect and gauge the alcohol upon its arrival at the warehouse, and to supervise its deposit therein. The officer will make a report of his gauge on Form 696, in duplicate, scalp the export stamps and attach them to one copy of the form, supervise the deposit of the alcohol in the warehouse, execute his certificate on Form 3923 (Bureau of Customs), in duplicate, and forward the forms to the collector of customs, who will execute his certificate on Form 3923 and forward one copy of each form with the scalped stamps to the district supervisor of the district from which the alcohol was received.* (Sec. 2891 (a), I.R.C.)

§ 182.629 *Action by district supervisor.* Upon receipt of Form 3923, the district supervisor will ascertain whether there has been a loss of alcohol from the packages when in transit. If such a loss of alcohol has occurred, the district supervisor will proceed as provided in § 182.613, in the case of loss of alcohol from packages while in transit for exportation. If there has been no loss of alcohol in transit, the district supervisor will, if the withdrawal was made under bond on Form 1459, cancel such bond in accordance with the provisions of § 182.314, or if the alcohol was withdrawn on a con-

tinuing bond on Form 1460 enter appropriate credit in his account with such bond.* (Secs. 2891 (a), 3113, I.R.C.)

§ 182.630 *Allowance of loss in transit.* An allowance may be made for loss without fraud or negligence on the part of the proprietor of the industrial alcohol bonded warehouse, owner, exporter, carrier, or their agents or employees occurring during transportation from an industrial alcohol bonded warehouse to a customs manufacturing bonded warehouse. The provisions of these regulations governing the allowance of loss of alcohol in transit for exportation are hereby made applicable to leakage or loss of alcohol in transit from an industrial alcohol bonded warehouse to a customs manufacturing bonded warehouse.* (Sec. 3113, I.R.C.)

*Supplies for Certain Vessels and Aircraft*

§ 182.630a *General.* Alcohol may be withdrawn under proper permit and bond in approved containers from industrial alcohol bonded warehouses free of tax for use on vessels and aircraft as follows:

For supplies (not including equipment) of—

(1) Vessels of war, in ports of the United States, of any nation which may reciprocate such privilege toward the vessels of war of the United States in its ports;

(2) Vessels employed in the fisheries or in the whaling business or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions;

(3) Aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; and

For supplies (including equipment), maintenance, or repair of—

(4) Aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted, and where the Secretary of the Treasury shall have been advised by the Secretary of Commerce that he has found that such foreign country allows, or will allow, substantially reciprocal privileges in respect of aircraft registered in the United States.* (Sec. 3114 (a), I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.630b *Reciprocating foreign countries.* The Commissioner will advise district supervisors by circular letter, from time to time, respecting the foreign countries which—

(1) in the case of vessels of war, reciprocate, or will reciprocate, the privilege of withdrawing alcohol free of tax to vessels of war of the United States in their ports, and

(2) in the case of aircraft, the Secretary of Commerce has found and advised the Secretary of the Treasury that such foreign countries allow, or will allow, privileges to aircraft registered in the United States engaged in foreign trade substantially reciprocal to the privileges allowed herein to aircraft of foreign registry.

District supervisors will approve applications to withdraw alcohol for use on foreign vessels of war and aircraft of only such countries.

(a) *Other countries.* If it is desired to withdraw alcohol free of tax for use on vessels of war or aircraft of other foreign countries, which it is claimed reciprocate similar privileges to vessels of war or aircraft of the United States, the applicant must first establish the right of such withdrawal. In such cases, the applicant should request the Secretary of State, in the case of vessels of war, or the Secretary of Commerce, in the case of aircraft, to find and advise the Secretary of the Treasury that such foreign country, or countries, allow, or will allow, substantially reciprocal privileges to vessels of war or aircraft, as the case may be, of the United States.*

§ 182.630c *Application, Form 1659.* Whenever it is desired to withdraw alcohol from an industrial alcohol bonded warehouse for use on vessels or aircraft in accordance with § 182.630a, application will be made on Part I of Form 1659, "Application and Entry for Withdrawal Tax Free," in quadruplicate. All of the information required by these regulations and called for by the form shall be furnished. The application must be subscribed and sworn to before a notary public or other officer authorized to administer oaths.* (Sec. 3114 (a), I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.630d *Bond.* Bond covering the withdrawal of alcohol free of tax for use on vessels and aircraft, as provided in § 182.630a, shall be executed on one of the following forms in the penal sum indicated:

(a) *Continuing withdrawal bond, Form 1660.* If alcohol is to be withdrawn from time to time on one bond, a continuing bond on Form 1660 shall be filed, in triplicate. The penal sum of such bond shall be sufficient to cover the tax at the distilled spirits rate on the maximum quantity of alcohol that may remain unaccounted for at any one time, but in no case shall the penal sum be less than $1,000. Alcohol withdrawn for use on vessels and aircraft shall remain unaccounted for until satisfactory proof of use or loss has been filed with the district supervisor, as required by §§ 182.630l or 182.630n.

(b) *Specific withdrawal bond, Form 1661.* If the bond is intended to cover a specific lot of alcohol to be withdrawn, it shall be executed on Form 1661, in triplicate. The penal sum of such bond shall not be less than the tax at the distilled spirits rate on the quantity of alcohol to be withdrawn, as shown by Form 1440 and Form 1659, covering the same.* (Sec. 3114 (a), I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.630e *Approval of bond and issuance of permit.* The district supervisor will examine the bond and if it is properly executed, as provided in §§ 182.184–182.205, and in a sufficient penal sum, computed as prescribed in § 182.630d, and the principal has complied with the law and regulations and the application is complete in all respects, the district supervisor will issue permit for withdrawal on Part II of all copies of Form 1659, and forward them to the storekeeper-gauger in charge of the warehouse. The district supervisor will note his approval on all copies of the bond, retain one copy, forward one copy to the Commissioner, and return one copy to the principal.* (Sec. 3114 (a), I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.630f *Gauging of alcohol.* The proprietor shall gauge the containers in which the alcohol is to be withdrawn, unless withdrawn on the original gauge, and prepare Form 1440, in quadruplicate, giving the details of such gauge. One copy of Form 1440 will be attached to each copy of Form 1659.* (Sec. 3103, I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.630g *Export stamps.* Packages of alcohol withdrawn for use on vessels and aircraft must bear export stamps. Such stamps shall be procured from the collector of internal revenue in the manner provided in §§ 182.590 to 182.592, inclusive.* (Sec. 2885, I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.630h *Marking and stamping; shipment; disposition of forms; records.* The packages must be stamped, marked, and shipped, the forms disposed of, and the records prepared in accordance with the procedure prescribed for the exportation of alcohol in §§ 182.596 to 182.602, inclusive.* (Sec. 2885, I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup. 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.630i *Consignment of alcohol.* Upon withdrawal from warehouse, the alcohol must be consigned to the collector of customs of the port of lading and must be properly described in the bill of lading by serial numbers and quantity.* (Sec. 2885, I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.630j *Proceedings at port of lading.* When alcohol withdrawn for use on vessels and aircraft arrives at the port of lading, the principal on the bond shall file immediately with the collector of customs an export entry, Form 691, properly modified. The provisions of § 182.603 will then be observed by the collector of customs insofar as applicable.* (Secs. 2885, 3170, I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.630k *Certificate of receipt.* The principal on the bond shall procure a receipt, in duplicate signed by the master or an authorized officer of the vessel or of the steamship company, in the case of withdrawals for use on vessels, or by an authorized officer of the aircraft or of the air line company, in the case of withdrawals for use on aircraft, certifying to the receipt of the alcohol and giv-

ing the numbers of the packages and the quantity received. The principal shall file one copy of the receipt with the collector of customs and one copy with the district supervisor.* (Sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.6301 *Evidence of use on vessels and aircraft.* The principal on the bond shall also submit to the district supervisor, within six months (or such additional time as may be granted by the district supervisor or the Commissioner), an affidavit of the master or other officer of the vessel or aircraft on which the alcohol was laden, having knowledge of the facts, showing that the alcohol has been used on board the vessel or aircraft for supplies (or, in the case of aircraft of foreign registry, for supplies, equipment, maintenance, or repair), and that no portion thereof has been unladen in the United States or any of its possessions: *Provided,* That, in the case of any shipment, the amount of tax thereon does not exceed $25, such affidavit will not be required. In the case of vessels of war, such affidavit will not be required.* (Sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.)

§ 182.630m *Account with continuing bonds, Form 1660.* The district supervisor will keep an account with each continuing bond, Form 1660, similar to that kept for alcohol exported free of tax (see § 182.611). Upon receipt of satisfactory evidence of use of the alcohol on board the vessel or aircraft for supplies (or, in the case of aircraft of foreign registry, for supplies, equipment, maintenance, or repair), the bond will be credited with the quantity so reported.* (Secs. 2885, 2886, 3170, I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

§ 182.630n *Loss of alcohol withdrawn for use on vessels and aircraft.* Where there is a loss of alcohol withdrawn free of tax for use on vessels and aircraft, the provisions of §§ 182.612 to 182.618, inclusive, will be followed insofar as applicable.* (Sec. 3113, I.R.C.; sec. 309 (a), Tariff Act of 1930; 19 U.S.C., Sup., 1309, as amended by sec. 3, Act of July 22, 1941 (Public law 187, 77th Cong.))

*Losses of Alcohol*

§ 182.631 *Remission of tax.* Under the law, the tax on alcohol lost by evaporation or other shrinkage, leakage, casualty, or unavoidable cause at an industrial alcohol plant or bonded warehouse, or in transit thereto, may be remitted by the Commissoiner, provided he is satisfied that such alcohol has not been diverted to any illegal use, and the proprietor is not indemnified against such loss by a valid claim of insurance.* (Sec. 3113, I.R.C.)

§ 182.632 *Losses from receiving tanks.* Losses sustained from receiving tanks will be determined by physical inventory of such tanks at the close of each month and the loss reported on Form 1454. Where the quantity lost from receiving tanks exceeds 1 per cent of the total quantity contained in such tanks during the month, claim for remission of tax on the entire quantity lost from the tanks will be made by the proprietor. If the loss does not exceed 1 per cent, so calculated, claim for remission of tax will not be required, provided there are no circumstances indicating that the alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.633 *Losses from storage tanks.* Losses sustained from storage tanks will be determined by physical inventory of such tanks at the close of each month and the loss reported on Form 1443–A. Where the quantity lost from storage tanks exceeds 1 per cent of the total quantity contained in such tanks during the month, claim for remission of tax on the entire quantity lost from the tanks will be made by the proprietor. If the loss does not exceed 1 per cent, so calculated, claim for remission of tax will not be required, provided there are no circumstances indicating that the alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.634 *Losses from packages.* Losses sustained from packages in bonded warehouses will be determined when the packages are withdrawn from warehouse, unless they are regauged for repackaging or other reason prior to withdraw, and the loss reported on Form 1440 and Form 1443–B. Where the quantity lost from any package exceeds 1 per cent in the case of metal packages, or 3 per cent in the case of wooden packages of the quantity originally contained therein, claim for remission of tax on the entire quantity lost from the package will be made by the proprietor. If the loss does not exceed 1 per cent, or 3 per cent, so calculated, claim for remission of tax will not be required, provided there are no circumstances indicating that the alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.635 *Losses in transit.* Losses in transit to bonded warehouses must be determined at the time alcohol is received at the warehouse, and the loss reported on Form 1443–A, when received in tank cars, and on Form 1443–B, when received in packages. Where the quantity lost from any tank car or package exceeds 1 per cent (2 per cent on wooden packages) of the quantity shipped therein, claim for remission of tax on the entire quantity lost from the package will be made by the proprietor. If the loss does not exceed 1 per cent (2 per cent on wooden packages) so calculated, claim for remission of tax will not be required, provided there are no circumstances indicating that the alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.636 *Losses by theft, casualty, etc.* Losses by theft or casualty, or any other extraordinary or unusual losses, will be determined at the time the loss occurs, or is discovered, and the loss will be entered on Form 1443–A or Form 1443–B, as the case may be. Report of the loss will be made by the proprietor to the district supervisor immediately. Claim for remission of tax on all such losses, regardless of the percentage of loss, will be made by the proprietor.* (Sec. 3113, I.R.C.)

§ 182.637 *Claims.* Claims for remission of tax should be subscribed and sworn to by the proprietor, and filed with the district supervisor within 30 days from the date the loss is ascertained. The claims must set out all the material facts surrounding the loss, and must state particularly the nature and cause thereof, the quantity lost and the quantity from which the loss was sustained, and the percentage of loss. It must be stated in the claim whether the claimant is indemnified against the loss by a valid claim of insurance. If the claimant is so indemnified, the market value of the alcohol, less the tax, and the amount of insurance must be specifically set forth in the claim, and certified copies of all policies of insurance must be submitted with the claim. Claims covering large losses by theft, casualty, or other unusual cause, should be supported, where possible, by affidavits of persons having knowledge of the loss.* (Sec. 3113, I.R.C.)

§ 182.638 *Report by storekeeper-gauger.* Whenever losses occur, which necessitate the filing of a claim for remission of tax by the proprietor, the storekeeper-gauger in charge will make a report of the loss to the district supervisor, giving all the known material facts and circumstances surrounding the loss.* (Sec. 3113, I.R.C.)

§ 182.639 *Investigation by district supervisor.* Where large losses from theft, casualty, or other cause are reported, the district supervisor will immediately make such investigation and require such evidence to be submitted as he may deem necessary, and will advise the Commissioner of his findings and recommendations relative to remission of the tax on the alcohol.* (Sec. 3113, I.R.C.)

§ 182.640 *Examination of claim.* When an application for remission of tax is received by the district supervisor he will carefully examine the same to see that all the required information has been furnished, and will cause such investigation to be made or require such additional evidence to be submitted as he may deem necessary. Upon completion of his investigation, if any, the district supervisor will forward one complete copy of the claim and accompanying papers, together with any pertinent reports and documentary evidence, to the Commissioner with his recommendation in respect to the allowance or disallowance of the claim.* (Sec. 3113, I.R.C.)

§ 182.641 *Losses indicating tampering.* Where the regauge of packages of alcohol indicates that the contents have been tampered with, as where a material deficiency is found and there is no evidence of loss by leakage or casualty, or where deterioration in proof not accountable for by variation in gauge is disclosed, the storekeeper-gauger will immediately notify the district supervisor of all the facts in the case and will not permit the packages to be removed pending receipt of in-

structions from the district supervisor.* (Sec. 3113, I.R.C.)

*Records and Reports of Proprietor*

§ 182.642 *General.* The proprietor of every industrial alcohol bonded warehouse shall keep monthly records and render daily reports as hereinafter provided. Entries shall be made as indicated by the headings of the various columns and lines, and in accordance with the instructions on the forms and as set forth in these regulations. The provisions of §§ 182.455, 182.459, and 182.461, relative to the keeping, signing, and filing of reports by proprietors of industrial alcohol plants are hereby made applicable to the keeping, signing, and filing of records and reports of the proprietor of a bonded warehouse: *Provided,* That daily reports need not be sworn to.* (Secs. 3101, 3171, I.R.C.)

§ 182.643 *Form 1440*—(a) *Deposit forms.* One copy of each Form 1440, covering the deposit of alcohol in the warehouse, shall be kept by the proprietor in bound form as a permanent record. The Forms 1440, covering the deposit in the warehouse of packages filled from receiving tanks in the industrial alcohol plant on the same premises or from storage tanks in the warehouse, or from other packages (where alcohol is repackaged or packages are re-marked, as provided in paragraph (h)), will be filed together in sequence to the serial number of the packages. The Forms 1440, covering packages received in bond from another bonded warehouse, will be filed in a separate file, according to the date of deposit of the packages in the warehouse. The Forms 1440, covering alcohol deposited in warehouse storage tanks, whether received by pipe line from the receiving tanks in the industrial alcohol plant on the same premises or in tank cars from another bonded warehouse, or dumped from packages (as provided in § 182.495), will be filed together in a separate file in chronological order, according to the date of deposit of the alcohol in storage tanks. Forms 1440, covering alcohol gauged for direct shipment or transfer from the receiving tanks in the industrial alcohol plant on the same premises or from the warehouse storage tanks, whether by pipe line or in tank cars or packages, will be filed in the file for withdrawal Forms 1440, as provided in paragraph (b), and will not be filed in the files required by this paragraph for deposit Forms 1440. When packages are withdrawn from warehouse, the date of withdrawal shall be entered on the Form 1440, covering the deposit of the packages in warehouse, in order that the packages in warehouse may be readily ascertained from the record and physical inventories of packages in the warehouse may be checked therewith.

(b) *Withdrawal forms.* The proprietor shall also keep in bound form as a separate permanent record a copy of each Form 1440 covering the withdrawal of alcohol from the warehouse. The Forms 1440 will be arranged in the file in chronological order, according to the date of withdrawal.

(c) *Fractional parts of a gallon.* All fractional parts of a gallon less than one-tenth shown in the Gauging Manual shall be disregarded in reporting the gauge of alcohol. For example, a package of 190 proof alcohol weighing 326 pounds net shall be reported on Form 1440 as containing 47.90 wine gallons, 91.10 proof gallons. A package of 190 proof alcohol weighing 340 pounds net shall be reported as containing 50 wine gallons, 95 proof gallons. The packages will be marked similarly.

(d) *Other details.* Details of all alcohol gauged shall be reported by the proprietor on Form 1440 as indicated by the headings of the various columns, the instructions on the form, and these regulations. The number of copies to be executed and the disposition thereof will be made in accordance with these regulations.

(e) *Gauge for entry.* When alcohol is gauged for deposit in the warehouse, Form 1440 shall be made in duplicate, one copy of which shall be retained by the proprietor and filed as a permanent record as provided in these regulations. The remaining copy shall be delivered to the storekeeper-gauger in charge in order that he may forward the same at the close of the day to the district supervisor with the Form 1441 recording the entry of the alcohol into the warehouse. When packages are filled from receiving tanks in an industrial alcohol plant for deposit in the warehouse on the same premises, the Form 1440 will bear the notation "Entry." When packages are filled from storage tanks and are not to be immediately withdrawn the following notation will be made: "Filled from storage tank in warehouse for storage."

(f) *Gauge for entry and withdrawal.* Alcohol gauged for immediate shipment from receiving tanks will be reported on Form 1440 as gauged for "Entry and Withdrawal," and the purpose of the withdrawal will be stated.

(g) *Gauge for withdrawal.* Where the packages are filled from storage tanks in the warehouse for immediate shipment, the words "Filled from storage tank in warehouse" shall be written in the heading of Form 1440.

(1) *If withdrawn on original gauge.* When alcohol is to be withdrawn without regauge, a transcription of the original gauge shall be made, in triplicate, appropriately headed to show the purpose for which withdrawn or transferred. Notation will be made to the effect that withdrawal is made on entry gauge.

(2) *Details of regauge, if made.* If a regauge is made, the serial number, tare, and proof gallons shown on entry Form 1440 shall be carried to the respective columns of the withdrawal Form 1440, which will also show the details of the regauge: *Provided,* That if wooden packages are regauged and actual tare is taken, the actual tare, instead of the original tare, will be stated on Form 1440. The difference, if any, between the proof gallons shown in the entry gauge and on withdrawal shall be set out as the proof gallons lost.

(h) *Repackaging and re-marking*—(1) *Repackaging.* Where packages on deposit in a bonded warehouse are repackaged, notation should be made on Form 1440, covering the entry gauge of the original packages, that their contents have been recasked into other packages, giving the serial numbers of the recasked packages and the date of recasking. The recasked packages shall be gauged and notation made on the Form 1440, in duplicate, covering such gauge that they were filled from other packages, giving the serial numbers of the original packages. Where it is desired to recask only a portion of the contents of the package, the package should be dumped into a storage tank and a notation thereof made on Form 1440.

(2) *Re-marking.* Where packages received from another warehouse are re-marked, as provided in § 182.523 (b), notations shall be made on Form 1440, covering the receipt and deposit of the packages in the warehouse, that the packages have been re-marked, giving the serial numbers of the re-marked packages and the date of re-marking. A new set of Forms 1440 shall be prepared, covering the re-marked packages, and notation made thereon that the packages were re-marked, giving the serial numbers and warehouse of the original packages.

(i) *Tax-free withdrawals.* When alcohol is withdrawn for scientific purposes, etc., or for the use of the United States or governmental agency thereof, Form 1440 will be executed in duplicate, and the purpose for the withdrawal will be entered as "For hospital use," "Laboratory use," or "Use of United States," etc., as the case may be.

(j) *Statement of materials from which produced.* Notation shall be made on Form 1440 covering all alcohol withdrawn from bonded warehouses tax-paid for other than industrial or tax-free use showing the material from which produced or an abbreviation thereof, such as "Alcohol—Grain," "Alcohol—Cane," "Alcohol—Fruit," "Alcohol—Distilled from grain," "Alcohol—Distilled from cane," or "Alcohol—Distilled from fruit."

(k) *Application for withdrawal.* When the proprietor desires to withdraw alcohol from the bonded warehouse for any lawful purpose and has complied with all the requirements of the law and these regulations respecting the particular withdrawal, he will make application on the back of each copy of Form 1440, covering the withdrawal, to the storekeeper-gauger in charge for permission to withdraw the alcohol. If withdrawal is to be made upon tax-payment, the proprietor shall present to the storekeeper-gauger the prescribed tax-paid stamps or certificate of tax-payment covering the alcohol to be withdrawn. If the alcohol is to be transferred in bond to another bonded warehouse or shipped to a denaturing plant or withdrawn for export or other lawful tax-free purpose, the proprietor will present to the storekeeper-gauger the necessary permit authorizing such

withdrawal. The storekeeper-gauger will examine the tax-paid stamps or certificate of tax-payment, or permit authorizing transfer in bond or tax-free withdrawal, and if he finds that the tax has been paid or, in the case of transfer in bond or tax-free withdrawal, that proper withdrawal permit is held by the proprietor, the storekeeper-gauger will sign the authorization on Form 1440 for the withdrawal of the alcohol.

(l) *Notation of differences by consignee.* When alcohol is received in bond from a bonded warehouse, the proprietor shall note on Form 1440, covering the transfer, any loss or deficiency on the shipment, as provided in § 182.494.* (Secs. 3101, 3171, I.R.C.)

§ 182.644 *Form 1441.* The proprietor of each bonded warehouse shall, at the close of each business day, prepare and deliver to the storekeeper-gauger in charge Form 1441, "Daily Report of Transactions," summarizing the production, receipt, and disposal of all alcohol in such bonded warehouse. The form shall be made in duplicate, one copy to be retained by the proprietor and one copy delivered to the storekeeper-gauger in charge, who will forward the same to the district supervisor. All items of alcohol entered in this return on Form 1441 must be carried into the monthly warehouse account, Forms 1443-A and 1443-B, under the same date for which the Form 1441 is rendered.

(a) *Entries from industrial alcohol plant.* In the column headed "Produced and deposited in warehouse" will be entered all alcohol drawn from the receiving tanks of the industrial alcohol plant on the same premises during the day for which the return is rendered. Entry must be made in this column of all alcohol removed from the receiving tanks, whether removed for storage in warehouse in tanks or packages, or whether removed for shipment in tank cars, cases, packages, or by pipe line to a denaturing plant.

(b) *Entries from other warehouses.* The serial numbers and proof-gallon content of packages or tank cars of alcohol received from other bonded warehouses will be entered in the proper columns under the heading "Received from other bonded warehouses." If there is a difference in the quantity of alcohol thus received from the quantity shipped, special notation shall be made on the Form 1441.

(c) *Packages filled.* The serial numbers and proof-gallons of packages of alcohol filled from receiving tanks in the industrial alcohol plant on the same premises and from storage tanks in the warehouse must be stated separately in the proper columns.

(d) *Withdrawals.* Entry must be made of alcohol withdrawn for shipment on the day for which the Form 1441 is rendered, whether such alcohol is drawn directly from receiving tanks or removed from the bonded warehouse. The purpose for which withdrawal is made must in each case be stated in the column headed "Withdrawal for." The following abbreviations should be used: "TP" for tax-payment; "Ex." for export; "Den." for denaturation; "US" for use of United States or governmental agency; "TF" for tax-free use of States, hospitals, colleges, etc.; "MW" for tranfer to customs manufacturing bonded warehouses; and "Trans." for transfers to other bonded warehouses.

(e) *Special entries*—(1) *Repackaging and re-marking.* When the contents of packages in warehouses are repacked, or packages received from other warehouses are re-marked, memorandum entry will be made in the statement of "Packages Filled" on Form 1441, showing the serial numbers used on the new packages.

(2) *Return of alcohol for redistillation.* Special permission of the Commissioner must be procured for the transfer of alcohol to an industrial alcohol plant on the same premises for redistillation, in accordance with § 182.355. Special entry in the statement of "Withdrawals" will be made of the quantity so transferred and the date of the Commissioner's approval of the application.* (Secs. 3101, 3171, I.R.C.)

§ 182.645 *Form 1443-A.* The proprietor of every bonded warehouse shall keep a monthly record, Form 1443-A, "Report of Uncoopered Alcohol," and render monthly reports thereon, in triplicate, of all uncoopered alcohol produced, received, and disposed of. Entries shall be made daily in the respective columns of the quantity of alcohol produced and deposited in the warehouse, or received in bond at the bonded warehouse, packages filled, and the quantities withdrawn for shipment uncoopered.

(a) *Received from or produced by.* All alcohol drawn from receiving tanks in the industrial alcohol plant located on the same premises, whether for shipment direct from such receiving tanks or for storage in the warehouse, will be entered on the form. When alcohol is received from other bonded warehouses in tank cars, the symbol and serial number of the tank car and the quantity of alcohol received will be reported. The amount of alcohol lost in each tank car in transit to the warehouse will be entered on the same line with the quantity stated as received in such tank car. Losses in transit will not be included with the losses reported in the summary.

(b) *Packages filled.* Under the heading "Packages filled" will be entered the details of all packages filled, whether from receiving tanks in the industrial alcohol plant on the same premises or from storage tanks in the warehouse. Tank cars are not considered packages and will not be reported under this heading.

(c) *Withdrawals.* Under the heading "Withdrawal for shipment" will be entered daily the quantity of alcohol shipped in tank cars, or removed by pipe line to a denaturing plant on the same premises.

(d) *Special entries*—(1) *Repackaging and re-marking.* When the contents of packages in warehouse are repackaged, or packages received from other warehouses are re-marked, memorandum entry will be made in the statement of Packages Filled on Form 1443-A, showing the serial numbers used on the new packages.

(2) *Dumping.* Where the contents of packages are dumped into storage tanks for storage or repackaging of a portion thereof, the quantity dumped will be entered on Form 1443-A in the statement of "Uncoopered Alcohol Received or Produced," with proper explanatory note, and any new packages therefrom will be entered in the statement of "Packages Filled" on the form in the usual manner.

(3) *Other entries.* If alcohol is returned to an industrial alcohol plant for redistillation, appropriate entries will be made on Form 1443-A.

(e) *Summary.* In the appropriate space on Form 1443-A there must be entered at the end of the month a summary of the transactions reported thereon. The actual quantity of alcohol remaining in the storage tanks in the warehouse at the end of the month will be recorded and the losses from the storage tanks must be recorded.* (Secs. 3101, 3171, I.R.C.)

§ 182.646 *Form 1443-B.* The proprietor shall keep monthly record on Form 1443-B, "Report of Alcohol in Packages," in triplicate. There shall be entered daily the quantity of alcohol transferred at the warehouse to packages or received in packages from other bonded warehouses and the quantities withdrawn for shipment in packages from the warehouse. Entries of withdrawals of alcohol for tax-payment and deposit in the tax-paid storeroom (if any) should show the disposition of such alcohol to the proprietor of the warehouse for such purpose. When alcohol is withdrawn in packages directly from receiving tanks in an industrial alcohol plant on the same premises, it shall be regarded, for accounting purposes, as having been constructively warehoused and all records of production, depositing, and withdrawal of such alcohol shall be made as for alcohol actually entered into the warehouse in original packages or in storage tanks.

(a) *Packages received from other warehouses.* The actual contents of the packages received from other warehouses will be entered in the proper column and the losses in transit from such packages will be entered on the same line. Such losses will not be included in the losses reported in the summary.

(b) *Withdrawals.* All packages withdrawn from the warehouse for shipment, either filled in the warehouse or received from other warehouses, will be entered daily and the losses in warehouse on such packages will be entered on the same line. The total of losses will be stated on the line entitled "Losses in the warehouse" in the summary. The actual date of withdrawal from the warehouse as recorded on Form 1441 will be stated.

(c) *Special entries*—(1) *Dumping.* Where the contents of packages are dumped into storage tanks for storage or repackaging of a portion thereof, the quantity dumped will be entered on Form 1443-B in the statement of "Alcohol

Withdrawn for Shipment," with proper explanatory note.

(2) *Return of unused alcohol withdrawn free of tax.* Where alcohol previously removed from the bonded warehouse tax-free is returned in packages pursuant to special permission, in accordance with § 182.496, all entries relative to such transactions should be noted on this form. The quantity represented thereby should be taken up in the summary as a special entry.

(d) *Summary.* At the end of the month there shall be entered in the appropriate spaces provided therefor a summary of the transactions recorded on the Form 1443-B.* (Secs. 3101, 3171, I.R.C.)

§ 182.647 *Disposition of Forms 1443-A and 1443-B.* On or before the 5th day of the month succeeding that for which Forms 1443-A and 1443-B cover, the proprietor shall deliver three copies of each form, duly subscribed and sworn to, to the storekeeper-gauger in charge. The storekeeper-gauger shall examine the forms carefully, and, if they are complete in all respects, and the quantities shown on hand at the end of the month are correct, he will initial all copies of the forms, forward two copies of each form to the district supervisor, and return one copy of each form to the proprietor who shall file the same in bound form as a permanent record available for inspection by Government officers at all times.*

§ 182.648 *Record at tax-paid premises, Record 52, and Forms 52-A, 52-B, 52-E, and 338.* Every proprietor of an industrial alcohol bonded warehouse who maintains a tax-paid storeroom in connection with such warehouse, as provided in § 182.42, shall keep Form 52-E, "Monthly Record and Report of Importer or Proprietor of Tax-Paid Premises," of all alcohol, both bulk (packaged) and bottled, received and disposed of at his tax-paid premises: *Provided,* That if such proprietor so desires, he may keep Form 52-E for bulk spirits only and Record 52, "Wholesale Liquor Dealer's Record," for bottled alcohol only. Where only bottled alcohol is received, stored, and sold at such tax-paid premises the proprietor shall keep Record 52 of all such alcohol received and disposed of at his tax-paid premises. By tax-paid premises is meant the "tax-paid storeroom" maintained as a part of the bonded warehouse or premises maintained at other locations for the receipt, storage, and disposition of tax-paid alcohol. Separate records must be kept at each of such premises.

(a) *Time of making entries.* Daily entries shall be made on Record 52 and Form 52-E, as indicated by the headings of the various columns and in accordance with instructions printed on the forms not later than the close of business of the day on which the transactions occurred: *Provided,* That where the proprietor keeps a separate record, such as invoices, of the removals of alcohol, showing the removal data required to be entered on Record 52 or Form 52-E, daily entries of removals of alcohol from the premises may be made on the respective records not later than the close of business of the following day provided such separate record is approved by the district supervisor.

(b) *Separate record of serial numbers of cases.* Serial numbers of cases of alcohol disposed of need not be entered on Record 52 or Form 52-E provided the proprietor keeps in his place of business a separate record approved by the district supervisor showing such serial numbers with necessary identifying data, including the date of removal and the name and address of the consignee. Such separate record may be kept in book form (including loose leaf books) or may consist of commercial papers, such as invoices or bills. Such books, invoices, or bills shall be preserved for a period of four years and in such a manner that the required information may be ascertained readily therefrom and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by revenue officers. Entries shall be made on such separate approved record not later than the close of business of the day on which the transactions occurred. The proprietor whose separate record has been approved by the district supervisor shall make a notation on Record 52 or Form 52-E in the column for reporting serial numbers as follows: "Serial numbers shown on commercial records per authority dated _____ _____."

(c) *Monthly reports.* A full and complete transcription of the required records shall be rendered on the respective monthly reports, Forms 52-A, 52-B, and 52-E, and forwarded to the district supervisor on or before the 10th day of the succeeding month. Where Record 52 is kept, a monthly summary report shall be prepared on Form 338, in duplicate, one copy of which will be retained on file and the original forwarded to the district supervisor on or before the 10th day of the succeeding month. Where the proprietor keeps Record 52, and there are no receipts and disposals of bottled alcohol during any month, Forms 52-A and 52-B need not be submitted, but Form 338 must be rendered to the district supervisor, showing the quantity of bottled alcohol on hand the first and last of the month and marked "No transactions during month." Records kept on Record 52 and Form 52-E shall be preserved for a period of four years and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by the Commissioner or any internal revenue officer.

(d) *Discontinuance of tax-paid storeroom.* Upon permanent discontinuance of the tax-paid storeroom, the reports for the month in which the storeroom is discontinued shall be marked "Final" by the proprietor.

(e) *Forms to be provided by users.* Record 52 and Forms 52-A, 52-B, 52-E, and 338, will be provided by users at their own expense, but must be in the form prescribed by the Commissioner: *Provided,* That with the approval of the Commissioner they may be modified to adapt their use to tabulating or other mechanical equipment: *Provided further,* That where the form is printed in book form, including loose leaf books, the instructions may be printed on the cover or the fly leaf of the book instead of on the individual form.* (Secs. 3101, 3171, I.R.C.)

*Audit of Reports*

§ 182.649 *Audit by district supervisor.* After audit, and not later than the last day of the month succeeding that for which the Forms 1443-A and 1443-B are rendered, the district supervisor will transmit to the Commissioner copies of such reports with his monthly report, Form 1487, as provided in § 182.954.*

*Change in Proprietorship, Trade Name, Etc.*

§ 182.650 *Change in proprietorship.* When there is a change of the proprietorship, and the successor has complied with the applicable provisions of §§ 182.262 to 182.264, inclusive, the procedure covering change of persons interested in the business as outlined in §§ 182.447 to 182.451, inclusive, must be complied with, insofar as applicable. The successor's name must be substituted on withdrawal permits in accordance with § 182.652.*

§ 182.651 *Changes in name.* Where there has been a change in the individual, firm, or corporate name, trade name or style in accordance with the provisions of §§ 182.260 and 182.261, the proprietor must make appropriate notation of such change on Forms 1443-A and 1443-B and thereafter submit reports in such new name. The new name must be substituted for the old name on withdrawal permits in which the proprietor is named as vendor in accordance with § 182.652.*

§ 182.652 *Changes in permits.* If a successor is to continue the business of his predecessor and he desires to supply alcohol to permittees in whose withdrawal permits the predecessor is named as vendor, he may, upon written request, be authorized by the district supervisor to make shipments on such withdrawal permits, pending the amendment of the permits by the district supervisor issuing the same, pursuant to application for such amendment by the permittees to whom the withdrawal permits were issued. When there is a change in the name, firm name, corporate name, trade name or style of the proprietor of the warehouse, similar action will be taken.*

OPERATIONS BY USERS OF TAX-FREE ALCOHOL

*Procurement of Tax-free Alcohol*

§ 182.653 *Application and withdrawal permit, Form 1450*—(a) *Application.* Where a university, college, laboratory, hospital, sanatorium, or clinic, or State, Territory, or municipal subdivision thereof, or the District of Columbia, holding basic permit, Form 1447, to use alcohol free of tax desires to procure tax-free alcohol under said permit, it shall file application on Part I of Form 1450, "Application for Permit to Procure Alcohol Free of Tax," in duplicate, with the district supervisor for withdrawal permit to procure tax-free alcohol. There shall be stated in the application the names, registry numbers, and addresses of the bonded warehouses from which it is proposed to purchase tax-free alcohol. The applicant shall also specify the total

quantity in proof gallons of alcohol to be withdrawn during the term of the withdrawal permit and the quantity to be withdrawn during the calendar month, which amount shall not be in excess of one-twelfth (or similar proportionate quantity where the withdrawal permit is for a period of other than one year) of the total quantity to be withdrawn during the term of the withdrawal permit. Such quantities shall in no case exceed those specified in the applicant's basic permit, Form 1447, and where the withdrawal permit is for a period less than that covered by the applicant's basic permit, the total quantity shall be in proportion to the unexpired term of the basic permit. The district supervisor may approve or disapprove the application in whole or in part according to his findings as to the legitimate needs of the applicant.

(b) *Withdrawal permit.* If the application is approved by the district supervisor, he shall issue withdrawal permit on Part II of Form 1450. The permit shall specify the quantity that may be procured during any calendar month and the total quantity that may be procured during the period for which the withdrawal permit is issued. The total quantity authorized by the withdrawal permit shall not exceed that fixed in the basic permit, Form 1447, and the quantity that may be withdrawn during any calendar month shall not exceed one-twelfth of such quantity: *Provided,* That if the withdrawal permit, Form 1450, is issued for a period of less than 12 months, the quantity authorized to be withdrawn in any calendar month shall be in proportion to the period for which the withdrawal permit is issued; for example, if the withdrawal permit is issued for a period of six months, not over one-sixth of the total quantity specified therein may be withdrawn during a calendar month: *And provided further,* That where the withdrawal permit is issued for a period less than that covered by the applicant's basic permit, the total quantity authorized in the withdrawal permit shall be in proportion to the unexpired term of the basic permit. The withdrawal permit shall specify the date when the same shall be available for withdrawal purposes. The district supervisor will forward the original copy of the withdrawal permit to the permittee and will retain the duplicate copy for his files. If any warehouseman named as vendor in the withdrawal permit is located in another supervisory district, a copy of the withdrawal permit and any renewals or amendments thereof will be prepared on the prescribed form and transmitted by the district supervisor issuing the same to the district supervisor of the district from which shipments are to be made.

(1) *Withdrawals under permit.* When the permittee desires to procure alcohol, he will forward the original of the withdrawal permit to the warehouseman named therein from whom he desires to procure the alcohol. Upon shipment, the warehouseman will enter the shipment on the withdrawal permit and return it to the permittee, unless he has been authorized by the permittee to retain the permit for the purpose of making future shipments. No alcohol may be shipped by a vendor named in the withdrawal permit until such permit is in his possession. Except as provided in paragraph (e), further like shipments may be made under such permit during the term for which it is issued.

(2) *Excessive withdrawals.* Withdrawals must be so regulated by the permittee that he will not have on hand, in transit, and unaccounted for during any calendar month more than the quantity of alcohol so authorized by his basic permit, Form 1447.

(c) *Special permit.* Where a new permittee qualifies within a calendar month a special withdrawal permit, Form 1450, should be issued for the proportionate quantity of alcohol to which the permittee may be entitled for the balance of the month, which permit shall be void at the end of such month and must be at once returned by the permittee to the district supervisor.

(d) *Carrier to be furnished copy of Form 1450.* Where the alcohol is to be delivered to the permittee by a person other than the vendor, the permittee shall procure from the district supervisor a certified copy (or copies, if delivery is to be made by more than one carrier), on the prescribed form, of the withdrawal permit, Form 1450, issued to him, and file same with the delivering carrier's agent at destination. Application for such certified copy or copies shall be made by the permittee to the district supervisor by letter, specifying the name of the delivering carrier. Where such delivering carrier is known at the time Form 1450 is filed, the application should accompany such form.

(e) *Expiration or termination of permit.* Upon expiration of a withdrawal permit, it shall be returned to the district supervisor for cancellation. Where the withdrawal permit is in the possession of a vendor on the date of expiration, such vendor shall return it to the permittee for surrender to the district supervisor. Should a basic permit, Form 1447, held by a permittee to whom withdrawal permit, Form 1450, was issued, be terminated, surrendered, or revoked, each warehouseman named as vendor in such withdrawal permit shall, upon notice from the district supervisor, make no further shipments thereunder, and if such withdrawal permit is in his possession, he shall return it to the district supervisor for cancellation.* (Secs. 3108, 3114 (a), I.R.C.)

§ 182.654 *Application for renewal of withdrawal permit, Form 1450.* Application, on Part I of Form 1450, for renewal of withdrawal permits must be submitted by the applicant to the district supervisor not less than one month prior to the date of expiration of the permit to be renewed, in order that the renewal permit may be issued and become available for withdrawals by the first day of the calendar month following the date of expiration of the permit to be renewed. Application for renewal of withdrawal permits shall be executed in conformity with § 182.653 (a).* (Sec. 3114 (a), I.R.C.)

§ 182.655 *Renewal of withdrawal permit, Form 1450.* Withdrawal permits on Part II of Form 1450 shall remain in force for the calendar year or for the term of the basic permit, Form 1447. A renewal permit must be procured for each year commencing with January 1 after the expiration of the original permit. The provisions of § 182.653 (b) shall be applicable to the issuance of renewal permits.* (Sec. 3114 (a), I.R.C.)

§ 182.656 *Quantity procurable under withdrawal permits.* In procuring alcohol the permittee shall deduct the quantity of alcohol on hand, in transit, and unaccounted for from the quantity procurable under the withdrawal permit during the calendar month, and give his order for an amount not exceeding the available balance. For this purpose, alcohol shall be deemed to be unaccounted for when used or disposed of otherwise than as provided in these regulations. Failure on the part of permittees to observe the foregoing requirements concerning withdrawals will be regarded as sufficient ground for citation for revocation of their basic permits.* (Secs. 3108, 3114 (a), I.R.C.)

*Receipt of Tax-free Alcohol*

§ 182.657 *Deposit in storeroom.* Tax-free alcohol received pursuant to withdrawal permit, Form 1450, shall be placed in the locked storeroom or compartment, required to be provided in accordance with § 182.61. Such alcohol shall remain in the original packages in the storeroom or compartment until withdrawn for use. The room or compartment for the storage of tax-free alcohol must be used exclusively for the purpose of storing such alcohol in the original containers.* (Secs. 3108, 3114 (a), I.R.C.)

§ 182.658 *Destruction of marks and brands.* The marks and brands required to be placed on packages containing tax-free alcohol must not be destroyed or in anywise altered or disturbed until all of the alcohol has been removed from the package. When the packages have been emptied of their contents, the marks and brands must be at once completely effaced or obliterated, as required by law, by painting, scraping, or otherwise. The provisions of §§ 182.533 to 182.536, inclusive, insofar as applicable, shall apply to empty tax-free alcohol packages.* (Sec. 2866, I.R.C.)

*Use of Tax-free Alcohol*

§ 182.659 *General.* In no case shall alcohol withdrawn tax-free be used in the preparation of condiments, culinary extracts, flavoring, or other preparations used in food products, or in food products in any manner, and under no circumstances shall such alcohol be used for beverage purposes or in any product which may be so used.* (Secs. 3108, 3114 (a), I.R.C.)

§ 182.660 *States, Territories, etc., or the District of Columbia.* Tax-free alcohol when withdrawn by the several States and Territories, or municipal subdivisions thereof, or the District of Columbia, must be used solely for mechanical and scientific purposes, or for hos-

pitals and clinics, as hereinafter provided, and, except upon approval of the Commissioner, such use, or the use of any resulting product, must be confined to the premises under the control of the State or Territory, or municipal subdivision thereof, or the District of Columbia: *Provided,* That bona fide medicines compounded with such alcohol, withdrawn for the use of clinics operated for charity and not for profit, may be used outside of such clinics for the treatment of the patients thereof, but such medicines may not be sold.* (Secs. 3108, 3114 (a), I.R.C.)

§ 182.661 *Hospitals, sanitariums, or clinics.* Tax-free alcohol withdrawn by hospitals, sanitariums, or clinics operated for charity and not for profit, may be used only for medicinal, mechanical, and scientific purposes and in the treatment of patients. The use of the alcohol and the resultant products shall be confined strictly to the premises of the institution withdrawing the alcohol: *Provided,* That bona fide medicines compounded with alcohol for clinics operated for charity and not for profit may be used outside of such clinics for treatment of patients thereof, but such medicines may not be sold.* (Secs. 3108, 3114 (a), I.R.C.)

§ 182.662 *Scientific universities and colleges of learning.* Scientific universities and colleges of learning shall use tax-free alcohol only for scientific, mechanical, and medicinal purposes and use thereof shall in all instances be confined strictly to the premises of the institution.* (Secs. 3108, 3114 (a), I.R.C.)

§ 182.663 *Laboratories.* Any laboratory withdrawing alcohol free of tax must use such alcohol exclusively in scientific research, and the use thereof shall be confined strictly to the premises covered by the basic permit, Form 1447.* (Secs. 3108, 0114 (a) I.R.C.)

§ 182.664 *Return of tax-free alcohol to bonded warehouse.* Where tax-free alcohol, lawfully in the possession of a tax-free permittee, is found to be unsuitable for use, or where such permittee discontinues the use thereof, or where for any other legitimate reason such permittee desires so to do, such alcohol may be returned to the bonded warehouse for lawful disposition: *Provided,* That (1) consent of surety is filed on the bond (if any) of the tax-free permittee extending the terms thereof to cover the transportation of the alcohol to the bonded warehouse, (2) the proprietor of such bonded warehouse assents to such return, and (3) permission for such return is in each instance first obtained from the district supervisor of the district in which the permittee is located. If the bonded warehouse is situated in another district, the district supervisor authorizing the return will forward a copy of his letter of authority to the district supervisor of such other district. Should the alcohol not be reported received by the warehouseman in due time, the district supervisor will make appropriate investigation in respect thereto. Report of the return of the alcohol to the bonded warehouse will be made by the tax-free permittee on his monthly report, Form 1451, and by the warehouseman on his warehouse report, Form 1443-B. The return will also be shown in the district supervisor's report, Form 1487.*

*Losses of Tax-free Alcohol*

§ 182.665 *Losses in transit.* Losses in transit to tax-free permittee's premises must be ascertained at the time the alcohol is received by the permittee. Accordingly, when packages are received showing evidence of having sustained a loss in transit, the permittee should determine the extent of the loss at that time. The quantity ascertained to have been lost will be noted on Form 1451 immediately below the line on which receipt of the shipment is reported. Where the quantity lost from any package exceeds 1 percent of the quantity originally contained therein, claim for allowance of the entire quantity lost from the package will be made by the permittee. If the loss does not exceed 1 percent, so calculated, claim for allowance will not be required, provided there are no circumstances indicating that the alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.666 *Losses at permittee's premises.* Losses of tax-free alcohol at permittee's premises will be reported on Form 1451 for the month in which the loss is ascertained. If the loss of alcohol at a permittee's premises during any month exceeds 1 per cent of the quantity on hand during the month, claim for allowance of the entire quantity lost will be made by the permittee. If the loss does not exceed 1 per cent, so calculated, claim for allowance will not be required, provided there are no circumstances indicating that the alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.667 *Claims.* Claim for allowance for losses of alcohol in transit to or at a tax-free permittee's premises will be made in accordance with the procedure prescribed in §§ 182.637 to 182.640, inclusive, relative to losses at bonded warehouses.* (Sec. 3113, I.R.C.)

*Records and Reports of Permittee*

§ 182.668 *General.* Every person holding basic permit, Form 1447, shall keep records and render reports as hereinafter provided. Entries shall be made as indicated by the headings of the various columns and lines and in accordance with the instructions on the form and as set forth in these regulations. The provisions of §§ 182.455 and 182.461, relative to the keeping and filing of reports by proprietors of industrial alcohol plants, are hereby made applicable to the keeping and filing of reports by persons holding basic permit, Form 1447.* (Sec. 3108, I.R.C.)

§ 182.669 *Report, Form 1451.* Every person holding permit to use tax-free alcohol must keep Form 1451, "Report of Tax-free Alcohol," in duplicate, covering transactions for each month. There shall be entered on the form in the appropriate spaces provided therefor, the date of shipment of alcohol from the bonded warehouse, name of the proprietor of the warehouse from which the alcohol is withdrawn, the warehouse number, state in which located, the serial numbers of the packages, and the wine gallons, proof, and proof gallons received. The total quantity received during the month and the total quantity used during the month shall be reported in the summary and there shall also be reported any shortage in packages received and any loss of alcohol after receipt. Any discrepancy between the amount of alcohol actually on hand at the end of the month and the amount which should be on hand shall be reported in the summary. The permittee will forward the original copy of the form to the district supervisor not later than the 10th day of the month succeeding that for which rendered, and will retain the duplicate copy at his premises available for inspection by Government officers.* (Sec. 3108, I.R.C.)

§ 182.670 *Signing of Form 1451*—(a) *State, Territory, etc., and the District of Columbia.* Reports on Form 1451 rendered by a State or Territory or a municipal subdivision thereof or the District of Columbia shall be signed by the person in charge of the institution or branch of the department having custody of the alcohol and under whose supervision the same was actually received and used.

(b) *Scientific university, college, laboratory, etc.* Where tax-free alcohol has been withdrawn pursuant to permit issued to a scientific university, college of learning, laboratory for scientific research exclusively, hospital, or sanatorium, or clinic operated for charity but not for profit, the Form 1451 shall be signed by the holder of the basic permit or a duly authorized agent of such holder.* (Sec. 3108, I.R.C.)

§ 182.671 *Audit of reports.* Upon receipt of Form 1451 from the permittee, the district supervisor shall have the same audited and checked against Forms 1439, covering alcohol shipped to the permittee, to determine that all alcohol withdrawn by the permittee has been duly received and accounted for.*

*Change in Proprietorship, Name, etc.; Discontinuance of Use*

§ 182.672 *Procedure*—(a) *Change in proprietorship, name, etc.* Where there is a change in proprietorship, or in the persons interested in the business, or in the individual, firm, or corporate name, trade name or style, or in the location of the premises, etc., procedure similar to that prescribed in §§ 182.650 to 182.652, inclusive, will be followed insofar as applicable.

(b) *Discontinuance of use.* When the use of tax-free alcohol is discontinued, the permittee shall give notice thereof in writing, in triplicate, to the district supervisor and shall surrender to the district supervisor his basic and withdrawal permits. Any tax-free alcohol remaining on hand at the time of such discontinuance may be returned to the bonded warehouse in accordance with § 182.664, or when authorized by the district supervisor, the alcohol may be disposed of to another person holding permit to use,

tax-free alcohol, upon the filing of a consent of surety, Form 1533, on the bond (if any), of the purchaser extending the terms of his bond to cover the transportation to, and use by, him of the alcohol.*

DENATURED ALCOHOL

§ 182.673 *Denatured alcohol defined.* Denatured alcohol is ethyl alcohol to which has been added such denaturing materials as render the alcohol unfit for use as an intoxicating beverage. Denatured alcohol is divided into two classes, namely, completely denatured alcohol and specially denatured alcohol, prepared in accordance with approved formulas prescribed in the "Appendix to Regulations 3."* (Secs. 3070, 3102, I.R.C.)

§ 182.674 *Formulas prescribed.* Alcohol may be denatured in accordance with the formulas prescribed in the "Appendix to Regulations 3." The Commissioner shall prescribe the specifications for the denaturants authorized for denaturing the alcohol and may at any time revise the same if he deems it necessary.* (Secs. 3070, 3102, 3170, I.R.C.)

§ 182.675 *Completely denatured alcohol.* The materials added to produce completely denatured alcohol are of such a nature that after denaturation it may be sold and used within certain limitations without permit and bond.

(a) *Addition of other substances.* Producers of completely denatured alcohol may be authorized to add a small portion of an odorant, rust inhibitor, or dye to completely denatured alcohol. Any such additions may be made only under authority of the Commissioner. Request for such authorization must be submitted to the Commissioner, in triplicate. The Commissioner will note his approval or disapproval on all copies of the request and forward two copies to the district supervisor who will return one copy to the applicant.

(b) *Addition of odorants to denaturants.* Producers of denaturants authorized for completely denatured alcohol may add odorants or perfume materials in amounts not greater than 1 part to 250 by weight to denaturants now authorized for completely denatured alcohol: *Provided,* That such addition does not decrease the denaturing value nor change the chemical or physical constants beyond the limits of the present specifications for these denaturants, except as to odor. Producers of denaturants shall inform the Commissioner of the names and properties of the odorant or perfume materials so used.

(c) *Containers of products made with completely denatured alcohol.* Containers of products manufactured with completely denatured alcohol, such as proprietary anti-freeze preparations, solvents, thinners, lacquers, etc., shall not be branded as completely denatured alcohol nor may any such products be advertised, shipped, sold or offered for sale as completely denatured alcohol.* (Secs. 3070, 3102, I.R.C.)

§ 182.676 *Specially denatured alcohol.* Specially denatured alcohol is intended for use in a greater number of specified arts and industries than completely denatured alcohol and the character of the denaturant or denaturants used is such that specially denatured alcohol may be sold, possessed and used only pursuant to basic permit and bond, except as otherwise provided in these regulations.* (Secs. 3070, 3102, I.R.C.)

§ 182.677 *Transportation*—(a) *Completely denatured alcohol.* Completely denatured alcohol shall be transported to the premises of the purchaser by the vendor denaturer or dealer; or by a railroad or steamship company, or an express company operating thereon; or by a motor carrier who holds a permit to transport tax-free or specially denatured alcohol or who has qualified with the Interstate Commerce Commission as a "self-insurer"; or by other carriers, including motor and barge lines, who are actively and regularly engaged in the legitimate business of transportation and who possess adequate facilities to insure safe delivery at destination of any completely denatured alcohol transported by them, and who are approved by the district supervisor: *Provided,* That consignees may transport completely denatured alcohol from the premises of the delivering carrier at the place of destination to their own premises.

(b) *Specially denatured alcohol.* Specially denatured alcohol must be transported to the premises of the specially denatured alcohol permittee by the vendor denaturer or dealer or by a carrier holding permit on Form 145 to transport specially denatured alcohol: *Provided,* That specially denatured alcohol permittees may transport specially denatured alcohol from the premises of the delivering carrier at the place of destination to their own premises, or, in the case of export, to the point of lading.

(c) *Method of transportation.* When completely or specially denatured alcohol is transported by the vendor or an authorized carrier, the transportation must be by such vendor or carrier personally or by some person regularly and exclusively in his employ, and the right to the possession of any vehicle used for such transportation must be vested in the vendor or carrier.

(d) *Responsibility for delivery.* The consignor will be responsible for proper delivery of completely or specially denatured alcohol to an authorized carrier, or to the premises of the consignee when delivery is made by the consignor. The consignee will likewise be responsible for the proper delivery to his premises of completely or specially denatured alcohol transported by him from the premises of the authorized carrier. Failure to make such delivery will be deemed to be grounds for citation for revocation of the basic permit, if any, of the person responsible for the proper delivery of the completely or specially denatured alcohol.

(e) *Certificate in bill of lading, waybill, etc.* When specially denatured alcohol is transported by a carrier, as authorized herein, the shipper shall include in his bill of lading, waybill, express receipt, etc., a statement to the following effect: "Before making delivery, the agent of the delivering carrier at destination must have received from the consignee a certified copy of the withdrawal permit authorizing this shipment."

(1) *Exception; written statement.* Where no bill of lading is issued, as in the case of delivery by local express company, a written statement to the above effect, signed by the shipper, shall be delivered to the carrier.* (Secs. 3070, 3114 (a), I.R.C.)

§ 182.678 *Unlawful possession.* The possession of specially denatured alcohol except by a duly authorized permittee is a violation of the law and of these regulations and any specially denatured alcohol found in the possession of any person not holding a permit under these regulations or in the possession of a carrier not authorized to transport the same will be deemed subject to tax and forfeiture.* (Secs. 3111, 3114 (a), 3116, I.R.C.)

§ 182.679 *Unlawful sale.* No person shall sell denatured alcohol, denatured rum, or any substance or preparation made with or containing denatured alcohol or denatured rum, for use, or for sale for use, for beverage purposes; nor shall he sell any of such products under circumstances from which it might reasonably appear that it is the intention of the purchaser to procure the same for sale or use for beverage purposes.* (Secs. 3070, 3109, 3111, 3116, I.R.C.)

§ 182.680 *Advertising.* It is not permissible to advertise by means of signs, posters, etc., in or about places of business that "Alcohol" is for sale without any qualifying words, such as "Denatured" or "Completely Denatured." These instructions shall apply to proprietors of garages, service stations, paint shops and hardware stores, and other wholesale and retail dealers in completely denatured alcohol generally. Inasmuch as such advertising menaces the health and lives of persons who might be misled into believing that the alcohol is pure, district supervisors shall instruct all field officers under their direction to warn proprietors of garages, paint shops, and hardware stores, and other retail dealers in denatured alcohol found guilty of such practice, to immediately discontinue the same, and that any failure to do so will render the completely denatured alcohol subject to seizure and the dealer to prosecution.* (Secs. 3070, 3109, I.R.C.)

§ 182.681 *Samples of denatured alcohol or products made therefrom may be taken by revenue officers.* Any officer or agent of the Bureau of Internal Revenue is authorized to take samples of denatured alcohol wherever found, or of products manufactured with denatured alcohol, either at the place of manufacture or on trucks or other conveyances leaving the place of manufacture, or of ingredients used in compounding such products.* (Secs. 3070, 3102, I.R.C.)

§ 182.682 *Liability for tax.* The sale, transportation, or use of specially denatured alcohol by any person other than a permittee duly authorized to sell, transport, or use specially denatured alcohol, or by any person for beverage purposes, or sale by any person under such circumstances from which it might reasonably appear that it is the intention of the purchaser to procure the same for sale

or for use for beverage purposes, as the case may be, is a violation of the law and these regulations and renders the person so selling, transporting, or using the specially denatured alcohol liable for the tax thereon.* (Sec. 3111, I.R.C.)

OPERATION OF INDUSTRIAL ALCOHOL DENATURING PLANTS

§ 182.683 *General.* The provisions of §§ 182.470 to 182.477, inclusive, shall, insofar as applicable, apply to the control of the denaturing plant, assignment of storekeeper-gaugers, examination and custody of the denaturing plant, supervision of operations, locking, etc., of denaturing plants. Where the operations of a denaturing plant can be supervised by the storekeeper-gauger or storekeeper-gaugers assigned to the industrial alcohol plant or bonded warehouse situated on the same premises, a storekeeper-gauger need not be assigned exclusively to the denaturing plant, but where the operations at the denaturing plant are such as to necessitate the assignment of one or more storekeeper-gaugers thereto, such officer or officers will be so assigned by the district supervisor. Each such plant shall be used solely for the purpose hereinafter set forth, and shall be under the control of the district supervisor of the district and in the joint custody of the proprietor and the storekeeper-gauger assigned thereto. No one shall be permitted to enter the plant buildings except in the presence of such officer, and the buildings shall be kept closed and the doors securely locked except when some work incidental to the operation of the plant is being carried on. The proprietor may, in connection with the storekeeper-gauger, except as provided in section 3121 (c), I.R.C., refuse admittance to any person not an internal revenue officer. The storekeeper-gauger will see that the operations conform to the requirements of the law and these regulations, and will, in the course of his daily duties, carefully observe the character and condition of connections, pipes, tanks, or vessels used for conveying alcohol, denatured alcohol, and denaturants, to see if they are closed as required, and whether access can be gained to the alcohol, denatured alcohol, and denaturants, in his absence. The storekeeper-gauger will promptly report to the district supervisor any operations or condition of apparatus and equipment not conforming to these regulations.* (Secs. 3070, 3102, I.R.C.)

*Sufficiency of Bond*

§ 182.684 *Storekeeper-gauger to be informed.* Where the denaturing plant bond is in an amount less than the maximum penal sum prescribed by these regulations, and the basic permit, Form 1433, limits the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol, that may be on hand, in transit, and unaccounted for at any one time at the denaturing plant, the district supervisor will inform the storekeeper-gauger in charge of such limitation, and the storekeeper-gauger will see that the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol on hand at the denaturing plant does not exceed that covered by the bond and authorized by the basic permit.*

*Procurement of Alcohol; Withdrawal Permits*

§ 182.685 *From industrial alcohol plant or bonded warehouse on same premises.* Alcohol may be transferred from an industrial alcohol plant or bonded warehouse to the denaturing plant located on the same premises in approved containers or by pipe line, as provided in § 182.559. Withdrawal permit, Form 1463, is not required for such transfer, but where the basic permit for the denaturing plant limits the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol that may be on hand, in transit, and unaccounted for at any one time, the quantity of alcohol so transferred to the denaturing plant during a calendar month shall not exceed the quantity so limited in the basic permit, Form 1433.* (Secs. 3070, 3108 (a), I.R.C.)

§ 182.686 *From other plants*—(a) *From industrial alcohol plant or bonded warehouse not on same premises.* Where it is desired to procure alcohol from an industrial alcohol plant or bonded warehouse not located on the same premises with the denaturing plant, the denaturer must procure a withdrawal permit, Form 1463, authorizing the procurement of such alcohol, in accordance with § 182.687.

(b) *From another denaturing plant.* Where it is desired to procure ethyl alcohol from another denaturing plant, as authorized by section 3108 (a), I.R.C., the alcohol will be shipped in accordance with the procedure (including that respecting withdrawal permits, containers, marks, stamps, etc.) prescribed in these regulations for the shipment of alcohol from bonded warehouses to denaturing plants.

(c) *Railroad sidings.* Where alcohol, denatured alcohol, articles, or distillates are to be received at or shipped from a denaturing plant in railroad tank cars, pursuant to the provisions of these regulations, the proprietor must provide railroad siding facilities at the denaturing plant, which must be used for the receipt or shipment of such tank cars.* (Secs. 3070, 3108 (a), 3114 (a), I.R.C.)

§ 182.687 *Application and withdrawal permit, Form 1463*—(a) *Application.* Where the proprietor of a denaturing plant desires to procure alcohol from an industrial alcohol plant or bonded warehouse not located on the same premises with the denaturing plant, he will file application on Part I of Form 1463, in duplicate, with the district supervisor for withdrawal permit to procure alcohol. The names, registry numbers and addresses of the industrial alcohol plants or warehouses from which alcohol will be procured will be stated in the application. Where the applicant's basic permit limits the quantity that may be on hand, in transit, and unaccounted for at any one time at the denaturing plant, the application should be for a fixed number of proof gallons to be withdrawn during a calendar month, which amount shall not exceed the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol authorized in the applicant's basic permit, Form 1433, to be on hand, in transit, and unaccounted for at any one time.

(b) *Withdrawal permit.* If the application is approved by the district supervisor, he will issue a withdrawal permit on Part II of the Form 1463. Where the applicant's basic permit limits the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol that may be on hand, in transit, and unaccounted for at any one time at the denaturing plant, the quantity authorized by the withdrawal permit to be withdrawn during any calendar month shall not exceed the quantity so limited in the basic permit. The district supervisor will forward the original copy of the withdrawal permit to the applicant and will retain the duplicate copy for his files. If the industrial alcohol plant or bonded warehouse is located in another supervisory district, a copy of the withdrawal permit and any renewals or amendments thereof, will be prepared on the prescribed form and transmitted by the district supervisor issuing the same to the district supervisor of the district from which shipments are to be made. When the proprietor of the denaturing plant desires to procure alcohol, he will forward the original of the withdrawal permit to the proprietor of the industrial alcohol plant or bonded warehouse named therein from whom he desires to procure alcohol. Upon shipment, the proprietor of the industrial alcohol plant or warehouse will enter the shipment on the permit and return it to the denaturer, unless he has been authorized by the denaturer to retain the permit for the purpose of making future shipments. No alcohol may be shipped by a consignor named in the withdrawal permit until such permit is in his possession. Except as provided in paragraph (d), further like transfers may be made under such permit during the term for which it was issued.

(c) *Carrier to be furnished copy of Form 1463.* Where the alcohol is to be delivered by a person other than the vendor, the denaturer shall procure from the district supervisor a certified copy (or copies, if delivery is to be made by more than one carrier), on the prescribed form, of the withdrawal permit, Form 1463, and shall file the same with the delivering carrier's agent at destination. Application for such certified copy or copies shall be made by the permittee to the district supervisor by letter, specifying the name of the delivering carrier. Where such delivering carrier is known at the time Form 1463 is filed, the application should accompany such form.

(d) *Expiration or termination of permit.* Upon expiration of a withdrawal permit, it shall be returned to the district supervisor for cancellation. Where the permit is in the possession of a consignor on the date of expiration, such consignor shall return it to the denaturer for surrender to the district supervisor. Should a basic permit, Form 1433, held by a person to whom withdrawal permit, Form 1463, was issued, be terminated, surrendered or revoked, the pro-

prietor of each industrial alcohol plant or bonded warehouse named as vendor in such withdrawal permit shall, upon notice from the district supervisor, make no further shipments thereunder, and if such withdrawal permit is in his possession, he shall return it to the district supervisor for cancellation.* (Sec. 3114 (a), I.R.C.)

§ 182.688 *Application for renewal of withdrawal permit, Form 1463.* Applications on Part I of Form 1463 for renewal of withdrawal permits must be submitted by the denaturer to the district supervisor not less than one month prior to the date of expiration of the permit to be renewed, in order that the renewal permit may be issued and become available for withdrawals by the 1st day of the calendar month following the date of expiration of the permit to be renewed. Application for renewal of withdrawal permits shall be executed in conformity with § 182.687 (a).* (Sec. 3114 (a), I.R.C.)

§ 182.689 *Renewal of withdrawal permit, Form 1463.* Withdrawal permits on Part II of Form 1463 shall remain in force for the calendar year or for the term of the basic permit, Form 1433. A renewal permit must be procured for each year commencing with January 1, after the expiration of the original permit. The provisions of § 182.687 (b) shall be applicable to the issuance of renewal permits.* (Sec. 3114 (a), I.R.C.)

§ 182.690 *Quantity procurable under withdrawal permits.* Where the permittee's basic permit, Form 1433, limits the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol that may be on hand, in transit, and unaccounted for at any one time at the denaturing plant, he shall, in procuring alcohol, deduct the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol on hand, in transit, and unaccounted for, and the quantity of specially denatured alcohol procurable during the calendar month under his withdrawal permit on Form 1464, if any, from the quantity so limited in his basic permit, Form 1433, and if the available balance is less than the quantity of alcohol procurable under his withdrawal permit on Form 1463, give his order for an amount not exceeding such available balance. For this purpose, alcohol, specially denatured alcohol, and recovered or restored denatured alcohol shall be deemed to be unaccounted for when disposed of, lost, or denatured otherwise than as provided in these regulations. Failure on the part of permittees to observe the foregoing requirements concerning withdrawals will be regarded as sufficient grounds for citation for revocation of their basic permits.* (Secs. 3070, 3102, 3108 (a), 3114 (a), I.R.C.)

§ 182.691 *Return of recovered denatured alcohol for restoration and redenaturation.* Denatured alcohol recovered for reuse by manufacturers using the same may be shipped to denaturing plants for restoration and redenaturation where the denaturing plant is equipped for restoring recovered alcohol. Such recovered alcohol will be returned to the denaturing plant pursuant to notice on Form 1484, as provided in § 182.895, and upon receipt at the denaturing plant will be entered on Form 1468-F, in accordance with the instructions on the form.* (Sec. 3073, I.R.C.)

§ 182.692 *Distillates from distilleries.* Distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil, commonly known as "heads" and "tails," removed in the course of distillation at registered distilleries and fruit distilleries operated under Regulations 4 and 5, respectively, may be shipped to denaturing plants operated under these regulations and denatured thereat, in accordance with the requirements of these regulations.

(a) *Application, Form 1463, modified.* When the proprietor of a denaturing plant desires to procure such distillates, he shall file application with the district supervisor on Form 1463, in duplicate, properly modified, for withdrawal permit therefor. A separate application shall be filed for each lot.

(b) *Consent of surety, Form 1533.* The denaturer shall also file with the district supervisor consent of surety, Form 1533, in triplicate, extending the terms of his bond, Form 1432-A, to cover the receipt, possession, and denaturation of any such distillates transferred to his denaturing plant and the disposition of the denatured product. The consent of surety must be executed in conformity with the provisions of §§ 182.184–182.205, and may be in blanket form to cover all such transfers.

(c) *Permit, Form 1463, modified.* The district supervisor will, upon approval of the application, issue a permit on Part II of Form 1463, properly modified: *Provided,* That proper consent of surety has been filed. The liability of the distiller for the tax on such distillates removed for denaturation shall continue until the distillates have been deposited in the denaturing plant.

(d) *Use of distillates.* Such distillates may not be redistilled or used for any purpose other than denaturation. If the distillates are of improper proof for denaturation, they may be mixed with other spirits of higher proof at the denaturing plant in order to obtain the required proof for denaturation. The distillates must be received and retained at the denaturating plant; they may not be received at the industrial alcohol plant or bonded warehouse nor may they be transferred thereto from the denaturing plant.* (Secs. 2916, 3114 (a), I.R.C.)

§ 182.693 *Abandoned spirits.* Distilled spirits abandoned to the United States and purchased by the proprietor of an industrial alcohol plant pursuant to section 3074, I. R. C., may be received at the denaturing plant and denatured thereat in accordance with §§ 182.462 to 182.465, inclusive.* (Sec. 3074, I.R.C.)

*Receipt of Alcohol*

§ 182.694 *By pipe line.* If the denaturing plant is located on the premises of an industrial alcohol plant or bonded warehouse, alcohol may be transferred from the receiving tanks in the industrial alcohol plant or from storage tanks in the bonded warehouse to alcohol storage tanks in the denaturing plant, or to mixing tanks therein for immediate denaturation. Alcohol transferred to denaturing plants by means of pipe lines shall be carefully weighed and proofed upon receipt in the denaturing plant, unless weighed in weighing tanks in the bonded warehouse or receiving room immediately before transfer. While alcohol thus transferred must be weighed at the time of transfer in a weighing tank in the receiving room or bonded warehouse or in a weighing tank located in the denaturing plant, it is not required to be weighed at such time both in the receiving room or warehouse and the denaturing plant.

(a) *Supervision of transfers.* All transfers of alcohol from an industrial alcohol plant or bonded warehouse by pipe line will be made under the immediate supervision of the storekeeper-gauger. The storekeeper-gauger supervising the deposit of the alcohol in the storage tank or mixing tank in the denaturing plant will see that the outlet and all other openings of such tank except the inlet are closed and locked and that the valves of the pipe line are so adjusted by the proprietor as to control the flow of alcohol into the tank before the outlet of the receiving tank or storage tank from which the alcohol is to be transferred is unlocked. When the alcohol has been deposited in the tank in the denaturing plant the inlet of such tank and the outlet of the receiving tank or storage tank will be immediately closed by the proprietor and locked by the storekeeper-gauger. The storekeeper-gauger will not permit the transfer of alcohol from receiving tanks or storage tanks to the denaturing plant by pipe line unless the use of such pipe line has been approved in accordance with these regulations.* (Secs. 3070, 3108 (a), I.R.C.)

§ 182.695 *In packages from industrial alcohol plant or bonded warehouse on the same premises.* When alcohol is received in packages from the industrial alcohol plant or bonded warehouse on the same premises, the packages will be transferred to the denaturing plant under the immediate supervision of the storekeeper-gauger in charge of the industrial alcohol plant or bonded warehouse from which the alcohol is transferred and the storekeeper-gauger in charge of the denaturing plant. The proprietor will check in the receipt of the packages in the denaturing plant against Form 1440 in the presence of the storekeeper-gauger.* (Secs. 3070, 3108 (a), I.R.C.)

§ 182.696 *From industrial alcohol plant or bonded warehouse not located on the same premises.* Upon receiving Form 1440, with Form 1439, covering alcohol shipped to the denaturing plant, the storekeeper-gauger in charge of the denaturing plant will compare the two forms and deliver Form 1440 to the proprietor of the denaturing plant. When the alcohol is received at the denaturing plant the proprietor and the storekeeper-gauger will examine the shipment and where packages bear evidence of having sustained losses in transit or the railroad tank car bears evidence of having sus-

tained a loss, the losses will be determined and a report of such losses and of the examination of the shipment will be made in conformity with the provisions of §§ 182.492 and 182.493.

(a) *Deposit in denaturing plant.* Upon completion of the examination of the containers, the proprietor will accurately determine the quantity received and will check in the receipt of the alcohol against Form 1440 in the presence of the storekeeper-gauger, and will execute the certificate of receipt on both copies of the form and note thereon and on Form 1468–A any loss or deficiency in the shipment. The proprietor will then file one copy of Form 1440 as a permanent record, as provided in § 182.788, and at the close of the day will deliver the other copy to the storekeeper-gauger for transmittal to the district supervisor of his district. On the day of receipt of the alcohol, the storekeeper-gauger shall fill in the certificate of receipt on Form 1439, noting any losses and discrepancies. Where a loss in transit is sustained, the storekeeper-gauger will report the total loss and, in the case of packages, the loss from each package. The storekeeper-gauger will forward the receipted Form 1439 to the district supervisor of the district from which the alcohol was shipped.* (Secs. 3070, 3108 (a), 3114 (a), I.R.C.)

§ 182.697 *Alcohol received in packages.* Alcohol received in packages will be placed in the alcohol storeroom of the denaturing plant, or the contents of the packages may be dumped into storage tanks if notation thereof is made on Form 1440 and Form 1468–A.*

§ 182.698 *Alcohol received in tank cars.* Alcohol received in tank cars shall be gauged in weighing tanks and transferred immediately to storage tanks, or to mixing tanks for immediate denaturation. When alcohol is received in tank cars, the seals must not be broken or any alcohol removed, except in the presence of the storekeeper-gauger assigned to the denaturing plant.*

§ 182.699 *Distillates received from distilleries.* Upon receipt of distillates at the denaturing plant, procured pursuant to § 182.692, the storekeeper-gauger will inspect the packages or railroad tank car, as the case may be, and if it appears that any distillate has been abstracted or lost in transit, he will prepare a statement, setting forth the identity of the containers, a description of the condition of each, and the apparent cause of such condition and will forward such statement to the supervisor of the district from which the shipment was made, as hereinafter provided.* (Sec. 2916, I.R.C.)

§182.700 *Regauge of distillates.* Upon completion of the storekeeper-gauger's inspection, the distillate will be gauged by the proprietor of the denaturing plant under the supervision of the storekeeper-gauger. If the gauge discloses no discrepancy between the quantity shipped and the quantity received other than that which may be ascribed to variation in gauge, the storekeeper-gauger will make a notation of receipt on the copy of Form 1520 received by him from the storekeeper-gauger at the distillery and forward the same to the supervisor of the district from which the shipment was made. If the gauge discloses a loss in transit, the proprietor will prepare a report of gauge on Form 1440, in duplicate, and give one copy to the storekeeper-gauger and retain the other at the denaturing plant. The storekeeper-gauger will securely attach the copy of Form 1440 to the copy of Form 1520 received by him from the storekeeper-gauger at the distillery and forward the same, together with his inspection statement, to the district supervisor of the district from which the shipment was made.

(a) *Losses.* No allowance can be made under section 2901 (a), I.R.C., or any other provision of law for losses of such distillates by leakage or evaporation occurring during transportation to the denaturing plant or while stored in such plant prior to denaturation. The tax will be collected on all losses, unless the same are shown to be due to destruction or accidental fire or other casualty while in transit and the tax is remitted under section 2901 (c), I.R.C. The losses of such distillates in transit to the denaturing plant and while stored thereat shall be shown as a separate entry in the same columns in which losses of alcohol are shown on Form 1468–A.* (Sec. 2916, I.R.C.)

§ 182.701 *Recovered denatured alcohol.* Recovered denatured alcohol returned to the denaturing plant for restoration and redenaturation, pursuant to the provisions of § 182.691, shall be deposited, after the same has been inspected by the storekeeper-gauger and gauged by the proprietor, in the recovered alcohol storage tanks, unless the recovered alcohol is received in drums and is to be retained therein pending restoration.*

*Restoration and Redenaturation of Recovered Denatured Alcohol*

§ 182.702 *Restoration of denatured alcohol.* Recovered denatured alcohol may be restored in a denaturing plant, provided the distilling apparatus and equipment conforms to the requirements of § 182.97. The process must be carried on through continuous closed pipes from the time the vapors first rise in the still to the restored alcohol receiving tank.

(a) *Supervision required.* The restoration of recovered denatured alcohol must be conducted under the supervision of the storekeeper-gauger.* (Sec. 3073, I.R.C.)

§ 182.703 *Gauge of alcohol to be restored.* The proprietor shall weigh or measure the recovered alcohol to be restored prior to deposit in the still and the restored alcohol must be deposited in locked receiving tanks and all alcohol recovered will be gauged in the restored alcohol receiving tank upon its removal to mixing tanks for redenaturation. Appropriate entries will be made on Form 1468–F as hereinafter provided.* (Sec. 3073, I.R.C.)

§ 182.704 *Redenaturation of restored alcohol.* If the restored alcohol contains denaturants after restoration and does not require the full amount of denaturants for redenaturation, a notation to that effect should be made on Form 1466 and Form 1468–F. Such restored alcohol must be denatured in the immediate presence of the storekeeper-gauger in accordance with the provisions of these regulations relating to the denaturation of ethyl alcohol.* (Sec. 3073, I.R.C.)

*Denaturing Materials*

§ 182.705 *Receipt.* Authorized denaturants may be brought on the premises in any desired quantity if ample storage facilities have been provided. All denaturants, except such as are permitted to remain in original packages, must be deposited in the appropriate storage tank or other approved receptacle and thoroughly mixed. Denaturants received on the premises shall not be mixed or mingled with approved denaturants of the same kind until they have been approved by the authorized chemist.

(a) *Storage in original packages.* Denaturants, when received in small quantities for use in a formula prepared only occasionally, may be stored in the original package in the denaturing material storeroom.* (Sec. 3070, 3102, I.R.C.)

§ 182.706 *Sample for chemist.* The storekeeper-gauger shall take a 1-pint sample of each lot of each denaturant received at the denaturing plant, and forward or deliver the sample to the authorized chemist. Where a lot of any denaturant is received in a tank car or in packages and is placed in two or more storage tanks, or is received in a number of packages and retained therein pending analysis and approval of the denaturant, the storekeeper-gauger will take a proportionate sample from each tank or package, as the case may be, and thoroughly mingle the samples together. From this mixture the officer will take a 1-pint sample and forward or deliver it to the authorized chemist. The storekeeper-gauger shall then lock the tanks with a Government lock or securely close and seal the packages and none of the contents of the tanks or packages may be used until the sample has been officially tested and approved and a report of such test is received by the storekeeper-gauger in charge of the denaturing plant. All samples submitted for analysis must be placed in heavy glass bottles or other suitable containers, to be provided by the denaturer, and must be securely closed and sealed with a wax seal furnished for this purpose or a paper seal signed by the storekeeper-gauger taking the sample.

(a) *Labels on samples.* Each sample shall have a label, Form 1469, "Label for Denaturing Material," affixed thereto showing the name of the denaturer, plant number, serial number of the tank or the number and kind of the package from which the sample was taken, the kind and quantity of the denaturant represented by the sample, the date taken, and the name of the officer taking the sample.* (Secs. 3070, 3102, I.R.C.)

§ 182.707 *Denaturants not required to be tested.* Where a chemically or commercially pure salt or solid or a U. S. P. or N. F. essential oil, or an essential oil

approved by the Commissioner is used as a denaturing material, the same need not be submitted for test except when the Commissioner shall so direct, provided the material is delivered to the storekeeper-gauger in the original sealed package of a reputable manufacturer of chemicals, bearing label descriptive of its contents placed thereon by the manufacturer.* (Secs. 3070, 3102, I.R.C.)

§ 182.708 *Certificates of origin for approved wood alcohol.* Every shipment of approved wood alcohol consigned to a denaturing plant must be accompanied by a sworn statement in duplicate from the manufacturer thereof, giving the name and address of the refinery in the United States where produced, the amount of denaturant shipped and certifying that it is a partially purified distillate from crude wood alcohol obtained only by the destructive distillation of wood.

(a) *Disposition.* These certificates should be sent to the storekeeper-gauger in charge at the denaturing plant which is receiving the approved wood alcohol. One copy of the certificate of origin should be held by the storekeeper-gauger in charge and filed for future reference. The other copy should accompany the sample taken from the shipment that is sent to the authorized chemist for examination and approval. The authorized chemist, upon completing his examination, shall make his report as required by the regulations and forward the certificate of origin to the supervisor of the district in which the denaturing plant is located, where it should be filed for future reference. The authorized chemist must note on the forms used for making the chemical reports of approved wood alcohol that the certificate of origin has been furnished with the sample examined.

(b) *Certified copies.* Where producers of wood alcohol sell the approved grade to dealers, duplicate certificates of origin should be furnished and dealers in turn should furnish certified copies in duplicate to each denaturing plant purchasing approved wood alcohol from them. These certified copies of the original certificate of origin then will be disposed of in the manner described in paragraph (a). Approved wood alcohol which has been examined and approved when transferred from one denaturing plant to another denaturing plant should be accompanied by a certified copy of the certificate of origin of the lot transferred.* (Secs. 3070, 3102, I.R.C.)

§ 182.709 *Authorized chemist.* District supervisors shall furnish denaturers, as well as storekeeper-gaugers, the names and addresses of authorized chemists. The authorized chemist will not examine any sample of denaturants furnished to him unless sealed in the manner indicated.* (Secs. 3070, 3102, I.R.C.)

§ 182.710 *Form 1470.* A list of all samples submitted by the storekeeper-gauger for analysis shall be prepared by him on Form 1470, "List of Samples of Denaturants," in duplicate, and forwarded to the chemist.* (Secs. 3070, 3102, I.R.C.)

§ 182.711 *Forwarding samples to chemist.* The sample, after being securely packed and sealed, shall be sent to the most convenient authorized chemist for examination and report. All expenses in connection with forwarding and testing of samples must be borne by the denaturer.* (Secs. 3070, 3102, I.R.C.)

§ 182.712 *Report of analysis by the chemist.* Upon completion of the analysis of the denaturants, the chemist shall note his approval or disapproval of the samples on Form 1470, in duplicate, and sign the same. One copy thereof shall be returned to the storekeeper-gauger in charge of the denaturing plant and one copy forwarded to the district supervisor.

(a) *Report, Form 1472.* The chemist shall make a report of his analysis on Form 1472, "Chemist's Report of Denaturants," in duplicate, one copy of which shall be sent to the district supervisor of the district in which the denaturer is located, and the other to the Commissioner.

(b) *Retention of samples.* The authorized chemist must hold all samples of denaturing grade wood alcohol, methyl alcohol, and denaturants used for completely denatured alcohol, for six months and other samples of denaturants for thirty days so that they will be available for future reference, if necessary.* (Secs. 3070, 3102, I.R.C.)

§ 182.713 *Denaturant approved.* If the sample is approved, the contents of the tank or package containing the denaturant shall, upon receipt of the report of the chemist by the storekeeper-gauger, become an approved denaturant and the storekeeper-gauger will then remove the seals from the tank or package, and permit the denaturant to be used.* (Secs. 3070, 3102, I.R.C.)

§ 182.714 *Denaturant not approved.* If the sample does not conform to the prescribed specifications, the storekeeper-gauger will, upon receipt of the report of nonapproval by the chemist, require the denaturer to immediately remove the contents of the tank or package from the premises: *Provided,* That the storekeeper-gauger may permit the denaturer, if he so desires, to treat or manipulate the denaturant so as to render it suitable for use. In such case another sample must be submitted for approval.* (Secs. 3070, 3102, I.R.C.)

§ 182.715 *Furnishing approved denaturants.* Denaturers will be permitted to supply approved denaturants to proprietors of other denaturing plants or to manufacturers recovering denatured alcohol, or articles, and redenaturing the alcohol for reuse, provided such denaturants are furnished in containers properly marked and sealed, with certificate attached of the storekeeper-gauger in charge at the denaturing plant making shipment or delivery of the denaturants, and proper entries are made of such disposals on Forms 129 and 1468-C. The container must be properly sealed with an identifying seal of the denaturer. Such denaturants need not be further analyzed at the receiving denaturing plant or user's premises.* (Secs. 3070, 3102, I.R.C.)

*Denaturing of Alcohol*

§ 182.716 *General.* Alcohol shall be denatured in accordance with the formulas prescribed in the Appendix to Regulations 3. In the case of formulas with substitute denaturants, Form 1485 authorizing the use thereof must be presented to the storekeeper-gauger prior to denaturation. Denaturants used in denaturing alcohol must conform to the specifications prescribed therefor and, except as provided in § 182.707, must be approved by the authorized chemist.

(a) *Notice to storekeeper-gauger.* Notice of intention to denature alcohol shall be given the storekeeper-gauger in charge of the denaturing plant, in writing. The notice must specify the quantity of alcohol and the serial number of the tank or package containing the same; also the formula, kind, and quantity of denaturants to be used. Upon receipt of such notice the officer shall see that the exact quantity of alcohol and the proper quantity of the specified denaturants are conveyed to the mixing tank and that the same are thoroughly plunged or mixed before being drawn off.

(b) *Officer's presence required.* No alcohol may be denatured except in the immediate personal presence of the storekeeper-gauger. Failure to observe this requirement will be deemed ground for issuance of citation for revocation of the basic permit of the denaturer.* (Secs. 3070, 3102, I.R.C.)

§ 182.717 *Test of measuring devices.* The storekeeper-gauger must from time to time apply such test to measures or measuring devices, as the case may be, for measuring denaturants as will satisfy him that they are correct. If he finds the measures or measuring devices to be incorrect, he shall refuse to permit the proprietor to transfer any denaturant to the measuring tank until appliances have been provided whereby the exact quantity of denaturants used may be ascertained.*

§ 182.718 *Determining wine and proof gallons.* The following convenient rule is given for determining the wine and proof gallons contained in any weighing tank if the weight and proof of the alcohol or distillates have been determined:

To determine the wine gallons and proof gallons, multiply the weight of the alcohol in pounds by the fractional part of a wine gallon and proof gallon, respectively, per pound of the same proof as shown in the Gauging Manual. For example, it is desired to ascertain the wine gallons and proof gallons of 1,000 pounds of 190 degree proof alcohol—

$1{,}000 \times 0.14718 = 147.182$ wine gallons.
$1{,}000 \times 0.27964 = 279.64$ proof gallons.

*

§ 182.719 *Denaturation*—(a) *In tanks.* Except as provided in paragraphs (b) and (c), all alcohol shall be denatured in approved mixing tanks.

(b) *In tank cars.* Denaturing may not be done in tank cars, except in cases of emergency, and then only after permission has been obtained from the district supervisor.

(c) *In packages*—(1) *Specially denatured alcohol.* Except by special permission of the district supervisor, denaturing in packages will be permitted only to the extent of preparing special formulas that are occasionally produced at the plant and in no case exceeding 10 packages (not exceeding 600 gallons in the aggregate) of any one formula on the same day: *Provided,* That specially denatured alcohol formulas 18, 24, 25, and 25 alternative, may, upon notice to the district supervisor, be mixed in packages in any quantity.

(2) *Completely denatured alcohol.* Completely denatured alcohol must be mixed in tanks only, unless special permission of the district supervisor has first been obtained to prepare a limited quantity in packages.* (Secs. 3070, 2102, I.R.C.)

§ 182.720 *Gauging of alcohol.* All alcohol to be used for denaturation must be carefully weighed by the proprietor in accordance with §§ 182.694 to 182.698, inclusive: *Provided,* That alcohol dumped from previously gauged packages, showing no evidence of loss, and alcohol transferred direct to the mixing tank after gauging in a weighing tank in the industrial alcohol plant or bonded warehouse need not be again weighed before being used for denaturation.*

§ 182.721 *Denaturants to be measured or weighed.* All denaturants before being used must be carefully measured or weighed in previously tested or marked tanks or other receptacles to be provided by the denaturer.

(a) *Denaturer to furnish measuring devices.* The proprietor of the denaturing plant will be held strictly accountable for any errors in the quantities of denaturants added to the alcohol. It is important that his measurements shall be absolutely correct. He must know that the measures and the gauging receptacles provided by him and the measuring devices affixed to tanks are correct.* (Secs. 3070, 3102, I.R.C.)

§ 182.722 *Denaturants not readily soluble.* Denaturants which are not readily soluble in alcohol at ordinary temperatures must be dissolved before being used.*. (Secs. 3070, 3102, I.R.C.)

§ 182.723 *Distillates.* Distillates received from distilleries in accordance with § 182.692 shall be denatured under the same procedure as that prescribed herein for the denaturation of alcohol. Such distillates should be denatured by only those formulas for which they are suitable.* (Secs. 3070, 3102, I.R.C.)

*Formulas*

§ 182.724 *Denatured alcohol formulas*—(a) *Completely denatured alcohol formulas.* Alcohol of not less than 160 degrees proof may be denatured in accordance with completely denatured alcohol formulas.

(b) *Specially denatured alcohol formulas.* Alcohol of 190, 192 or 200 degrees of proof shall be used in the manufacture of all formulas of specially denatured alcohol, unless otherwise authorized by the Commissioner. The Commissioner from time to time will specify the number of pounds which shall represent 1 wine gallon of each authorized formula.* (Secs. 3070, 3102, I.R.C.)

*Approved Containers*

§ 182.725 *Approved containers.* Upon completion of denaturation, the denatured alcohol, unless transferred by pipe line in accordance with § 182.730, shall be transferred to storage tanks or drawn into approved containers: *Provided,* That where the mixing tank has been designated as a "Mixing and Storage Tank," the denatured alcohol may be retained therein. When transferred to storage tanks or retained in mixing tanks, the formula of the denatured alcohol shall be plainly marked on the tank. Denaturers may fill packages in as small sizes as may be necessary for the proper conduct of their business. Denatured alcohol shall be withdrawn for shipment in approved containers as hereinafter provided.*

§ 182.726 *Packages of specially denatured alcohol.* Specially denatured alcohol may be withdrawn in substantially constructed containers, conforming to the requirements of §§ 182.506 to 182.510, inclusive.*

§ 182.727 *Packages of completely denatured alcohol.* Packages containing more than 5 wine gallons of completely denatured alcohol shall be of metal only. The openings in all such packages must be sealed with an appropriate device.

(a) *Embossed symbol and number.* Each package of completely denatured alcohol having a capacity of more than 5 wine gallons must have embossed on the head or side thereof on which the marks and brands are placed a symbol which will clearly indicate the denaturer, by or for whom the packages are filled, together with a number which shall be treated as a serial number of the packages when filled. Such numbers shall begin with No. 1 and continue in regular sequence. The provisions of § 182.734(a) relative to continuing the current series and commencement of new series shall apply to embossed packages of completely denatured alcohol. Before embossing new symbols and numbers on new packages of completely denatured alcohol the denaturer shall inform the Commissioner of the symbol and the Commissioner will advise him and the district supervisor whether the symbol is objectionable because of duplication or for any other reason.

(b) *Two or more plants or products.* Where the proprietor operates more than one establishment (denaturing plant, filling agency, specially or completely denatured alcohol user's premises) at which embossed packages are filled, and/or fills embossed packages of more than one product (completely denatured alcohol, proprietary anti-freeze solutions made with completely denatured alcohol, proprietary solvents, lacquer thinners), he may use one series of numbers for all such establishments or products, or both, provided he sets aside an appropriate block of numbers for each plant or product, or both, and keeps an accurate record thereof available for reference by Government officers; or the proprietor may in such cases use a separate series of numbers for each plant or each product, or both, provided there is embossed on each package an identifying number to indicate the plant at which the package is filled or letters to denote the contents, or both, as the case may be. Where the proprietor uses a separate series for each establishment, the identifying plant number shall be placed immediately following or below the serial number. Where a separate series is used for each product, the letters "CD" shall be used for completely denatured alcohol, "AF" for proprietary anti-freeze solutions made with completely denatured alcohol, "PS" for proprietary solvents, and "LT" for lacquer thinners.

(c) *Records of embossed symbols and serial numbers.* Denaturers shall maintain at their plants records showing the embossed symbols and serial numbers of all packages furnished their agents to be filled by the latter with completely denatured alcohol as herein provided, and shall also keep at their place such records of packages filled and disposed of by them or for their account at places other than the denaturing plant or filling agency, including the embossed symbols and serial numbers of the packages, as will enable Government officers to trace receipts and disposals. Denaturers' agents must also keep such records of the receipt and disposition of the completely denatured alcohol, including the embossed symbol and serial numbers of packages, as will permit the tracing of the receipt and disposal by the district supervisor. Such records must at all times during regular business hours be open to inspection by Government officers and must be kept complete and up-to-date for a period of three years. No special form or record is prescribed but the records used must clearly show all of the information required.

(d) *Filling packages.* In filling packages of completely denatured alcohol the packages must be so used that as far as possible the embossed numbers will run in consecutive order beginning with the lowest number.

(e) *Reuse of containers prohibited.* Packages into which completely denatured alcohol has once been placed by a denaturer or other authorized person may not after such completely denatured alcohol has been removed therefrom be again used as containers for completely denatured alcohol, proprietary solvents, lacquer thinners, or anti-freeze preparations made with completely or specially denatured alcohol.* (Secs. 2808, 3070, I.R.C.)

§ 182.728 *Railroad tank cars.* Denatured alcohol may be shipped in railroad tank cars only where the premises of both the denaturer and the consignee are equipped with suitable railroad siding facilities. The manhole covers and outlet valves on all railroad tank cars used for shipping denatured alcohol shall be equipped with facilities for sealing so that the contents cannot be removed without showing evidence of tampering. Railroad or other appropriate seals for secur-

ing manhole covers and outlet valves in tank cars containing denatured alcohol shall be furnished by the carrier or the proprietor.

(a) *Shipments of completely denatured alcohol*—(1) *To denaturers and their agents.* Completely denatured alcohol may be shipped in tank cars to other denaturing plants, as authorized in § 182.743. Completely denatured alcohol may also be shipped in tank cars by the denaturer to a person or concern acting as his agent, where the title does no pass from the denaturer, for transfer to packages for sale to others, and such packages shall be furnished by the denaturer. When completely denatured alcohol is thus shipped, the packages filled by the agent must be marked the same as if filled in the denaturing plant of the denaturer (except that the registry number of such plant will be omitted), and must also bear the embossed symbol and serial number, as required in § 182.727. Completely denatured alcohol may also be shipped in tank cars by the denaturer to himself at other premises for disposition in the same manner as in the case of completely denatured alcohol disposed of directly from the denaturing plant of the producer, or it may be so shipped by the denaturer to other producers of completely denatured alcohol at points not on the denaturing plant premises of such other producers, where the product will be filled into properly marked and embossed packages of the person to whom the shipment is made.

(2) *To users.* Upon arrival of the district supervisor, completely denatured alcohol may be shipped in tank cars to manufacturers for their own exclusive use and not for resale: *Provided,* That the completely denatured alcohol is run directly from the tank car into suitable tanks on the manufacturer's premises. Manufacturers desiring to procure completely denatured alcohol in tank cars, shall file application therefor with the district supervisor of their district. If the completely denatured alcohol is to be procured from a denaturer located in the same district, the application shall be filed in triplicate, and if the completely denatured alcohol is to be procured from another district, the application shall be filed in quadruplicate. The application shall give the name and address of the denaturer from whom it is desired to procure the completely denatured alcohol, and shall specify the quantity to be received, the reasons for desiring to receive the completely denatured alcohol in tank cars, and whether the applicant's premises are equipped with railroad siding facilities. Where it is desired to receive completely denatured alcohol in tank cars regularly, the application may be made for that purpose. If the district supervisor approves the application he will note his approval on all copies thereof, retain one copy, return one copy to the applicant, and forward one copy to the denaturer, and, where shipment is to be made from another district, one copy to the district supervisor of such district.* (Secs. 2808, 3070, 3108 (a), 3109, I.R.C.)

§ 182.729 *Tank ships and barges.* Shipments of denatured alcohol in bulk by means of tank ships or barges to consignees authorized to receive such shipments in tank cars may be made only pursuant to special authorization granted by the Commissioner and then subject to such limitations and conditions as may be imposed by him. Such shipments may be made only where the premises of both consignor and consignee are equipped with suitable dock facilities and where the denatured alcohol is run directly from the tank ship or barge into suitable storage tanks on the consignee's premises.* (Secs. 3070, 3108 (a), 3109, I.R.C.)

§ 182.730 *Pipe lines*—(a) *Specially denatured alcohol.* Pipe lines constructed in conformity with the provisions of § 182.98 will be considered as approved containers only for the purpose of transferring specially denatured alcohol from the denaturing plant to contiguous manufacturing premises operated by the proprietor of the denaturing plant and covered by basic permit, Form 1481, authorizing the procurement and use of specially denatured alcohol. Specially denatured alcohol may not be thus transferred until receipt of appropriate withdrawal permit, Form 1485. Specially denatured alcohol thus transferred shall be weighed or measured by volume in a tank equipped with suitable scales or a measuring device on the denaturing plant premises. The specially denatured alcohol will be weighed or measured and removed from the denaturing plant premises under the immediate supervision of the storekeeper-gauger. The valve in the pipe line shall be closed and locked with a Government lock at all times when it is not in use.

(b) *Completely denatured alcohol.* Completely denatured alcohol may be similarly transferred by pipe line, constructed in conformity with § 182.98, to contiguous premises operated by the proprietor of the denaturing plant for the use in manufacturing in the same manner as specially denatured alcohol, in accordance with the provisions of paragraph (a) of this section, with the exception that withdrawal permit, Form 1485, is not required. Completely denatured alcohol may also be removed by pipe line for storage in tanks or other approved containers marked "Completely denatured alcohol—Storage" on adjacent premises owned or controlled by the proprietor of the denaturing plant, but when packaged it will be subject to the provisions of these regulations, the same as when packaged on denaturing plant premises, except that the registry number of the denaturing plant will not be marked on the packages.* (Secs. 2808, 3070, 3108(a), 3109, 3114(a), I.R.C.)

§ 182.731 *Tank wagons and tank trucks prohibited.* Tank wagons and tank trucks are not approved containers and may not be used for transporting completely denatured alcohol or specially denatured alcohol.* (Secs. 3070, 3108(a), 3109, I.R.C.)

*Marks and Brands*

§ 182.732 *Proprietor to mark and brand packages.* The proprietor shall have the prescribed marks and brands placed upon the package by stenciling, printing, cutting, burning, or embossing. All mechanical labor pertaining to the filling of packages of denatured alcohol shall be performed by the proprietor.* (Sec. 2808, I.R.C.)

§ 182.733 *Marking of packages*—(a) *Specially denatured alcohol.* All packages of specially denatured alcohol filled at a denaturing plant must have marked upon the head of the package (or side of the can or casing) the serial number of the package, the name of the denaturer, the registry number and location (city or town and State) of the denaturing plant, the contents in wine gallons, the words "Specially Denatured Alcohol," and the formular number, as for example, "Formula No. 1." Where the alcohol was denatured at other than 190 proof, the proof at which denatured shall also be marked on the package.

(1) *Alternative denaturants.* Where alcohol is denatured by a formula authorizing the use of alternative denaturants, the packages into which the specially denatured alcohol is placed shall be marked or labeled to show the alternative denaturants used in compounding the formula. Where the formula authorizes the use of alternative quantities of denaturants, the quantities used shall likewise be shown on the packages. Required denaturants and quantities need not be shown on the package.

(2) *Export marks.* When packages of specially denatured alcohol are withdrawn for exportation, the words "For Export" and the names of the ports from and to which the specially denatured alcohol is to be exported, and the number of the permit under which the specially denatured alcohol is exported, will be marked on the head of each package, as for example, "For Export from New York to Lisbon, Permit SDX-NY-15."

(b) *Completely denatured alcohol.* All packages of completely denatured alcohol filled at a denaturing plant must have marked upon the head of the package (or side of the can or casing) the name of the denaturer by or for whom the packages are filled, the registry number and location (city or town and State) of the plant of such denaturer, the contents in wine gallons, the apparent proof, the words "Completely Denatured Alcohol," and the formula number, as for example, "Formula No. 12." All such packages of more than 5 wine gallons capacity shall bear an embossed symbol and serial number, as required by § 182.727.

(c) *Color and size of marks.* Marks printed or stenciled on packages of specially denatured alcohol and completely denatured alcohol shall be printed or stenciled in a plain and durable manner and in a color properly contrasting with the background of the surface on which they are placed. The words "Specially Denatured Alcohol" or "Completely De-

natured Alcohol," as the case may be, shall be in letters of the same color and size, and of not less than 1 inch in height on packages containing more than 5 wine gallons, and in letters as prominent as consistent with the size of the package on packages of less capacity.

(d) *Brand names.* There may be shown on the heads of packages of specially or completely denatured alcohol, the brand name and a statement indicating the character of the merchandise: *Provided,* That such is so placed as not to obscure or overshadow the prescribed data.* (Secs. 2808, 3070, 3108 (a), 3109, I.R.C.)

§ 182.734 *Serial numbers*—(a) *Specially denatured alcohol.* All packages containing specially denatured alcohol filled at a denaturing plant will be serially numbered, beginning with number 1 and continuing in regular sequence: *Provided,* That the series in current use at existing denaturing plants will be continued. Where there is a change in the trade name or style, or in the proprietorship of the business, the series in use at the time of such change will be continued. When the serial numbers of packages filled have reached the number of 1,000,000, the proprietor may, if he so desires, begin a new series, commencing with number 1, preceded or followed by a letter to distinguish it from the prior series, as 1A, 2A, etc., and when the number 1,000,000 so distinguished is again reached, the proprietor may begin another series, distinguished by the second letter of the alphabet, as 1B, 2B, etc., and subsequent series distinguished by other letters of the alphabet in order may likewise be commenced.

(b) *Completely denatured alcohol.* The embossed number on packages of completely denatured alcohol having a capacity of more than 5 wine gallons shall be treated as the serial number of the package when filled, as provided in § 182.727.* (Secs. 2808, 3070, 3108 (a), 3109, I.R.C.)

§ 182.735 *Illustrations of marks.* The following cuts illustrate the prescribed marks and the suggested order and manner in which they should be placed on packages.

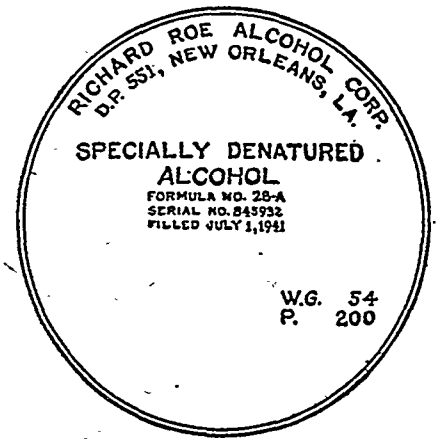


FIG. 8.—Marks on filling specially denatured alcohol.

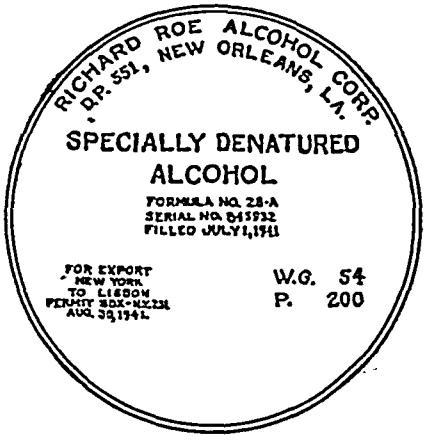


FIG. 9.—Marks on withdrawal of specially denatured alcohol for export.

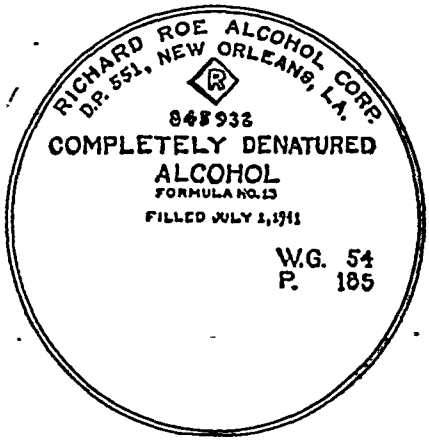


FIG. 10.—Marks on filling completely denatured alcohol.

§ 182.736 *Caution label.* Every package of completely denatured alcohol containing 5 wine gallons or less, sold or offered for sale by denaturers or dealers, must have affixed thereto a label, on which must be printed, in plain, legible letters (red on white), the words "Completely denatured alcohol," and in addition on the same label there shall be printed in large letters, in red ink, the following statement:

Completely denatured alcohol; contains ingredients which render the product wholly unfit for beverage purposes; if taken internally will cause serious consequences to health.

The word "pure," qualifying denatured alcohol, will not be permitted to appear on any label. The name and address of the denaturer must be printed on such label, but no other extraneous matter will be permitted thereon without the express authority of the Commissioner. These requirements concerning labels shall apply also to proprietors of garages, paint shops, hardware stores, gasoline filling stations, and other retail and wholesale dealers in completely denatured alcohol generally.* (Secs. 2808, 3070, 3108 (a), 3109, I.R.C.)

§ 182.737 *Transfer marks.* When denatured alcohol is transferred from one denaturing plant to another, there shall be plainly and durably marked upon the Government head or side of each container the word "Transfer," followed by the date of transfer, the word "to," and the number of the receiving denaturing plant in letters and figures not less than three-eighths inch in height. These marks may be abbreviated as follows:

Trans. 7-15-1941
To DP-250

* (Sec. 2808, I.R.C.)

§ 182.738 *Tank cars.* Each railroad tank car used to transport denatured alcohol must have permanently and legibly marked or painted thereon its number, capacity in wine gallons, and the name or symbols of the owner. If the tank car consists of two or more compartments, each compartment must be identified by a letter of the alphabet, such as "A," "B," etc., and the capacity in wine gallons of the compartment must be marked thereon. The denaturer shall attach to the route board of each such tank car a label showing the name, registry number, and location (city or town and State) of the denaturing plant, and the name, address, and permit number (if any) of the person to whom the denatured alcohol is shipped, followed by the date of shipment.* (Sec. 2808, I.R.C.)

§ 182.739 *Samples.* All samples of specially denatured alcohol shall be appropriately labeled. The labels must show the name, registry number, city or town and State in which the denaturing plant is located, and the words "Specially denatured alcohol," followed by the number of the formula.* (Sec. 2808, I.R.C.)

§ 182.740 *Previously marked packages.* Empty packages marked in accordance with regulations heretofore in effect may continue to be used until the existing supply is exhausted, and, where necessary, the district supervisor may permit an additional number of packages marked in accordance with such regulations to be used pending the securing of new stencils or other marking devices.* (Sec. 2808, I.R.C.)

§ 182.741 *Verification of marks.* The storekeeper-gauger shall verify the marks placed on packages and shall satisfy himself of their accuracy and correctness.*

§ 182.742 *Destruction of marks and brands.* The marks and brands required to be placed on packages containing denatured alcohol or articles must not be destroyed or in anywise altered or disturbed until such denatured alcohol or articles have been entirely removed from the package. When packages of denatured alcohol have been emptied of their contents, the marks and brands must be at once completely obliterated by painting, scraping, or otherwise; except the symbol and the serial number required to be embossed on packages of completely denatured alcohol. The provisions of §§ 182.533 to 182.536, inclusive, insofar as applicable, shall apply to empty denatured alcohol packages. The marks on metal drums, bearing embossed symbols and serial numbers and containing pro-

prietary anti-freeze solutions, proprietary solvents, and lacquer thinners, must be similarly obliterated when the packages are emptied.*

*Transfer of Denatured Alcohol Between Denaturing Plants*

§ 182.743 *General.* Denatured alcohol may be transferred from any denaturing plant in approved containers to another denaturing plant, as hereinafter provided. Specially denatured alcohol may be so transferred only pursuant to a withdrawal permit, Form 1464, which must be presented to the stoorkeeper-gauger prior to shipment. Completely denatured alcohol may be so transferred without the necessity of procuring a withdrawal permit.* (Sec. 3114 (a), 3114(a), I.R.C.)

§ 182.744 *Application and withdrawal permit for specially denatured alcohol, Form 1464*—(a) *Application.* Where the proprietor of a denaturing plant desires to procure specially denatured alcohol from another denaturing plant, he will file application on Part I of Form 1464, in duplicate, with the district supervisor, for withdrawal permit to procure specially denatured alcohol. The names, registry numbers, and addresses of the denaturing plants from which specially denatured alcohol will be procured, will be stated in the application. Where the applicant's basic permit, Form 1433, limits the quantity that may be on hand, in transit, and unaccounted for at any one time at his denaturing plant, the application should be for a fixed number of wine gallons to be withdrawn during a calendar month, which amount shall not exceed the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol, authorized in the applicant's basic permit, Form 1433, to be on hand, in transit, and unaccounted for at any one time at the denaturing plant, less the quantity of ethyl alcohol authorized to be withdrawn pursuant to withdrawal permit, Form 1463, issued in accordance with § 182.686.

(b) *Withdrawal permit.* If the application is approved by the district supervisor, he will issue a withdrawal permit on Part II of Form 1464. Where the applicant's basic permit, Form 1433, limits the quantity that may be on hand, in transit, and unaccounted for at any one time at his denaturing plant, the quantity of specially denatured alcohol authorized by the permit to be withdrawn during a calendar month shall not exceed the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol authorized by the applicant's basic permit to be on hand, in transit, and unaccounted for at any one time at the denaturing plant, less the quantity of ethyl alcohol authorized to be withdrawn pursuant to withdrawal permit, Form 1463. The district supervisor will forward the original copy of the withdrawal permit to the applicant and will retain the duplicate copy for his files. If the shipping denaturing plant is located in another supervisory district, a copy of the withdrawal permit and any renewals or amendments thereof will be prepared on the prescribed form and be transmitted by the district supervisor issuing the same to the district supervisor of the district from which shipments are to be made. When the proprietor of the receiving denaturing plant desires to procure specially denatured alcohol, he will forward the original of the withdrawal permit to the proprietor of the denaturing plant named therein from whom he desires to procure specially denatured alcohol. Upon shipment, the proprietor of the shipping denaturing plant will enter the shipment on the permit and return it to the receiving denaturer, unless he has been authorized by the receiving denaturer to retain the permit for the purpose of making future shipments. No specially denatured alcohol may be shipped by a consignor named in the withdrawal permit until such permit is in his possession. Except as provided in paragraph (d), further like transfers may be made under such permit during the term for which it was issued.

(c) *Carrier to be furnished copy of Form 1464.* Where the specially denatured alcohol is to be delivered by a person other than the vendor, the vendee shall procure from the district supervisor a certified copy (or copies, if delivery is to be made by more than one carrier) on the prescribed form of the withdrawal permit, Form 1464, and shall file the same with the delivering carrier's agent at destination. Application for such certified copy or copies shall be made by the permittee to the district supervisor by letter specifying the name of the delivering carrier. Where such delivering carrier is known at the time Form 1464 is filed, the application should accompany such form.

(d) *Expiration or termination of permit.* Upon expiration of a withdrawal permit, it shall be returned to the district supervisor for cancellation. Where the permit is in the possession of a consignor on the date of expiration, such consignor shall return it to the consignee for surrender to the district supervisor. Should a basic permit, Form 1433, held by a person to whom withdrawal permit, Form 1464, was issued, be terminated, surrendered, or revoked, the proprietor of each denaturing plant named as vendor in such withdrawal permit, shall, upon notice from the district supervisor, make no further shipments thereunder and if such withdrawal permit is in his possession, he shall return it to the district supervisor for cancellation.* (Sec. 3114 (a), I.R.C.)

§ 182.745 *Application for renewal of withdrawal permit, Form 1464.* Applications on Part I of Form 1464 for renewal of withdrawal permits must be submitted by the denaturer to the district supervisor not less than one month prior to the date of expiration of the permit to be renewed in order that the renewal permit may be issued and become available for withdrawals by the 1st day of the calendar month following the date of expiration of the permit to be renewed. Application for renewal of withdrawal permits shall be executed in conformity with § 182.744 (a)* (Sec. 3114 (a), I.R.C.)

§ 182.746 *Renewal of withdrawal permit, Form 1464.* Withdrawal permits on Part II of Form 1464 shall remain in force for the calendar year or for the term of the basic permit, Form 1433. A renewal permit must be procured for each year, commencing with January 1, after the expiration of the original permit. The provisions of § 182.744 (b) shall be applicable to the issuance of renewal permits.* (Sec. 3114 (a), I.R.C.)

§ 182.747 *Quantity procurable under withdrawal permits.* Where the permittee's basic permit, Form 1433, limits the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol that may be on hand, in transit, and unaccounted for at any one time at the denaturing plant, he shall, in procuring specially denatured alcohol, deduct the quantity of alcohol, specially denatured alcohol, and recovered or restored denatured alcohol on hand, in transit, and unaccounted for, and the quantity of ethyl alcohol procurable during the calendar month under his withdrawal permit on Form 1463, from the quantity so limited in his basic permit, Form 1433, and if the available balance is less than the quantity of specially denatured alcohol procurable under his withdrawal permit on Form 1464, give his order for an amount not exceeding such available balance. For this purpose, alcohol, specially denatured alcohol, and recovered or restored denatured alcohol shall be deemed to be unaccounted for when disposed of, lost, or denatured otherwise than as provided in these regulations. Failure on the part of permittees to observe the foregoing requirements concerning withdrawals will be regarded as sufficient grounds for citation for revocation of their basic permits.* (Sec. 3114 (a), I.R.C.)

§ 182.748 *Marking containers.* Containers for the transfer of denatured alcohol shall be marked in conformity with the provisions of §§ 182.733 to 182.740, inclusive.*

§ 182.749 *Additional copies of Forms 1467 and 1473.* When denatured alcohol is shipped to another denaturing plant, the proprietor will prepare two additional copies of Form 1467, giving the details of the packages shipped, and two additional copies of Form 1473, reporting the shipment. When completely denatured alcohol is so shipped, the Forms 1473 will be modified to read "Completely," instead of "Specially," Denatured Alcohol. The proprietor will attach one copy of Form 1473 to each copy of Form 1467 and deliver all copies of the forms to the storekeeper-gauger in charge, who shall forward them to the storekeeper-gauger in charge of the receiving denaturing plant.*

§ 182.750 *Receipt of denatured alcohol; general.* Upon receipt of the Forms 1467 and 1473, the storekeeper-gauger in charge of the receiving denaturing plant will make a memorandum record of the shipment and deliver the forms to the proprietor. When the denatured alcohol is received at the denaturing plant,

the proprietor and the storekeeper-gauger will examine the shipment and where packages bear evidence of having sustained losses in transit, or railroad tank cars bear evidence of having sustained a loss, the losses will be determined and a report of such losses and of the examination of the shipment will be made to the district supervisor.*

§ 182.751 *Deposit in denaturing plant.* Upon completion of the examination of the containers, the proprietor will accurately determine the quantity received and will check in the receipt of the denatured alcohol against Forms 1467 in the presence of the storekeeper-gauger and will note on Part III of both copies of Form 1473, modified for the purpose, the receipt of the shipment and any loss or deficiency thereon. The proprietor will then file one copy of Form 1467, with Form 1473 attached, as a permanent record, and at the close of the day will deliver the other copy of Form 1467, with Form 1473 attached, to the storekeeper-gauger for transmittal to the district supervisor of his district.*

§ 182.752 *Method of deposit*—(a) *Denatured alcohol received in packages.* Denatured alcohol received in packages will be placed in the denatured alcohol storeroom of the denaturing plant in the packages in which it is received, or the contents of the packages may be dumped into storage tanks if report thereof is made on Form 1467 and Form 1468-E.

(b) *Denatured alcohol received in tank cars.* Denatured alcohol received in tank cars shall be weighed or measured and transferred immediately to storage tanks. If it is desired to receive denatured alcohol in railroad tank cars, proper railroad siding facilities must be provided at the denaturing plant. When denatured alcohol is received in tank cars, the seals must not be broken or any denatured alcohol removed, except in the presence of the storekeeper-gauger assigned to the receiving denaturing plant.*

*Withdrawal of Denatured Alcohol*

§ 182.753 *Completely denatured alcohol.* Dealers and users may purchase completely denatured alcohol for resale or for their own use. Transfers of completely denatured alcohol in bulk to a filling agency of the denaturer on premises contiguous to his denaturing plant and the packaging and disposition of such completely denatured alcohol shall be governed by the provisions of §§ 182.683–182.790. Completely denatured alcohol removed from denaturing plants must be transported in accordance with § 182.677.* (Secs. 3070, 3108 (a), 3109, I.R.C.)

§ 182.754 *Specially denatured alcohol.* Specially denatured alcohol may be procured under appropriate permit by manufacturers using specially denatured alcohol, dealers in specially denatured alcohol, and the United States or governmental agency thereof. Prospective permittees or manufacturers may procure samples of specially denatured alcohol, as provided in § 182.826. Specially denatured alcohol must be removed from denaturing plants in approved containers. The exact contents of each package must be determined and the package marked in accordance with these regulations. The details of such packages shall be entered on the appropriate forms as hereinafter provided. Specially denatured alcohol removed from denaturing plants must be transported in accordance with § 182.677. The denaturer shall present the permit, Forms 1477, 1485, 1486, or 1512, authorizing shipment, to the storekeeper-gauger prior to withdrawal.

(a) *Bonded dealers and manufacturers; withdrawal permits, Forms 1477 and 1485.* Specially denatured alcohol may not be shipped to a manufacturer using specially denatured alcohol or to a dealer in specially denatured alcohol until the denaturer receives the withdrawal permit, Form 1477 or Form 1485, as the case may be, issued to the manufacturer or bonded dealer in which the denaturer is named as vendor. Denaturers must not ship specially denatured alcohol in excess of the quantity set forth in the withdrawal permit.

(b) *United States or governmental agency; permit, Form 1486.* Specially denatured alcohol may be shipped to the United States or governmental agencies thereof upon receipt of permit, Form 1486, issued by the Commissioner to the head of the department, or the head of the bureau or establishment not under control of any department, named therein. Form 1453-A shall be prepared and disposed of as provided in § 182.785.

(c) *Samples; permit, Form 1512.* Denaturers may furnish samples of more than 8 fluid ounces of specially denatured alcohol only pursuant to permit on Form 1512. All samples of specially denatured alcohol shall be recorded by denaturers in their reports the same as other specially denatured alcohol, except that samples of 8 fluid ounces or less need be shown only on the commercial records of the vendor. When samples are shipped to persons holding permits to use specially denatured alcohol, the denaturer shall enter on Forms 1473 and 1468-D the serial number of such permit immediately below the number of the sample permit, as $\frac{\text{S-1}}{\text{SDA-NY-578}}$, as shown on Form 1512.* (Secs. 3070, 3108 (a), 3109, 3114 (a), I.R.C.)

*Exportation of Specially Denatured Alcohol*

§ 182.755 *General.* Specially denatured alcohol may be withdrawn from denaturing plants for exportation as hereinafter provided. The denaturer must furnish to the district supervisor evidence of the actual landing of the specially denatured alcohol in a foreign country or proof of the loss of the specially denatured alcohol at sea. A certificate showing the actual clearance of the specially denatured alcohol from the port of export will be furnished to the district supervisor by the collector of customs.* (Sec. 3109, I.R.C.)

§ 182.756 *Kinds of containers.* Specially denatured alcohol may be exported in approved containers conforming with the specifications prescribed in §§ 182.726, 182.728, and 182.729.* (Sec. 3109, I.R.C.)

§ 182.757 *Application, Form 1545.* Whenever it is desired to export specially denatured alcohol, application on Part I of Form 1545, in triplicate, must be made by the denaturer to the district supervisor for permit so to do. All of the information required by these regulations and called for by the form shall be furnished. The application must be subscribed and sworn to before a notary public or other officer authorized to administer oaths. The name and address of the purchaser abroad of such specially denatured alcohol, the proposed route of shipment, the port of export and the port of entry into the foreign country must be shown on the form.* (Sec. 3109, I.R.C.)

§ 182.758 *Consent of surety, Form 1533.* The denaturer must file a consent of surety, Form 1533, extending the terms of his bond, Form 1432-A, which consent shall contain the undertaking that—

The obligors agree to extend the terms of said bond to cover all liability that may be incurred, on all specially denatured alcohol withdrawn by the principal for which satisfactory evidence of exportation or loss at sea as required by law and regulations is not submitted to the district supervisor.

* (Sec. 3109, I.R.C.)

§ 182.759 *Approval of consent of surety and issuance of permit.* The district supervisor will examine the consent of surety and if it is properly executed as provided in the preceding section and §§ 182.184–182.205, he shall note his recommendation for approval thereon and forward all three copies thereof to the Commissioner.

(a) *Permit.* If there is nothing indicating that the specially denatured alcohol will not be exported in the manner stated in the application, and proper certificates of clearance and landing have been filed, in accordance with § 182.767, for previous shipments for export, the district supervisor will issue permit on Part II of Form 1545, and will return all copies thereof to the applicant.* (Sec. 3109, I.R.C.)

§ 182.760 *Marking packages.* Upon receipt of the permit from the district supervisor, the proprietor will mark the packages in accordance with § 182.733 (a) (2).* (Sec. 3109, I.R.C.)

§ 182.761 *Release of specially denatured alcohol.* After the packages have been properly marked, the proprietor will present all copies of Form 1545 to the storekeeper-gauger, who will release the specially denatured alcohol for shipment, if he finds the packages have been properly marked, and the permit (Form 1545) is in proper order.* (Sec. 3109, I.R.C.)

§ 182.762 *Delivery to carrier.* If the specially denatured alcohol is withdrawn from a denaturing plant located elsewhere than at the port of exportation, the denaturer shall deliver the shipment to an authorized carrier for transportation to the port of exportation. He shall procure three copies of the bill of lading, covering such transportation, and deliver all copies thereof to the storekeeper-gauger at the denaturing plant. The denatured alcohol must be consigned to the *collector*

*of customs* of the port of export and must be properly described in the bill of lading by serial numbers, kind, and quantity. A copy of the bill of lading shall be attached to each copy of the Form 1545.* (Sec. 3109, I.R.C.)

§ 182.763 *Delivery directly to customs custody.* When specially denatured alcohol is withdrawn from a denaturing plant located at the port of exportation, the denaturer will deliver the shipment directly to customs custody. A copy of the export bill of lading shall be procured and filed with the collector of customs.* (Sec. 3109, I.R.C.)

§ 182.764 *Disposition of forms.* When the packages of denatured alcohol have been withdrawn and the denaturer has furnished copies of the bill of lading, the storekeeper-gauger will forward immediately a complete set of the Form 1545 and bill of lading to the district supervisor and a complete set to the collector of customs at the port of exportation and the remaining copies to the exporter.* (Sec. 3109, I.R.C.)

§ 182.765 *Records.* Upon the removal of the packages from the denaturing plant the proprietor shall record the quantity removed on Form 1468-D. The foreign country to which the specially denatured alcohol is shipped, the number of the car, and the route, or the name of the vessel by which, and the port through which, the specially denatured alcohol is to be exported, will be entered on Form 1468-D, in addition to the other required data.*

§ 182.766 *Proceedings at port of export.* After the specially denatured alcohol has been duly laden on board the exporting vessel, car, or truck, and cleared the port of export, the collector of customs shall execute the certificate of clearance on Form 1545, and return the form to the district supervisor.* (Sec. 3109, I.R.C.)

§ 182.767 *Proof of landing.* Every person exporting specially denatured alcohol shall submit evidence satisfactory to the district supervisor that the specially denatured alcohol described in Form 1545 has been landed at a port outside the jurisdiction of the United States. The provisions of §§ 182.604 to 182.609, inclusive, relative to the submission of proof of landing in the case of exportation of undenatured alcohol, are hereby made applicable to the submission of proof of landing of specially denatured alcohol exported.* (Sec. 3109, I.R.C.)

§ 182.768 *Shipments to the Philippine Islands, Puerto Rico, the Panama Canal Zone, Guam, American Samoa, and the Virgin Islands.* The provisions of these regulations relating to the exportation of specially denatured alcohol to foreign countries and the forms prescribed shall apply to like removals and shipments to the Philippine Islands, Puerto Rico, the Panama Canal Zone, Guam, American Samoa, and the Virgin Islands.* (Secs. 3341 (b), 3361 (b), I.R.C., Supp.)

§ 182.769 *Shipments to Hawaii and Alaska, other American possessions, protectorates, etc.* Specially denatured alcohol shipped to Hawaii and Alaska or other possessions or protectorates of the United States shall be governed by the provisions of these regulations respecting transactions within the continental limits of the United States.* (Secs. 3070, 3108 (a), 3109, 3114 (a), I.R.C.)

*Samples by Proprietor*

§ 182.770 *Procedure.* The proprietor of a denaturing plant may be permitted to take such samples of ethyl alcohol, specially denatured alcohol, and completely denatured alcohol as may be necessary for the proper conduct of his business. The procedure outlined in §§ 182.394 to 182.399 insofar as applicable shall apply to the taking of samples in a denaturing plant.*

*Losses of Ethyl Alcohol*

§ 182.771 *Remission of tax.* Under the law, the tax on alcohol lost by evaporation or other shrinkage, leakage, casualty, or unavoidable cause at a denaturing plant, or in transit thereto, may be remitted by the Commissioner, provided he is satisfied that such alcohol has not been diverted to any illegal use, and the proprietor is not indemnified against such loss by valid claim of insurance.* (Sec. 3113, I.R.C.)

§ 182.772 *Losses from storage tanks.* Losses sustained from storage tanks will be determined by physical inventory of such tanks at the close of each month and the loss reported on Form 1468-A. Where the quantity lost from storage tanks exceeds 1 per cent of the total quantity contained in such tanks during the month, claim for remission of tax on the entire quantity lost from the tanks will be made by the proprietor. If the loss does not exceed 1 per cent, so calculated, claim for remission of tax will not be required, provided there are no circumstances indicating that the alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.773 *Losses from packages.* Losses sustained from packages in denaturing plants will be determined when the packages are dumped for denaturation, and the loss will be reported on Form 1468-A at that time. Where the quantity lost from any package exceeds 1 per cent in the case of metal packages, or 3 per cent in the case of wooden packages, of the quantity originally contained therein, claim for remission of tax on the entire quantity lost from the package will be made by the proprietor. If the loss does not exceed 1 per cent, or 3 per cent, so calculated, claim for remission of tax will not be required, provided there are no circumstances indicating that the alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.774 *Losses in transit.* Losses in transit to denaturing plants must be determined at the time alcohol is received at the denaturing plant, and the loss reported on Form 1468-A. Where the quantity lost from any tank car or package exceeds 1 per cent of the quantity shipped therein, claim for remission of tax on the entire quantity lost from the package will be made by the proprietor. If the loss does not exceed 1 per cent, so calculated, claim for remission of tax will not be required, provided there are no circumstances indicating that the alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

*Losses of Ethyl Alcohol and Specially Denatured Alcohol by Theft, Casualty, etc.*

§ 182.775 *Losses by theft, casualty, etc.* Losses of ethyl alcohol or specially denatured alcohol by theft or casualty, or any other extraordinary or unusual losses, will be determined at the time the loss occurs, or is discovered, and the loss will be entered on Form 1468-A or Form 1468-E, as the case may be. Report of the loss will be made by the proprietor to the district supervisor immediately. Claim for remission of tax or allowance for all such losses, regardless of the percentage of loss, will be made by the proprietor.* (Sec. 3113, I.R.C.)

*Losses of Restored Alcohol*

§ 182.776 *General.* Losses of restored alcohol (redistilled, recovered denatured alcohol) will be included in the losses of ethyl alcohol.* (Sec. 3113, I.R.C.)

*Losses of Specially Denatured Alcohol*

§ 182.777 *Allowance for losses.* Losses of specially denatured alcohol from storage tanks will be determined by physical inventory of such tanks at the close of each month. Losses from packages will be determined at the time the packages are removed for shipment. All losses will be reported on Form 1468-E for the month in which they are discovered. Where the quantity lost exceeds 1 per cent of the quantity of specially denatured alcohol on hand at the denaturing plant during the month, claim for allowance of the entire quantity lost will be made by the proprietor. If the loss does not exceed 1 per cent, as calculated, claim for allowance will not be required, provided there are no circumstances indicating that the specially denatured alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

*Claims*

§ 182.778 *General.* Claims for remission of tax or allowance for losses of ethyl alcohol and specially denatured alcohol, reports of losses by storekeeper-gaugers, investigations of losses and examination of claims by district supervisors, will be made in accordance with the procedure prescribed by §§ 182.637 to 182.640, inclusive, relative to losses at bonded warehouses.* (Sec. 3113, I.R.C.)

§ 182.779 *Distillates.* No allowance can be made under section 2901 (a), I.R.C., or any other provisions of law, for losses of distillates containing one-half of 1 per cent or more of aldehydes or 1 per cent or more of fusel oil by leakage or evaporation occurring during transportation to a denaturing plant or while stored in such plant prior to denaturation. Tax will be collected on all losses unless the same are shown to be due to destruction by accidental fire or other casualty while in transit and the tax is remitted under section 2901 (c), I.R.C.

The liability of the distiller to tax on such distillates removed for denaturation shall continue until they have been deposited in the denaturing plant.* (Sec. 2916, I.R.C.)

*Registry of Still "For Use" and "Not for Use"*

§ 182.780 *Registry on Form 26.* Every denaturer having in his possession or custody, or under his control, stills set up, must register the same with the district supervisor. If he intends to use the still, he must register it "For use," and when he intends to discontinue use of the still he must register it "Not for use," in accordance with the procedure outlined in § 182.532.* (Sec. 2810 (a), I.R.C., Supp.)

*Records and Reports of Proprietor*

§ 182.781 *General.* The proprietor of every denaturing plant shall render daily reports on Forms 1466, 1467, 1453-A, and 1473, and shall keep monthly records on Forms 129 and 1468-A, B, C, D, E, and F, as hereinafter provided. All of the information called for in each form, as indicated by the headings of the columns and lines of the form and the instructions printed thereon or issued in respect thereto, and as required by these regulations, will be given. The requirements of §§ 182.455, 182.459, and 182.461, relative to the keeping, signing, and filing of reports by proprietors of industrial alcohol plants are hereby made applicable to the keeping, signing, and filing of reports by proprietors of denaturing plants: *Provided,* That daily reports need not be sworn to.* (Sec. 3070, I.R.C.)

§ 182.782 *Form 1466.* Each day alcohol is denatured, the proprietor shall prepare a report on Form 1466, in duplicate, of all alcohol and denaturants used and denatured alcohol produced. When alcohol is denatured by more than one formula or more than one lot of alcohol is denatured on the same day, each denaturation will be reported separately on the form, with a blank line between each formula or lot. At the close of the day (or not later than noon of the following business day, when the forms cover operations near the close of the day), the proprietor will deliver both copies of the form to the storekeeper-gauger.* (Sec. 3070, I.R.C.)

§ 182.783 *Form 1467.* When packages are filled with denatured alcohol, the proprietor will prepare a report on Form 1467, in duplicate, giving the details of the packages. Separate sheets will be used for each formula. At the close of the day (or not later than noon of the following business day, when the forms cover operations near the close of the day), the proprietor will deliver both copies of the form to the storekeeper-gauger.* (Sec. 3070, I.R.C.)

§ 182.784 *Disposition of Forms 1466 and 1467.* The storekeeper-gauger shall examine the Forms 1466 and 1467 delivered to him by the proprietor, and, if he finds the forms to be complete and correct in every respect, he shall initial each form and forward one copy of each to the district supervisor, and return the other copies to the proprietor, who shall file them, in bound form, as a permanent record available for inspection by Government officers at any reasonable time. The Forms 1466 and 1467 shall be filed in separate files, in chronological order, and, in the case of Form 1467, by serial numbers of the packages.* (Sec. 3070, I.R.C.)

§ 182.785 *Form 1453-A.* When specially denatured alcohol is shipped to the United States or a governmental agency thereof, the proprietor will prepare one copy of Form 1453-A and deliver it to the storekeeper-gauger, who will check the form with the records and permit, and, if found to agree therewith, he will initial the form and forward it to the Government officer to whom the specially denatured alcohol is consigned. Upon receipt of the specially denatured alcohol, the receiving Government officer will execute the certificate of receipt on the form, after noting thereon any deficiency in the quantity received, and forward it to the district supervisor specified at the bottom of the form.* (Sec. 3070, I.R.C.)

§ 182.786 *Form 1473.* When specially denatured alcohol is shipped from the denaturing plant, the proprietor will prepare Form 1473 reporting the shipment. One copy of the form will be made for intradistrict shipments, and two copies for interdistrict shipments. Where the proof of the alcohol used in producing specially denatured alcohol is other than 190 degrees of proof, the proof must be shown on Form 1473. Where shipments are made in tank cars, or consist of barrels or drums in carload lots, the name of the railroad and number of the car, together with the routing, shall be entered on the form. The consignor shall not change the routing without giving prompt notice of such action to the district supervisor of his district, and if shipment is made to another district, to the district supervisor of such district.

(a) *Disposition of forms.* Immediately upon shipment, the proprietor will deliver all copies of Form 1473 to the storekeeper-gauger, who will check the forms with the records and permits, and if found to agree therewith, he will initial the forms, and, on the same day, forward one copy to the district supervisor of the district in which the denaturing plant is located and, if shipments are made to another district, one copy to the district supervisor of such district.

(b) *Intradistrict shipments.* Where shipment is made to a consignee located in the same district as the denaturing plant, the district supervisor will check Form 1473 with the monthly reports of the consignor and the consignee, and, if receipt of the shipment is duly reported by the consignee and the form agrees with the consignor's monthly report, the district supervisor will initial Part II of the form.

(c) *Interdistrict shipments.* Where shipment is made to another district, the district supervisor of the consignee's district will check Form 1473 with the consignee's monthly report, and, if receipt of the shipment is duly reported, he will execute Part III of the form and forward it to the district supervisor of the district from which the alcohol was shipped, who will check the receipted form with the consignor's monthly report, and, if found to agree therewith, he will initial Part II of the form.

(d) *Nonreceipt of shipment.* When specially denatured alcohol is not received within a reasonable time after shipment, or where any material or unexplained difference exists between the kind and quantity shipped and that received, or where there is reasonable ground to suspect that the specially denatured alcohol has been or will be used for purposes other than those authorized by the consignee's permit and by the law and regulations, the district supervisor shall investigate each case and take appropriate action in respect thereto.* (Sec. 3070, I.R.C.)

§ 182.787 *Forms 129 and 1468-A, B, C, D, E, and F.* The proprietor shall keep a monthly record on Forms 129 and 1468-A, B, C, D, E, and F, in triplicate, of all alcohol and denaturants used for denaturation, and removed (either before or after denaturation) during the month, and on hand the first and last of the month. Entries will be made on the forms on the day on which the transactions occur, except that summary entries will be made at the close of the month.

(a) *Denaturants.* The details of all denaturants received, including the tanks in which the denaturants are dumped, the taking of samples for analysis, and the chemist's report thereon, will be entered on Form 129. The quantities of denaturants used in each denaturation will be entered on Form 1468-B, according to formula. At the close of the month, the quantities of denaturants received and used or removed during the month will be summarized and entered on Form 1468-C; denaturants received being summarized from Form 129 and entered according to kind, and denaturants used being summarized from Form 1468-B and entered according to both kind and formula.

(b) *Ethyl alcohol.* All ethyl alcohol received, used for denaturation, or withdrawn for shipment prior to denaturation, will be entered on Form 1468-A. At the close of the month, the quantities of alcohol used for denaturation will be summarized by formula and entered on the form.

(c) *Denatured alcohol.* Denatured alcohol produced, transferred to packages, or withdrawn for shipment during the month, will be entered on the Form 1468-D by date and formula. On shipments of completely denatured alcohol, the complete address of the person to whom the alcohol is shipped or delivered shall be entered on Form 1468-D, in addition to the other information required by these regulations. At the close of the month, the entries on Form 1468-D will be summarized on Form 1468-E.

(d) *Recovered alcohol.* All recovered alcohol received for restoration and/or redenaturation will be entered on Form 1468-F. When recovered alcohol is restored, entry thereof will be made on Form 1468-F, and if the restored alcohol requires redenaturation, the quantities of restored alcohol will be transferred from Form 1468-F to Form 1468-A, and

the redenaturation of the restored alcohol will be reported on Forms 1468-A, B, C, D, and E. When recovered alcohol is redenatured without restoration, the recovered alcohol will likewise be transferred from Form 1468-F to Form 1468-A, and the redenaturation reported on Forms 1468-A, B, C, D, and E. Forms 1468-F need not be rendered for denaturing plants which do not receive recovered alcohol for restoration and redenaturation.

(e) *Disposition of forms.* The proprietor will deliver all three copies of the forms, duly subscribed and sworn to (except Forms 1468-B and 1468-D), to the storekeeper-gauger on or before the 10th day of the month succeeding that for which the forms are rendered. The storekeeper-gauger will examine the forms, and if they are complete in every respect, and if the quantities of denaturants received and shipped out, the shipment of completely denatured alcohol, the quantities of recovered alcohol restored and the losses in restoration, and the quantities on hand last of month are all correctly reported, he will initial all copies of the forms, return one copy of each form to the proprietor, and forward two copies of each form to the district supervisor. The district supervisor, in his discretion, may extend (to the 10th day of the month) the time for delivering the monthly reports, Forms 1442, 1452-A and 1452-B, 1454, 1468, 1443-A and 1443-B, for the industrial alcohol plant and bonded warehouse on the denaturing plant premises, in order that all of the monthly reports for the same premises may be submitted together.

(f) *Filing of forms.* The proprietor shall file Forms 129 and 1468-A, B, C, D, E, and F, together in chronological order by months and in bound form, as a permanent record available for inspection by Government officers at any reasonable time. All of the forms comprising each month's report shall be filed together in the file.* (Secs. 3070, 3121 (c), I.R.C.)

§ 182.788 *Filing of Forms 1440 and 1520.* The proprietor shall file all Forms 1440 and 1520 covering alcohol and distillates, respectively, received at the denaturing plant, in separate files in chronological order, according to dates of receipt, and in bound form, as permanent records, available for inspection by the Government officers at any reasonable time.* (Secs. 3070, 3121(c), I.R.C.)

*Audit of Reports*

§ 182.789 *Audit by district supervisor.* The district supervisor will, after audit of Forms 129, and 1468-A, B, C, D, E, and F, and not later than the last day of the month succeeding that for which the reports are rendered, forward one copy of each form to the Commissioner with the district supervisor's monthly report of denatured alcohol, Form 1489, as provided in § 182.966.*

*Change in Proprietorship, Name, Trade Name, etc.*

§ 182.790 *Procedure.* When there is a change in proprietorship, the persons interested in the business, or a change in the individual, firm, or corporate name, trade name or style, compliance must be had with the provisions of §§ 182.650 to 182.652, inclusive.*

SALE AND USE OF COMPLETELY DENATURED ALCOHOL

*General*

§ 182.791 *Sale and use.* Completely denatured alcohol may be sold and used for any lawful purpose. Dealers in and manufacturers using (but not recovering for reuse) completely denatured alcohol are not required to obtain a permit under these regulations. Manufacturers using completely denatured alcohol and recovering the same for reuse, must file bond and procure permit in accordance with §§ 182.883-182.896.* (Secs. 3070, 3109, I.R.C.)

§ 182.792 *Containers.* Except in the case of containers of not over one wine gallon capacity, and as provided in § 182.728 (a), all completely denatured alcohol procured, possessed, sold, used, or otherwise disposed of by such dealers and manufacturers must be in the denaturer's original packages bearing all the marks required by these regulations, and in the case of packages of more than 5 wine gallons capacity, with seals intact: *Provided,* That the seals on such number of packages, as may be necessary for ordinary business requirements, may be broken in order to permit legitimate sale or use.* (Secs. 3070, 3109, I.R.C.)

§ 182.793 *Labels.* Each package of completely denatured alcohol containing 5 wine gallons or less sold or offered for sale by a dealer must have affixed thereto a label on which shall be printed in plain legible letters (red on white) the words "Completely Denatured Alcohol" and the following statement:

Completely denatured alcohol; contains ingredients which render the product wholly unfit for beverage purposes; if taken internally will cause serious consequences to health.

* (Secs. 3070, 3109, I.R.C.)

§ 182.794 *Repackaging by dealers.* Dealers may transfer completely denatured alcohol from denaturer's original packages to smaller packages of not exceeding 1 wine gallon capacity, provided the packages so filled are labeled or marked as required in § 182.793 and with the name and address of the dealer. The word "pure" qualifying completely denatured alcohol will not be permitted to appear on any label or container of completely denatured alcohol, and no other extraneous matter will be permitted on such containers without the express authority of the Commissioner.* (Secs. 3070, 3109, I.R.C.)

§ 182.795 *Advertising.* Dealers may not advertise by means of signs, posters, etc., in or about their places of business that "alcohol" is for sale, without the qualifying words "denatured" or "completely denatured." Inasmuch as such advertising menaces the health and lives of persons who might be misled into believing that the alcohol is pure, district supervisors shall instruct all field officers under their direction to warn proprietors of garages, paint shops, and hardware stores, and other retail dealers in denatured alcohol found guilty of such practice, to discontinue immediately the same, and that any failure to do so will render the completely denatured alcohol subject to seizure and the dealer to prosecution.* (Secs. 3070, 3109, I.R.C.)

§ 182.796 *Records.* Dealers and manufacturers receiving, storing, selling, or using as much as 11 drums or barrels (550 wine gallons) of completely denatured alcohol in a calendar month must keep such records of the receipt, storage, and disposition of such completely denatured alcohol, including the symbol, if any, and serial numbers on the packages, as will enable any Government officer to trace such receipts, storage, and disposals: *Provided,* That on sales in quantities of less than 5 wine gallons, only the total quantity so disposed of daily need be recorded. Such records must at all times during regular business hours be open to inspection by Government officers and must be kept complete and up-to-date for a period of three years. No particular form of record is prescribed, but the data herein required must be readily ascertainable from the records kept by the dealer or manufacturer.* (Secs. 3070, 3109, 3121 (c), I.R.C.)

§ 182.797 *Destruction of marks and brands.* Dealers and manufacturers must not destroy or in anywise alter or disturb any of the marks or labels required to be placed on packages containing completely denatured alcohol until such alcohol has been entirely removed from the packages. When the packages have been emptied, all of the marks and brands, except the embossed symbol and serial number on packages of over 5 wine gallons capacity, must be immediately completely obliterated, as required by § 182,742.* (Sec. 2866, I.R.C.)

*Proprietary Anti-freeze Solutions*

§ 182.798 *Manufacture of proprietary anti-freeze solutions.* Proprietary anti-freeze solutions may be made with completely denatured alcohol for sale under trade names: *Provided,* That materials such as dye, rust inhibitor, petroleum distillates, etc., satisfactory to the Commissioner are added to the completely denatured alcohol in sufficient quantities to materially change the composition and character of the completely denatured alcohol. Such solutions are not classified as completely denatured alcohol and may not be marked, branded, or sold as completely denatured alcohol. Completely denatured alcohol may not be obtained in tank cars for use in manufacturing proprietary anti-freeze solutions except by producers of denatured alcohol.* (Secs. 3070, 3109, 3111, I.R.C.)

§ 182.799 *Formula and sample.* Manufacturers desiring to produce proprietary anti-freeze solutions with completely denatured alcohol are required to submit to the Commissioner quantitative formula on Form 1479-A, in quadruplicate, duplicate samples prepared in accordance with the proposed formula, and labels and advertising matter for each solution,

in conformity with the provisions of §§ 182.147, 182.149, and 182.150. After examination of the samples and proposed formulas, all copies of Form 1479-A for each preparation will be marked "approved" or "disapproved," as the case may be, by the Commissioner. One copy will be retained by the Commissioner and three copies forwarded to the district supervisor, who shall retain one copy for his files, furnish the branch laboratory performing the laboratory duties for the district with one copy, and forward the third copy to the manufacturer. Both sets of the samples will be retained by the Commissioner, one of which will be furnished to the branch laboratory when needed.* (Secs. 3070, 3109, 3111, I.R.C.)

§ 182.800 *Containers in excess of 5 gallons.* Containers of proprietary anti-freeze solutions made with completely denatured alcohol containing more than 5 wine gallons shall be of metal only, and shall have embossed thereon an identifying symbol of the manufacturer and a serial number, in the same manner as required in § 182.727 for packages of completely denatured alcohol. The provisions of § 182.727 relative to embossed packages for completely denatured alcohol shall also apply to embossed packages for proprietary anti-freeze solutions made with completely denatured alcohol. Such containers shall also be marked by stenciling or otherwise with the trade name under which the product is sold, the name and address of the manufacturer or the name and address of the distributor.* (Sec. 3070, I.R.C.)

§ 182.801 *Packages containing 5 wine gallons or less.* Manufacturers may package proprietary anti-freeze solutions in containers of 5 wine gallons or less for sale under their names or under the names of dealers. Such containers shall be marked or labeled to show the name and address of the manufacturer, or the name and address of the dealer and the identifying symbol of the manufacturer.* (Sec. 3070, I.R.C.)

§ 182.802 *Prohibited containers.* Proprietary anti-freeze solutions may not be shipped in tank cars, tank trucks, tank wagons, or packages exceeding 55 wine gallons in capacity, except when shipped in tank cars by manufacturers to themselves at another location for packaging thereat in accordance with these regulations.* (Sec. 3070, I.R.C.)

§ 182.803 *Change in packages by dealers.* Dealers may repackage proprietary anti-freeze solutions in containers having a capacity of not more than 5 wine gallons, provided they are marked or labeled to show the name and address of the dealer and the identifying symbol of the manufacturer.* (Sec. 3070, I.R.C.)

§ 182.804 *Reuse of containers prohibited.* Packages having a capacity of more than 5 wine gallons into which proprietary anti-freeze has once been placed by a manufacturer may not, after such solution has been removed therefrom, be again used as containers for such a product.* (Sec. 3070, I.R.C.)

§ 182.805 *Records of sales and receipts.* Manufacturers of and dealers in proprietary anti-freeze solutions shall, if the quantity produced, received, or sold is 11 barrels or drums (not exceeding 550 wine gallons) or more of the proprietary anti-freeze solution in a period of 30 days keep such records of the production, receipt, and disposition of such proprietary anti-freeze solutions, including the symbol and serial number (if any) on the package, as will enable any Government officer to trace such receipts, storage, and disposals, and such records must at all times during regular business hours be open to inspection by Government officers: Provided, That where sales are made in quantities of less than 5 wine gallons, such records will be required to show only the total quantity disposed of daily in this manner.* (Secs. 3070, 3121 (c), I.R.C.)

OPERATIONS BY DEALERS IN SPECIALLY DENATURED ALCOHOL

*Procurement of Specially Denatured Alcohol*

§ 182.806 *Application and withdrawals permit, Form 1477*—(a) *Application.* Where a bonded dealer holding basic permit, Form 1476, desires to procure denatured alcohol under said permit, he shall file application on Part I of Form 1477, in duplicate, with the district supervisor for withdrawal permit to procure specially denatured alcohol. He shall state on his application the names, registry numbers (in the case of denaturing plants) or basic permit numbers (in the case of dealers in specially denatured alcohol) and addresses of the denaturing plants or bonded dealers from which he proposes to purchase specially denatured alcohol. The applicant shall also specify the total quantity, in wine gallons, of specially denatured alcohol to be withdrawn during the term of the withdrawal permit, and the quantity to be withdrawn during a calendar month, which amount shall not be in excess of one-twelfth (or similar proportionate quantity where the withdrawal permit is for a period of other than one year) of the total quantity to be withdrawn during the term of the withdrawal permit. Such quantities shall in no case exceed those specified in the applicant's basic permit, Form 1476, and where the withdrawal permit is for a period less than that covered by the applicant's basic permit, the total quantity shall be in proportion to the unexpired term of the basic permit. If withdrawals are to be made in drums or barrel lots, the application shall be in multiples of 55 wine gallons. The district supervisor may approve or disapprove the application in whole or in part, according to his findings as to the legitimate needs of the applicant.

(b) *Withdrawal permit.* If the application is approved by the district supervisor, he shall issue withdrawal permit on Part II of Form 1477. The permit shall specify the quantity that may be procured during any calendar month and the total quantity that may be procured during the period for which the withdrawal permit is issued. The total quantity authorized by the withdrawal permit shall not exceed that fixed in the basic permit, Form 1476, and the quantity that may be withdrawn during any calendar month shall not exceed one-twelfth of such quantity: *Provided,* That if the withdrawal permit, Form 1477, is issued for a period of less than 12 months, the quantity authorized to be withdrawn in any calendar month shall be in proportion to the period for which the withdrawal permit is issued; for example, if the withdrawal permit is issued for a period of 6 months, not over one-sixth of the total quantity specified therein may be withdrawn during a calendar month: *And provided further,* That where the withdrawal permit is issued for a period less than that covered by the applicant's basic permit, the total quantity authorized in the withdrawal permit shall be in proportion to the unexpired term of the basic permit. The withdrawal permit shall specify the date when the same shall be available for withdrawal purposes. The district supervisor will forward the original copy of the withdrawal permit to the permittee and will retain the duplicate copy for his files. If any denaturer or bonded dealer named as vendor in the withdrawal permit is located in another supervisory district, a copy of the withdrawal permit and any renewals or amendments thereof, will be prepared on the prescribed form and transmitted by the district supervisor issuing the same to the district supervisor of the district from which shipments are to be made.

(1) *Withdrawals under permit.* When the bonded dealer desires to procure specially denatured alcohol, he will forward the original of the withdrawal permit to the denaturer or bonded dealer named therein from whom he desires to procure the specially denatured alcohol. In the case of formulas with substitute denaturants, a certified copy of Form 1485, required by § 182.829 (b) (1), authorizing the use thereof, must be forwarded to the denaturer. Upon shipment, the denaturer or bonded dealer will enter the shipment on the withdrawal permit and return it to the bonded dealer, unless he has been authorized by the bonded dealer to retain the permit for the purpose of making future shipments. No specially denatured alcohol may be shipped by a vendor named in the withdrawal permit until such permit is in his possession. Except as provided in paragraph (e), further like shipments may be made under such permit during the term for which it is issued.

(2) *Excessive withdrawals.* Withdrawals must be so regulated by the bonded dealer that he will not have on hand, in transit, and unaccounted for during any calendar month more than the quantity of specially denatured alcohol so authorized by his basic permit, Form 1476.

(c) *Special permit.* Where a new bonded dealer qualifies within a calendar month a special withdrawal permit, Form 1477, should be issued for the proportionate quantity of specially denatured alcohol to which the bonded dealer may be entitled for the balance of the month, which permit shall be void at the end of such month and must be at once returned by the bonded dealer to the district supervisor.

(d) *Carrier to be furnished copy of Form 1477.* Where the specially denatured alcohol is to be delivered to the bonded dealer by a person other than the vendor, the bonded dealer shall procure from the district supervisor a certified copy (or copies, if delivery is to be made by more than one carrier), on the prescribed form, of the withdrawal permit, Form 1477, issued to him, and file the same with the delivering carrier's agent at destination. Application for such certified copy or copies shall be made by the permittee to the district supervisor by letter, specifying the name of the delivering carrier. Where such delivering carrier is known at the time Form 1477 is filed, the application should accompany such form.

(e) *Expiration or termination of permit.* Upon expiration of a withdrawal permit, it shall be returned to the district supervisor for cancellation. Where the withdrawal permit is in the possession of a vendor on the date of expiration, such vendor shall return it to the bonded dealer for surrender to the district supervisor. Should a basic permit, Form 1476, held by a bonded dealer to whom withdrawal permit, Form 1477, was issued, be terminated, surrendered, or revoked, each denaturer or bonded dealer named as vendor in such withdrawal permit, shall, upon notice from the district supervisor, make no further shipments thereunder, and if such withdrawal permit is in his possession, he shall return it to the district supervisor for cancellation.* (Secs. 3070, 3108 (a), 3109, 3114 (a), I.R.C.)

§ 182.807 *Application for renewal of withdrawal permit, Form 1477.* Application on Part I of Form 1477, for renewal of withdrawal permits must be submitted by the applicant to the district supervisor not less than one month prior to the date of expiration of the permit to be renewed, in order that the renewal permit may be issued and become available for withdrawals by the first day of the calendar month following the date of expiration of the permit to be renewed. Application for renewal of withdrawal permits shall be executed in conformity with § 182.806 (a).* (Sec. 3114 (a), I.R.C.)

§ 182.808 *Renewal of withdrawal permit, Form 1477.* Withdrawal permits on Part II of Form 1477 shall remain in force for the calendar year or for the term of the basic permit, Form 1476. A renewal permit must be procured for each year commencing with January 1, after the expiration of the original permit. The provisions of § 182.806 (b) shall be applicable to the issuance of renewal permits.* (Sec. 3114 (a), I.R.C.)

§ 182.809 *Quantity procurable under withdrawal permits.* In procuring specially denatured alcohol the bonded dealer shall deduct the quantity of specially denatured alcohol on hand, in transit, and unaccounted for from the quantity procurable under the withdrawal permit during the calendar month, and give his order for an amount not exceeding the available balance. For this purpose, specially denatured alcohol shall be deemed to be unaccounted for when disposed of otherwise than as provided in these regulations. Failure on the part of bonded dealers to observe the foregoing requirements concerning withdrawals will be regarded as sufficient ground for citation for revocation of their basic permits.* (Secs. 3070, 3108 (a), 3109, 3114 (a), I.R.C.)

*Receipt of Specially Denatured Alcohol*

§ 182.810 *In original packages.* Specially denatured alcohol received on the premises of a bonded dealer in portable containers may not be transferred to other portable containers except as provided in § 182.812.* (Sec. 3070, I.R.C.)

§ 182.811 *Railroad tank cars.* If the bonded dealer receives specially denatured alcohol in railroad tank cars, railroad siding facilities for the receipt of such tank cars must be provided at the bonded dealer's premises. The denatured alcohol received in tank cars must be immediately deposited in storage tanks constructed in conformity with the provisions of § 182.102. When so deposited, the formula of the denatured alcohol shall be plainly marked on the storage tank.* (Sec. 3070, I.R.C.)

*Filling of Packages by Bonded Dealers*

§ 182.812 *When permissible.* Bonded dealers who receive specially denatured alcohol in tank cars and transfer the same to storage tanks in their storerooms, as provided in § 182.811, may fill packages of such specially denatured alcohol. Bonded dealers may also fill packages of specially denatured alcohol from denaturers' original packages where such original packages have been so damaged in transit as to necessitate repackaging, or where, upon receipt of approved Form 1477, Form 1485, Form 1486, or Form 1512, it is necessary to fill smaller packages for sale to authorized permittees in quantities less than the contents of the denaturer's original package, and specially denatured alcohol of the formula desired is not available in storage tanks for the filling of such packages.

(a) *Marks and brands.* When packages of specially denatured alcohol are filled by a bonded dealer either from storage tanks or from denaturers' original packages, the bonded dealer will accurately determine the contents of each package, and mark thereon, plainly and durably, the word "Specially denatured alcohol," name of the bonded dealer, his permit number and State, the formula number, and must otherwise mark the packages as in the case of denaturers' original packages, as prescribed in §§ 182.733 to 182.740, inclusive. Each package must be numbered in serial order commencing with number 1.

(b) *Destruction of marks and brands.* The marks and brands required to be placed on packages containing specially denatured alcohol must not be destroyed or in anywise disturbed until such denatured alcohol has been entirely removed from the packages. When the packages have been emptied, all the marks and brands must be at once completely obliterated by painting or otherwise, in conformity with the provisions of § 182.742.* (Secs. 2808, 2866, 3070, I.R.C.)

*Disposition of Specially Denatured Alcohol*

§ 182.813 *Sale.* Specially denatured alcohol may be sold by bonded dealers holding basic permit, Form 1476, to manufacturers using specially denatured alcohol, and to other bonded dealers in specially denatured alcohol, pursuant to withdrawal permit, Form 1485 or Form 1477, as the case may be. Bonded dealers may also furnish samples of specially denatured alcohol to manufacturers, other bonded dealers, and to prospective permittees pursuant to sample permit, Form 1512: *Provided,* That in the case of samples, where the quantity involved in any case does not exceed 8 fluid ounces, permit, Form 1512, will not be required. Sales of specially denatured alcohol may also be made to the United States or governmental agencies thereof pursuant to permit, Form 1486. The provisions of § 182.754, respecting sales of specially denatured alcohol by denaturers, are hereby made applicable to sales of specially denatured alcohol by bonded dealers. Specially denatured alcohol sold by bonded dealers must be transported in accordance with § 182.677. Record and report of such transactions shall be reported on Form 1478, as provided in § 182.822.* (Secs. 3070, 3109, 3114 (a), I.R.C.)

§ 182.814 *Exportation of specially denatured alcohol.* Bonded dealers desiring to export specially denatured alcohol shall file application on Part I of Form 1545, in triplicate, with the district supervisor for permit so to do, and the provisions of §§ 182.755 to 182.769 shall apply to exportations of specially denatured alcohol by bonded dealers holding basic permit, Form 1476.* (Sec. 3109, I.R.C.)

§ 182.815 *Destruction or other disposition.* Specially denatured alcohol in the possession of a bonded dealer may upon the approval of the district supervisor be destroyed or disposed of to the proprietor of a denaturing plant because of unsalability or other legitimate reason, in accordance with the provisions of §§ 182.867 to 182.869, inclusive. Notations concerning the destruction or disposition of specially denatured alcohol shall be made on Form 1478.*

*Losses of Specially Denatured Alcohol*

§ 182.816 *Losses in transit.* Losses in transit to bonded dealer's premises must be ascertained at the time the specially denatured alcohol is received by the bonded dealer. Accordingly, when packages or tank cars are received which show evidence of having sustained a loss in transit the bonded dealer should determine the extent of the loss at that time. The quantity ascertained to have been lost will be reported on Form 1478 on the line on which receipt of the shipment is reported, and in the column provided therefor. Where the quantity lost from any package or tank car exceeds 1 per cent of the quantity originally contained

therein, claim for allowance of the entire quantity lost from the package or tank car will be made by the bonded dealer. If the loss does not exceed 1 per cent, so calculated, claim for allowance will not be required, provided there are no circumstances indicating that the specially denatured alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.817 *Losses at bonded dealer's premises.* Losses of specially denatured alcohol from storage tanks will be determined by physical inventory of such tanks at the close of each month. Losses, if any, from packages will be determined at the time the packages are removed for shipment. All losses will be reported on Form 1478 by the bonded dealer for the month in which they are discovered. Where the quantity lost exceeds 1 per cent of the quantity of specially denatured alcohol on hand at the bonded dealer's premises during the month, claim for allowance of the entire quantity lost will be made by the proprietor. If the loss does not exceed 1 per cent, so calculated, claim for allowance will not be required, provided there are no circumstances indicating that the specially denatured alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.818 *Claims.* Claims for allowance of losses of specially denatured alcohol at a bonded dealers' premises will be made in accordance with the procedure prescribed in §§ 182.637 to 182.640, inclusive, relative to losses at bonded warehouses.* (Sec. 3113, I.R.C.)

*Records and Reports of Bonded Dealers*

§ 182.819 *General.* Every person holding basic permit, Form 1476, shall keep records and render reports as hereinafter provided. Entries shall be made as indicated by the headings of the various columns and lines and in accordance with the instructions on the form and as set forth in these regulations. The provisions of §§ 182.455, 182.459, and 182.461, relative to the keeping, signing, and filing of reports by proprietors of industrial alcohol plants are hereby made applicable to the keeping, signing, and filing of reports by bonded dealers holding basic permit, Form 1476.* (Sec. 3070, I.R.C.)

§ 182.820 *Form 1453-A.* Bonded dealers in specially denatured alcohol when shipping specially denatured alcohol to the United States or a governmental agency thereof will execute Part I of Form 1453-A, and forward it to the Government officer to whom the specially denatured alcohol is consigned. Details concerning such specially denatured alcohol will be entered on the form in accordance with the headings of the columns thereon.* (Sec. 3070, I.R.C.)

§ 182.821 *Form 1473.* The provisions of § 182.786 relating to the execution and disposition of Form 1473, when specially denatured alcohol is shipped, are hereby extended to and made applicable to dealers in specially denatured alcohol. At the close of the day the bonded dealer shall forward one copy of each Form 1473 to the district supervisor of the district in which the bonded dealer is located, and one copy to the district supervisor of the district in which the consignee is located, if in another district.* (Sec. 3070, I.R.C.)

§ 182.822 *Record, Form 1478.* Every bonded dealer holding permit to deal in specially denatured alcohol must keep Form 1478, in triplicate, covering his transactions for each month. One copy of the form shall be retained by the bonded dealer and the two remaining copies must be forwarded by the bonded dealer on or before the 5th day of the succeeding month to the district supervisor. There will be entered daily the detail of all specially denatured alcohol received and when received from a denaturing plant, the number of such plant shall be entered in the column provided therefor. The amount of specially denatured alcohol lost from each lot in transit to the bonded dealer's storeroom will be entered in the proper column on the same line with the quantity reported received in such lot. The quantities reported lost in transit will not be included in the losses in the storeroom reported in the summary. Details will be entered daily of all specially denatured alcohol disposed of to manufacturers or other bonded dealers or any other disposition of such specially denatured alcohol. The number of the basic permit of the manufacturer or bonded dealer to whom specially denatured alcohol is shipped shall also be appropriately entered. Where several packages are shipped or delivered on the same day to the same person, the aggregate quantity so shipped or delivered may be stated on one line.

(a) *Special entries.* If specially denatured alcohol is destroyed on the premises of a bonded dealer, notation of such destruction shall be entered on Form 1478, giving the date and manner of destruction, and, if supervised, the name of the officer supervising the destruction, and the quantity, formula number, etc., shall also be stated.

(b) *Summary.* Details of the summary shall be entered on Form 1478 in accordance with the information required by the lines thereof and the instructions on the form.* (Sec. 3070, I.R.C.)

§ 182.823 *Audit of reports.* Upon receipt of Form 1478 from the bonded dealer, the same shall be audited by the district supervisor and one copy thereof forwarded to the Commissioner with the district supervisor's monthly report, Form 1489. The district supervisor shall use the information reported on Form 1478 in compiling data for his monthly report, Form 1489, required by § 182.966.*

*Change in Proprietorship, Name, Etc.; Discontinuance of Sale*

§ 182.824 *Procedure*—(a) *Change in proprietorship, name, etc.* Where there is a change in proprietorship, or in the persons interested in the business, or in the individual, firm, or corporate name, trade name or style, or in the location of the premises, etc., procedure similar to that prescribed in §§ 182.650 to 182.652, inclusive, will be followed insofar as applicable.

(b) *Discontinuance of sale.* When the sale of specially denatured alcohol is discontinued, the bonded dealer shall give notice thereof in writing, in triplicate, to the district supervisor and shall surrender to the district supervisor his basic and withdrawal permits. Any specially denatured alcohol remaining on hand at the time of such discontinuance, which it is impractical to dispose of to manufacturers or other bonded dealers, pursuant to withdrawal permit in accordance with these regulations, may be returned to a denaturing plant in accordance with the procedure prescribed in § 182.868, upon the filing of consent of surety on the bond of the dealer, extending the terms thereof to cover the transportation of the specially denatured alcohol to the denaturing plant; or the specially denatured alcohol may be destroyed in accordance with the procedure prescribed in § 182.867. When all specially denatured alcohol remaining on hand at the time of discontinuance has been properly disposed of, as herein provided, the district supervisor will approve the notice of discontinuance, noting thereon the disposition made of such specially denatured alcohol, retain one copy of the notice for his files, and forward one copy to the Commissioner and one copy to the bonded dealer.*

OPERATIONS BY USERS OF SPECIALLY DENATURED ALCOHOL

*Procurement of Samples*

§ 182.825 *Who may procure.* Samples of specially denatured alcohol may be procured by manufacturers holding permits to use specially denatured alcohol and by applicants or prospective applicants for such permits, as hereinafter provided:

(a) *Permittees.* Manufacturers holding permits to use specially denatured alcohol may procure samples of such alcohol in advance of sales, or for experimental purposes, in quantities of not more than 5 wine gallons. In exceptional cases, when the necessity for the withdrawal of samples exceeding 5 wine gallons is clearly shown, the district supervisor may authorize withdrawals in excess of such quantity.

(b) *Applicants for permits.* Applicants or prospective applicants for permits to use specially denatured alcohol may procure a sufficient quantity of such alcohol, not exceeding 5 wine gallons, of the particular formula desired, for experimental purposes or with which to prepare the necessary samples of finished product for submission to the Commissioner. Withdrawal of larger quantities for such purposes will be permitted by district supervisors only in exceptional cases where the necessity for the withdrawal of more than 5 wine gallons is clearly established.* (Secs. 3070, 3108 (a), 3109, 3114 (a), I.R.C.)

§ 182.826 *Application for permit.* Application for withdrawal of samples of specially denatured alcohol in excess of 8 fluid ounces shall be made on Part I of Form 1512, in duplicate, to the district supervisor of the applicant's district. All of the information called for in the application shall be supplied. The pur-

pose for which the sample is desired must be stated explicitly. Samples of 8 fluid ounces or less may be procured by permittees and applicants or prospective applicants for permits without the necessity of filing application and procuring permit therefor.* (Sec. 3114 (a), I.R.C.)

§ 182.827 *Permit.* If the applicant or prospective applicant is entitled to a permit under § 182.825, and the quantity and formula are appropriate for the purpose for which the sample is desired, the district supervisor will issue permit on Part II of the Form 1512, and send one copy to the applicant for forwarding to the vendor named in the application. The remaining copy of the permit will be retained by the district supervisor.

(a) *Numbering of permits.* District supervisors will give each permit issued by them on Form 1512 a serial number, beginning with number one and preceded by the letter "S" for the first permit issued, as S-1, S-2, etc. When permit is issued on Form 1512 to a manufacturer holding basic permit on Form 1481 to use specially denatured alcohol, the district supervisor will insert the serial number of the basic permit immediately beneath the serial number of the sample permit, as

$$\frac{\text{S-1}}{\text{SDA-NY-578}}, \frac{\text{S-1}}{\text{SDA-NY-302}}, \text{etc.}$$

* (Sec. 3114 (a), I.R.C.)

§ 182.828 *Samples to be accounted for by permittees.* All samples of specially denatured alcohol shall be appropriately labeled and sealed, and when received in quantities of more than 8 fluid ounces by permittees, shall be accounted for by such permittees on Form 1482 and supporting records, with explanatory notation, the same as other specially denatured alcohol procured by them.* (Sec. 3070, I.R.C.)

*Procurement of Specially Denatured Alcohol*

§ 182.829 *Application and withdrawal permit, Form 1485*—(a) *Application.* Where a person holding basic permit, Form 1481, desires to procure denatured alcohol under said permit, he shall file application on Part I of Form 1485, in duplicate, with the district supervisor for withdrawal permit to procure specially denatured alcohol. He shall state on his application the names, registry numbers (in the case of denaturing plants) or basic permit numbers (in the case of dealers in specially denatured alcohol) and addresses of the denaturing plants or bonded dealers from which he proposes to purchase specially denatured alcohol. The proof and formulas of specially denatured alcohol to be withdrawn, and, in the case of optional or substitute denaturants, the kind and quantity of the denaturants approved on Form 1479-A, must be stated in the application. The applicant shall also specify the total quantity, in wine gallons, of each formula of specially denatured alcohol to be withdrawn during the term of the withdrawal permit, and the quantity of each formula to be withdrawn during a calendar month, which amount shall not be in excess of one-twelfth (or similar proportionate quantity where the withdrawal permit is for a period of other than 1 year) of the total quantity of the specified formula to be withdrawn during the term of the withdrawal permit. Such quantities shall in no case exceed those specified in the applicant's basic permit, Form 1481, and where the withdrawal permit is for a period less than that covered by the applicant's basic permit, the total quantity shall be in proportion to the unexpired term of the basic permit. If withdrawals are to be made in drums or barrel lots, the application shall be in multiples of 55 wine gallons. The district supervisor may approve or disapprove the application in whole or in part, according to his findings as to the legitimate needs of the applicant.

(b) *Withdrawal permit.* If the application is approved by the district supervisor, he shall issue withdrawal permit on Part II of Form 1485. The permit shall specify the quantity that may be procured during any calendar month and the total quantity that may be procured during the period for which the withdrawal permit is issued. The total quantity of each formula authorized by the withdrawal permit shall not exceed the quantity of such formula fixed in the basic permit, Form 1481, and the quantity of such formula that may be withdrawn during any calendar month shall not exceed one-twelfth of such quantity: *Provided,* That if the withdrawal permit, Form 1485, is issued for a period of less than 12 months, the quantity authorized to be withdrawn in any calendar month shall be in proportion to the period for which the withdrawal permit is issued; for example, if the withdrawal permit is issued for a period of 6 months, not over one-sixth of the total quantity specified therein may be withdrawn during a calendar month, subject to the provisions of subparagraphs (1) and (2): *And provided further,* That where the withdrawal permit is issued for a period less than that covered by the applicant's basic permit, the total quantity authorized in the withdrawal permit shall be in proportion to the unexpired term of the basic permit. If withdrawals are to be made in drums or barrels, the permit shall be in multiples of 55 wine gallons. The withdrawal permit shall specify the date when the same shall be available for withdrawal purposes. The district supervisor will forward the original copy of the withdrawal permit to the permittee and will retain the duplicate copy for his files. If any denaturer or bonded dealer named as vendor in the withdrawal permit is located in another supervisory district, a copy of the withdrawal permit and any renewals or amendments thereof, will be prepared on the prescribed form and transmitted by the district supervisor issuing the same to the district supervisor of the district from which shipments are to be made.

(1) *Withdrawals under permit.* When the permittee desires to procure specially denatured alcohol, he will forward the original of the withdrawal permit to the denaturer or bonded dealer named therein from whom he desires to procure the specially denatured alcohol. If the withdrawal permit authorizes substitute denaturants and is to be sent to a bonded dealer, the user shall procure a certified copy thereof from the district supervisor and forward it with the original to the bonded dealer. Upon shipment, the denaturer or bonded dealer will enter the shipment on the withdrawal permit and return it to the permittee, unless he has been authorized by the permittee to retain the permit for the purpose of making future shipments. No specially denatured alcohol may be shipped by a vendor named in the withdrawal permit until such permit is in his possession. Except as provided in paragraph (c), further like shipments may be made under such permit during the term for which it is issued.

(2) *Exception.* Withdrawals must be so regulated by the permittee that he will not have on hand, in transit, and unaccounted for during any calendar month more than the quantity of specially denatured alcohol, plus the quantity of recovered or restored denatured alcohol, and recovered or restored articles (which are in the form of denatured alcohol) so authorized by his basic permit, Form 1481: *Provided,* That the district supervisor may, in his discretion, pursuant to application on Part I of Form 1485, and upon proper showing of necessity therefor, (1) in the case of a seasonal business, amend the applicant's withdrawal permit to authorize withdrawal during any calendar month of not to exceed a two months' allowance, or (2) issue to the permittee, in lieu of an annual permit, Form 1485, one or more withdrawal permits for a specified quantity or period subject to the above restrictions as to the maximum quantity that may be withdrawn during any one month, but the total quantity authorized under (1) and (2) shall not exceed the quantity specified in the withdrawal permit, Form 1485, to be withdrawn during the period for which it is issued: *Provided further,* That such additional withdrawals shall not be authorized unless the bond of the permittee is in a sufficient penal sum to cover the increased quantity in addition to the regular withdrawal allowance.

(c) *Special permit.* Where new permittees qualify within a calendar month a special withdrawal permit, Form 1485, should be issued for the proportionate quantity of specially denatured alcohol to which the permittee may be entitled for the balance of the month, which permit shall be void at the end of such month and must be at once returned by the permittee to the district supervisor.

(d) *Carrier to be furnished copy of Form 1485.* Where the specially denatured alcohol is to be delivered to the manufacturer by a person other than the vendor, the manufacturer shall procure from the district supervisor a certified copy (or copies, if delivery is to be made by more than one carrier), on the prescribed form, of the withdrawal permit, Form 1485, issued to him, and file the same with the delivering carrier's agent at destination. Application for such certified copy or copies shall be made by the permittee to the district supervisor

by letter, specifying the name of the delivering carrier. Where such delivering carrier is known at the time Form 1485 is filed, the application should accompany such form.

(e) *Expiration or termination of permit.* Upon expiration of a withdrawal permit, it shall be returned to the district supervisor for cancellation. Where the withdrawal permit is in the possession of a vendor on the date of expiration, such vendor shall return it to the permittee for surrender to the district supervisor. Should a basic permit, Form 1481, held by a person to whom withdrawal permit, Form 1485, was issued, be terminated, surrendered, or revoked, each denaturer or dealer named as vendor in such withdrawal permit, shall, upon notice from the district supervisor, make no further shipments thereunder, and if such withdrawal permit is in his possession, he shall return it to the district supervisor for cancellation.* (Secs. 3070, 3108 (a), 3109, 3114 (a), I.R.C.)

§ 182.830 *Application for renewal of withdrawal permit, Form 1485.* Application on Part I of Form 1485, for renewal of withdrawal permits must be submitted by the applicant to the district supervisor not less than one month prior to the date of expiration of the permit to be renewed, in order that the renewal permit may be issued and become available for withdrawals by the first day of the calendar month following the date of expiration of the permit to be renewed. Application for renewal of withdrawal permits shall be executed in conformity with § 182.829 (a).* (Sec. 3114 (a), I.R.C.)

§ 182.831 *Renewal of withdrawal permit, Form 1485.* Withdrawal permits on Part II of Form 1485 shall remain in force for the calendar year or for the term of the basic permit, Form 1481. A renewal permit must be procured for each year commencing with January 1 after the expiration of the original permit. The provisions of § 182.829 (b) shall be applicable to the issuance of renewal permits.* (Sec. 3114 (a), I.R.C.)

§ 182.832 *Quantity procurable under withdrawal permits.* In procuring specially denatured alcohol the permittee shall deduct the quantity of specially denatured alcohol, plus the quantity of recovered or restored denatured alcohol, and recovered or restored articles (which are in the form of denatured alcohol) on hand, in transit, and unaccounted for from the quantity procurable under the withdrawal permit during the calendar month, and give his order for an amount not exceeding the available balance. For this purpose, specially denatured alcohol, recovered or restored denatured alcohol, and recovered or restored articles (which are in the form of denatured alcohol) shall be deemed to be unaccounted for when used or disposed of otherwise than as provided in these regulations. Failure on the part of permittees to observe the foregoing requirements concerning withdrawals will be regarded as sufficient ground for citation for revocation of their basic permits.* (Secs. 3070, 3108 (a), 3109, 3114 (a), I.R.C.)

*Receipt of Denatured Alcohol*

§ 182.833 *In original packages.* Specially denatured alcohol received on the premises of the permit holder in portable containers may not be transferred to other portable containers for storage, but may, if suitable storage tanks have been provided in accordance with § 182.99, be transferred to such tanks for storage.* (Sec. 3070, I.R.C.)

§ 182.834 *Destruction of marks and brands.* The marks and brands required to be placed on packages containing specially denatured alcohol must not be obliterated or in anywise disturbed until such denatured alcohol has been entirely removed from the packages. When the packages have been emptied all the marks and brands must be at once completely obliterated by painting or otherwise, in conformity with the provisions of § 182.742.* (Sec. 2866, I.R.C.)

§ 182.835 *Railroad tank cars.* If the permittee receives specially denatured alcohol in railroad tank cars, railroad siding facilities for the receipt of such tank cars must be provided at the permittee's premises. Specially denatured alcohol received in tank cars must be immediately deposited in storage tanks constructed in conformity with the provisions of § 182.99. When so deposited, the formula of the specially denatured alcohol shall be plainly marked on the tank.* (Sec. 3070, I.R.C.)

*Use of Specially Denatured Alcohol*

§ 182.836 *General.* Specially denatured alcohol may not be used in any process, formula, or preparation until Form 1479-A, covering the same, has been approved, as required by § 182.147. Liquid products containing specially denatured alcohol must be unfit for use as beverages or for intoxicating liquor purposes, and must not be readily convertible into potable alcohol by simple distillation or manipulation. The essential oils and chemicals used in their manufacture must be of such a character as to bring the finished products within the above description and limitation, and make them conform in each instance to the samples and formulas for such products submitted by the applicant with Form 1479-A and approved by the Commissioner or district supervisor.

(a) *Change of formula.* Whenever the Commissioner or district supervisor has reason to believe that the alcohol in any preparation, in the manufacture of which specially denatured alcohol has been authorized, is being reclaimed or otherwise diverted to beverage purposes, he shall direct the permittee to appear on a day named and show cause why the authorized formula and preparation should not be so changed and modified as to prevent such reclamation or diversion. In the event the permittee should fail to so appear, or appearing should fail to prove that the alcohol in the authorized preparation is not reclaimable and is not being diverted to beverage uses, the Commissioner or district supervisor may direct that the formula be changed and that the manufacture of such preparation be suspended until such change is made and approved.* (Sec. 3070, I.R.C.)

*Ethyl Acetate*

§ 182.837 *Manufacture of ethyl acetate.* Ethyl acetate manufactured by a qualified permittee according to approved formula shall be denatured by the manufacturer by adding to every 100 gallons of ethyl acetate one-eighth gallon of calol ethatate or 5 gallons of denaturing grade wood alcohol or 1 gallon of methyl isobutyl ketone or other products of chemical which possess denaturing properties satisfactory to the Commissioner; *Provided,* That ethyl acetate used as a denaturant for specially denatured alcohol or for pharmaceutical, scientific, food, and toilet preparations, or where it is to be exported or transferred from one producer to another producer, need not be denatured.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.838 *Optional denaturants.* Any user desiring to procure ethyl acetate denatured with products or chemicals in lieu of calol ethatate, denaturing grade wood alcohol, or methyl isobutyl ketone, shall make application to the Commissioner, stating fully the purpose for which the ethyl acetate is to be used and why he cannot use ethyl acetate denatured with the authorized denaturants. The application shall show the kind and quantity of products or chemicals that he desires to have substituted for calol ethatate, denaturing grade wood alcohol, or methyl isobutyl ketone, in order that it may be determined that such products or chemicals possess satisfactory denaturing properties. The application shall also show the name of the producer of ethyl acetate from whom the applicant desires to procure the denatured ethyl acetate covered by the application. If the ethyl acetate is to be procured from a producer located in the same district, the application shall be filed in quadruplicate, and if the ethyl acetate is to be procured from another district, the application shall be filed in quintuplicate. If the Commissioner approves the application, he will note his approval on all copies thereof, retain the original copy, return one copy to the applicant, forward one copy to the producer, and one copy to the district supervisor of the district in which the applicant is located, and, where shipment is to be made from another district, one copy to the district supervisor of such district.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.839 *Receipt from other producers.* Where undenatured ethyl acetate is received by a producer from another producer, it must be denatured before it is sold to dealers or users, unless it is sold for purposes where undenatured ethyl acetate may be used, as provided in §182.837.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.840 *To whom may be sold.* Denatured ethyl acetate produced with specially denatured alcohol may be sold by producers thereof to (1) legitimate users for solvent or other manufacturing purposes, not including manufacture for sale

of preparations which do not contain sufficient quantities of other materials to definitely change the composition and character of the ethyl acetate, satisfactory to the Commissioner, and (2) reputable wholesale and retail dealers engaged in a bona fide paint or chemical trade, for resale to legitimate users, either in the manufacturers' original packages, or in smaller containers not exceeding 5 gallons in capacity filled by such dealers. The producer may make shipment of such materials to himself in care of his agents, but only when title remains vested in the producer.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.841 *Sales to and by dealers*—(a) *Packages.* Sales by producers to wholesale and retail dealers shall be in containers of a capacity of not more than 55 gallons and shall not exceed a total of 550 gallons to any wholesale or retail dealer during any calendar month. A wholesale or retail dealer shall not purchase or sell more than 550 gallons during a calendar month and not more than 55 gallons shall be sold by them to a customer at any one time: *Provided,* That such sales to the wholesale and retail dealers and by such dealers may exceed the above maximum sales limitations of 550 gallons and 55 gallons, respectively, upon the production of evidence satisfactory to the district supervisor that there is a need for ethyl acetate by such dealers and their customers in greater quantities to supply their legitimate needs.

(b) *Tank cars, tank trucks, or tank wagons.* Upon written authorization of the district supervisor, shipments of ethyl acetate may be made by producers in railrod tank cars or tank trucks or tank wagons operated or controlled by them, or by their bona fide agents, to themselves at other locations, and to their bona fide agents where title remains vested in the producer; and producers and their bona fide agents may make shipments of ethyl acetate by such means to (1) other producers, and (2) actual users for solvent or manufacturing purposes, and not for resale. In the case of railroad tank car shipments the consignee must have railroad siding facilities at his premises for receiving such tank car shipments. When ethyl acetate is so shipped by tank car, tank truck, or tank wagon, it must be run directly from the tank car, tank truck, or tank wagon into a stationary tank on the consignee's premises; it may not be drawn into portable, unmarked containers.

(c) *Marks and brands.* Containers of ethyl acetate of one-half gallon or more capacity must have marked thereon the name of the product, the quantity, and the name and address of the producer, or, in lieu thereof, the name and address of the wholesale or retail dealer and the basic permit number and State of the producer.* (Secs. 2866, 3070, 3111, 3114, I.R.C.)

§ 182.842 *Sales and deliveries by producers and wholesale dealers.* Producers and wholesale dealers must satisfy themselves that the purchaser is engaged in a lawful business and that the quantity purchased is intended for a legitimate purpose. Producers and wholesale dealers will be responsible for delivery of the product direct to the customer, or to a carrier as defined in these regulations for transportation to the customer.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.843 *Sales by retail dealers.* Retail dealers must not sell ethyl acetate under circumstances from which it might reasonably appear that it is the intention of the purchaser to procure the same for sale or use for other than lawful purposes.

(a) *Change of packages by dealers.* Retail dealers may make sales of ethyl acetate in the producer's original packages or in smaller containers, not exceeding 5 gallons in capacity, filled by such dealers.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.844 *Record of sales and receipts.* All producers, including those receiving shipments from other producers, and wholesale dealers, must keep records showing the date and quantity received and sold, and giving the name and address of the person from whom received or to whom shipped, as the case may be. Users who receive ethyl acetate in tank cars, tank trucks, or tank wagons, must also keep records showing the receipt and use of such ethyl acetate.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

*Proprietary Solvents and Lacquer Thinners*

§ 182.845 *General.* Proprietary solvents and lacquer thinners, containing more than 25 per cent of alcohol by volume, produced with specially denatured alcohol, may be sold only as provided in these regulations.

(a) *To whom may be sold.* Such proprietary solvents and lacquer thinners may be sold by producers (1) to users for solvent or other manufacturing purposes, not including the manufacture for sale of preparations which do not contain sufficient quantities of other materials to definitely change the composition and character of the proprietary solvent or lacquer thinner, satisfactory to the Commissioner, and (2) to dealers and other producers for resale.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.846 *Sales to and by dealers.* Sales of such proprietary solvents and lacquer thinners by producers to wholesale and retail dealers shall be in containers of a capacity of not more than 55 gallons, and shall not exceed a total of 550 gallons to any wholesale or retail dealer during any calendar month. A wholesale or retail dealer shall not purchase or sell more than 550 gallons during a calendar month, and not more than 55 gallons shall be sold by them to a customer at any one time: *Provided,* That such sales to wholesale and retail dealers and by such dealers may exceed the above maximum sale limitations of 550 gallons and 55 gallons, respectively, upon the production of satisfactory evidence to the district supervisor that there is a need for such proprietary solvents or lacquer thinners by such dealers and their customers in greater quantities to supply their legitimate needs.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.847 *Containers.* Containers for proprietary solvents and lacquer thinners shall be constructed of metal if the capacity is more than 5 wine gallons.

(a) *Embossed symbols.* All packages containing more than 5 wine gallons shall have embossed thereon the serial number and permit number or symbol of the producer by or for whom the packages are filled, such as are prescribed in § 182.727 with respect to completely denatured alcohol. The provisions of § 182.727 relative to embossed packages for completely denatured alcohol shall also apply to embossed packages for proprietary solvents and lacquer thinners. Upon written authorization of the district supervisor, shipments of proprietary solvents and lacquer thinners may be made by producers in railroad tank cars or in tank wagons or tank trucks, operated or controlled by them or their bona fide agents, to themselves at other locations, and to their bona fide agents, where title remains vested in the producer; and producers and their bona fide agents may make shipments of such solvents and lacquer thinners by such means to (1) other producers, and (2) actual users for solvent or manufacturing purposes and not for resale: *Provided,* That in the case of railroad tank car shipments, the vendee has railroad siding facilities at his premises for receiving such tank car shipments, and in the case of tank wagon or tank truck shipments, the producer shall be responsible under his bonds for the delivery of the proprietary solvents or lacquer thinners to the actual user for solvent or manufacturing purposes. When proprietary solvents and lacquer thinners are so shipped by tank car, tank truck, or tank wagon, they must be run directly from the tank car, tank truck, or tank wagon into a stationary tank on the consignee's premises; they may not be drawn into portable, unmarked containers.

(b) *Labels.* Where proprietary solvents and lacquer thinners are packaged by dealers or their agents in containers of 5 wine gallons or less, such containers must be labeled to show the producer's name, address, and permit number: *Provided,* That where the products are packaged for a dealer, the name and address of the dealer may be shown in lieu of the name and address of the producer, but the basic permit number of the producer must be placed on the labels. Where dealers repackage proprietary solvents or lacquer thinners in containers of not over 5 wine gallons capacity, as authorized in paragraph (d), the name, address, and basic permit number of the producer, or the name and address of the dealer and the basic permit number of the producer, shall likewise be placed on the labels of all containers of one-half gallon or more capacity.

(c) *Packaging by agents.* Bona fide agents of producers receiving proprietary solvents and lacquer thinners in railroad tank cars or in tank wagons or tank trucks may transfer such products to packages, subject to the provisions of this section for sale to others, such packages if more than 5 gallons capacity to be furnished by the producer.

(d) *Change of package by dealers.* Dealers may repackage proprietary solvents and lacquer thinners in containers of not over 5 wine gallons capacity. Such containers, if of one-half gallon or more capacity, shall be labeled as required by paragraph (b).* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.848 *Record of sales and receipts.* When proprietary solvents and lacquer thinners are sold by the producer to another producer, complete records of these transactions must be maintained by the actual producer and the vendee producer. Users of proprietary solvents and lacquer thinners who receive the same in railroad tank cars, tank wagons, or tank trucks must maintain complete records of the receipt and actual use thereof. The records prescribed must be kept available for inspection by Government officers at all reasonable hours.* (Secs. 3070, 3109, 3111, 3114, 3121 (c), I.R.C.)

*Proprietary Anti-freeze Solutions*

§ 182.849 *Manufacture.* Proprietary anti-freeze solutions may be made with specially denatured alcohol Formula No. 1 for sale under trade names, provided that materials such as dye, rust inhibitor, petroleum distillates, etc., satisfactory to the Commissioner, are added to the specially denatured alcohol in sufficient quantities to materially change the composition and character of the specially denatured alcohol. No additional methanol may be added to the specially denatured alcohol by the permittee, and the finished product may be sold only under a trade name.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.850 *Formula and sample.* Permittees desiring to produce proprietary anti-freeze solutions with specially denatured alcohol Formula No. 1 must submit quantitative formulas on Form 1479-A, in quadruplicate, to the Commissioner, together with duplicate samples of each solution prepared in accordance with the proposed formula, in conformity with §§ 182.147, 182.149, and 182.150. The size of the containers in which the products are to be marketed shall be specified in Form 1479-A.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.851 *Containers.* Proprietary anti-freeze solutions manufactured with specially denatured alcohol Formula No. 1 must be put up by the permittee in containers not exceeding 1 wine gallon in capacity. Proprietary anti-freeze solutions may not be repackaged or relabeled by dealers, or others, after it has been removed from the premises of the permittee.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.852 *Container markings and labels.* Proprietary anti-freeze solutions made with specially denatured alcohol Formula No. 1 may be sold only under trade names, and the marks and labels on the containers shall not bear any reference to alcohol. All containers must have printed thereon, or on a label attached thereto, in large letters, in red ink, the word "poison," together with a statement that the contents if taken internally will cause serious consequences to health, or possibly death. In addition to the trade name, the containers must bear the name, address, and basic permit number of the producer: *Provided,* That where the anti-freeze solution is packaged for a certain dealer and it is desired to show the name and address of such dealer on the package in lieu of the name and address of the producer, such may be done if the basic permit number of the producer is printed on the container. Specimens of the markings or labels to be used must be attached to each copy of Form 1479-A, submitted in accordance with § 182.850.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

*Rubbing Alcohol Compound*

§ 182.853 *General.* Rubbing alcohol compound, as referred to in these regulations, shall mean any product manufactured with specially denatured alcohol and represented to be a "rubbing alcohol compound." Rubbing alcohol compounds may be made only according to the formulas prescribed therefor in the Appendix to these regulations, and no other product may be labeled to infer that it is a rubbing alcohol compound or is suitable for use as such. Any product manufactured with specially denatured alcohol under a basic permit issued pursuant to the provisions of these regulations and labeled and sold as a rubbing alcohol compound must be put up and sold by the manufacturer thereof in containers and packages in which it is to be delivered to the ultimate user. Rubbing alcohol compound may not be repackaged or relabeled by dealers, or others, after it has been removed from the premises of the manufacturer.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.854 *Containers.* Manufacturers producing rubbing alcohol compound shall package such product in bottles (or jars, in the case of solidified compounds) of not exceeding 1 pint in capacity.*

§ 182.855 *Labels*—(a) *Brand label.* Each bottle of rubbing alcohol compound shall bear a brand label, placed thereon by the manufacturer, containing the following information:

(1) The brand or trade name of the product, if any.

(2) The legend "Rubbing Alcohol Compound" which shall be in letters of the same color and size.

(3) The name and address of the manufacturer: *Provided,* That where rubbing alcohol compound is bottled for a certain wholesale or retail druggist and it is desired to show the name and address of such druggist on the label in lieu of the name and address of the manufacturer, such may be done if the basic permit number of the manufacturer is printed on the label.

(4) The legend "Contains 70 per cent alcohol by volume."

(5) The legend "For external use only. If taken internally, serious gastric disturbances will result."

The manufacturer may incorporate in the brand label, or in a separate label appearing in conjunction with the brand label, any other desired statement, but such statement must not obscure or contradict the labeling required hereby. No misleading statement, which would give the impression that the product is pure alcohol or is susceptible of beverage use, will be permitted on labels.

(b) *Caution notice.* There must be placed on each bottle a caution notice, printed in plain and legible type of not less than 6 point, reading as follows:

CAUTION NOTICE

The sale of this product by the manufacturer, or wholesale druggist, must be made directly, or through his employees, only to wholesale or retail druggists, and to purchasers who acquire the product for legitimate external use and not for resale, such as hospitals, sanatoriums, clinics, turkish baths, athletic associations, physicians, dentists, veterinarians, et cetera. This product may also be sold by retail druggists to any of the foregoing, or in retail quantities only to other persons for external use. Sales to such other persons must be made by a retail druggist through a registered pharmacist, who will write or stamp across the brand label in contrasting colors the words "Sold by" followed by his (the pharmacist's) name and the address of the retail drug store where the sale is made. Sales for other than external use will subject the dealer to special tax as a dealer in liquors and to the internal revenue tax on the alcohol contained in this compound.

(c) *Label approval.* No label shall be used on any bottle of rubbing alcohol compound unless the same has been submitted to and approved by the district supervisor in accordance with § 182.147 (a).* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.856 *Manufactured with isopropanol, etc.* A preparation labeled "Rubbing Alcohol Compound" without a definite modification is held to connote that such preparation was manufactured with specially denatured alcohol in accordance with these regulations. Accordingly, if a preparation intended for use as a rubbing alcohol compound is produced from any other material, such as isopropyl alcohol, it should not be labeled "Rubbing Alcohol Compound" without appropriate modification, clearly indicating that it was not made with specially denatured alcohol.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.857 *To whom may be sold.* The sale of rubbing alcohol compound by the manufacturer, or wholesale druggist, must be made directly, or through his employees, only to wholesale or retail druggists, and to purchasers who acquire the product for legitimate external use and not for resale, such as hospitals, sanatoriums, clinics, turkish baths, athletic associations, physicians, dentists, veterinarians, etc. This product may also be sold by retail druggists to any of the foregoing or in customary retail quantities only to other persons for external use. Sales to such other persons by retail druggists must be made through a registered pharmacist who will, at the time of sale, write or stamp across the brand label in contrasting colors the words "Sold by" followed by his (the pharmacist's) name and the address of the retail drug store where the sale is made.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.858 *Sale for beverage purposes.* A manufacturer, wholesale druggist, re-

tail druggist, or any other person shall not sell rubbing alcohol compound for use, or for sale for use, for beverage purposes, nor shall he sell such product under circumstances from which it might reasonably appear that it is the intention of the purchaser to procure the product for use, or for sale for use, for beverage purposes. Any person who shall sell rubbing alcohol compound in violation of these regulations shall be subject to all provisions of law pertaining to alcohol that is not denatured, including those requiring the payment of tax thereon, and the person so selling the rubbing alcohol compound shall be required to pay such tax and special tax as a dealer in liquors.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.859 *Noncompliance with requirements.* Failure to comply with these requirements will constitute bad faith on the part of the permittee, and grounds for citation for revocation of his basic permit.* (Sec. 3114, I.R.C.)

*Bay Rum, Hair Lotions, Skin Lotions, Lilac Vegetal, etc.*

§ 182.860 *General*—(a) *To whom may be sold.* Except as provided in paragraph (d), products such as bay rum, lilac vegetal, hair lotions, shampoos, deodorant sprays, skin lotions, perfumes, toilet waters, and similar products, made with specially denatured alcohol, may be sold by the manufacturer thereof only to barber shops, beauty parlors, beauty and barber supply dealers, wholesale and retail drug stores, general wholesale and retail stores, bona fide retailers of cosmetics, and actual users.

(b) *Containers not exceeding 1 gallon in capacity.* Except as provided in paragraph (c), such products must be put up and sold by the manufacturer thereof in containers not exceeding 1 gallon in capacity and be sold only to persons enumerated in paragraphs (a) and (d).

(c) *Containers larger than 1 gallon.* The district supervisor may authorize the manufacturer to ship products in containers exceeding 1 gallon in capacity to persons legitimately engaged in a bona fide bottling and distributing business, such as beauty and barber supply dealers, wholesale drug stores, and general wholesale stores, for repackaging in containers conforming to the requirements of paragraph (b), for sale to the persons enumerated in paragraphs (a) and (d) hereof. Application for such permission must be made by the bottler and distributor to the district supervisor of the district in which the bottler and distributor is located. The district supervisor will determine the legitimacy of the business of the applicant and the bona fides of his reasons for desiring to obtain the products in containers larger than 1 gallon. If the district supervisor determines that the applicant may be properly permitted to obtain the products in such containers and the manufacturer is located in his district, he will authorize the manufacturer to so ship the products to the applicant; if the manufacturer is located in another district, the district supervisor will forward the application with his findings and recommendation to the supervisor of such district, who, if he sees no objection to the proposed shipment, will authorize the manufacturer to so ship the products.

(d) *Purchase by other persons.* The district supervisor may authorize the manufacturer to ship such products to persons, other than those specified in paragraph (a), who are engaged in a legitimate business and who, upon application, establish a bona fide need for such products in the proper conduct of their businesses. Application for such permission must be made by the purchaser to the district supervisor of the district in which the purchaser is located. The district supervisor will determine the legitimacy of the business of the applicant and the bona fides of his need for obtaining such products in the proper conduct of his business. If the district supervisor determines that the applicant may be properly permitted to obtain the products, and the manufacturer is located in his district, he will authorize the manufacturer to sell the products to the applicant; if the manufacturer is located in another district, the district supervisor will forward the application with his findings and recommendation to the supervisor of such district, who, if he sees no objection to the proposed sales, will authorize the manufacturer to sell the products.* (Secs. 3070, 3108, 3111, 3114, I.R.C.)

§ 182.861 *Labels.* Containers for the products specified in § 182.860 shall be labeled to show the name and address of the manufacturer thereof, or in instances where the preparations are to be marketed by others than the manufacturer, and it is not desired to disclose the name and address of the actual manufacturer, this information may be omitted, but the labels in lieu thereof shall state the name and address of the distributor and the basic permit number of the manufacturer: *Provided,* That where packages are filled by bottlers and distributors pursuant to the provisions of § 182.860 (c), the labels must show the name and address of the bottler and distributor thereof and the basic permit number of the manufacturer, or in instances where the preparations are to be marketed by others than the bottler and distributor and it is not desired to disclose the name and address of the bottler or distributor, this information may be omitted, but the labels shall state the name and address of the distributor or retailer and the basic permit number of the actual manufacturer of such products: *Provided further,* That exemption may be allowed from the foregoing requirements that the labels contain the name and address of the manufacturer or the name and address of the distributor and the permit number of the manufacturer, as to any preparation marketed under a trade name label in a container of less than 4 ounces, if the manufacturer or bottler thereof specifies on the Form 1479-A with which the label is submitted for approval, in accordance with paragraph (a), that the labels are to be used on containers of less than 4 ounces.

(a) *Labels to be approved.* Manufacturers and persons bottling such products in accordance with § 182.860 (c) must submit labels or facsimiles thereof to the Commissioner for approval before use, in accordance with § 182.149.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

§ 182.862 *Repackaging and relabeling.* Except when sales are made to bottlers and distributors, as provided in § 182.860 (c), such products may not be rebottled, repackaged, or relabeled for sale by persons other than the manufacturer.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

*Tinctures of Iodine*

§ 182.863 *General.* Except as provided in paragraph (a), a permittee manufacturing tincture of iodine, U.S.P., half strength tincture of iodine, U.S.P., mild tincture of iodine, U.S.P., and other tinctures of iodine, with specially denatured alcohol may not sell in excess of one 50-gallon barrel or the equivalent thereof in containers of more than 1-gallon capacity in one month to any one customer. Sales may be made by permittees in any desired quantities in containers having a capacity of less than 1 gallon.

(a) *Sales in excess of 50 gallons.* The district supervisor may authorize the permittee to sell more than 50 gallons of tincture of iodine in containers larger than 1 gallon in one month to a person who is engaged in a legitimate business and who upon application establishes a bona fide need for such larger quantity in the proper conduct of his business. Application for such permission must be made by the purchaser to the district supervisor of the district in which he is located. The district supervisor will determine the legitimacy of the business of the applicant and the bona fides of his need for obtaining such larger quantity in the proper conduct of his business. If the district supervisor determines that the applicant may be properly permitted to obtain the larger quantity and the manufacturing permittee is located in his district, he will authorize the manufacturing permittee to sell such larger quantity to the applicant; if the manufacturing permittee is located in another district, the district supervisor will forward the application with his findings and recommendation to the supervisor of such district, who, if he sees no objection to the proposed sales, will authorize the manufacturing permittee to sell such larger quantity.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

*Internal Medicinal Preparations and Flavoring Extracts*

§ 182.864 *General.* Medicinal preparations and flavoring extracts used for internal purposes, may not be manufactured with specially denatured alcohol where any of the alcohol remains in the finished product. Labels, cartons, and advertising matter used in connection with external preparations manufactured with specially denatured alcohol

shall not bear any reference for internal use or prescribe any internal dosage.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

*Other Products*

§ 182.865 *Labels on other products containing specially denatured alcohol.* The Commissioner may, when deemed necessary, at the time of approval of Form 1479-A or subsequent thereto, require containers of products other than those listed in §§ 182.837, 182.845, 182.849, 182.853, and 182.860, containing specially denatured alcohol, to be labeled, stenciled, or otherwise marked with the name, address, and permit number of the manufacturer, or the name and address of the distributor and the permit number of the manufacturers.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

*Use of Ispropyl Alcohol*

§ 182.866 *Storage, use and records.* Where a manufacturer, holding permit to use specially denatured alcohol, also uses isopropyl alcohol on the same premises, he must store the isopropyl alcohol separate and apart from the specially denatured alcohol received by him, and, insofar as practicable, shall keep the two alcohols separate and apart while being used. The products manufactured with the two alcohols should likewise, insofar as practicable, be kept separate and apart from each other. Each such manufacturer must keep a manufacturing record at his premises, available for inspection by Government officers, showing the following:

(1) The quantities of isopropyl alcohol received, and the dates of receipt and the names and addresses of the persons from whom received;

(2) The quantities of isopropyl alcohol used, and the date of use and the products and formulas in which used;

(3) The quantity of each product manufactured with usopropyl alcohol; and

(4) The quantities of such products sold or delivered, and the date of sale or delivery and the names and addresses of the persons to whom sold or delivered.* (Secs. 3070, 3109, 3111, 3114, I.R.C.)

*Destruction and Disposition of Specially Denatured Alcohol*

§ 182.867 *Destruction.* Specially denatured alcohol in the possession of a permittee may, upon approval of the district supervisor, be destroyed by the permittee. The permittee shall file application so to do with the district supervisor, in triplicate, stating fully the reason therefor. The specially denatured alcohol shall be destroyed in the presence of a Government officer, unless the quantity involved is small and insufficient in the opinion of the district supervisor to warrant such supervision. Upon approval of the application, the district supervisor shall instruct the permittee whether or not such destruction shall be witnessed by a Government officer. If a Government officer is assigned to witness the destruction of the specially denatured alcohol, the officer shall certify to the destruction on each copy of the approved application specifying the date and manner of destruction. If the permittee is authorized to destroy the specially denatured alcohol without Government supervision, he shall likewise certify to the destruction of the specially denatured alcohol on each copy of the approved application. One copy of the approved application will be filed by the permittee and two copies returned to the district supervisor, who shall forward one copy to the Commissioner, attached to Form 1482.*

§ 182.868 *Return to denaturing plant or bonded dealer.* Where specially denatured alcohol, lawfully in the possession of a manufacturer, is found to be unsuitable for use or where any such manufacturer discontinues the use thereof, or where for any other legitimate reason such manufacturer desires so to do, such denatured alcohol may be returned to any denaturing plant or bonded dealer for lawful disposition: *Provided,* That (1) consent of surety is filed on the bond (if any) of the manufacturer, extending terms thereof to cover the transportation of the specially denatured alcohol to the denaturer or bonded dealer, (2) the denaturer or bonded dealer consents to the return, and (3) permission for such transfer is, in each instance, first obtained from the district supervisor of the district from which the specially denatured alcohol is to be returned. The application shall be filed in triplicate with the district supervisor. If the application is approved, the district supervisor will forward one copy of the approved application to the Commissioner, attached to Form 1482, and one copy to the permittee, and retain the remaining copy for his files. If the denaturer or bonded dealer is situated in another district, the district supervisor authorizing the return will forward a letter of authorization to the district supervisor of such other district.*

§ 182.869 *Records.* Notations concerning the destruction or disposition of specially denatured alcohol shall be made on Form 1482.*

*Losses of Specially Denatured Alcohol*

§ 182.870 *Losses in transit.* Losses in transit to a manufacturer's premises must be ascertained at the time the specially denatured alcohol is received by the manufacturer. Accordingly, when packages or tank cars are received which bear evidence of having sustained a loss in transit, the manufacturer should determine the extent of the loss at that time. The quantity ascertained to have been lost will be noted on Form 1482 immediately below the line on which receipt of the shipment is reported. Where the quantity lost from any package or tank car exceeds 1 per cent of the quantity originally contained therein, claim for allowance of the entire quantity lost from the package or tank car will be made by the manufacturer. If the loss does not exceed 1 per cent, so calculated, claim for allowance will not be required, provided there are no circumstances indicating that the specially denatured alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.871 *Losses at manufacturer's premises.* Losses of specially denatured alcohol at a manufacturer's premises will be determined and reported on Form 1482 monthly. Losses from storage tanks will be determined by physical inventory at the close of the month. Losses from packages will be determined at the time the packages are dumped. If the loss of specially denatured alcohol at a manufacturer's premises during any month exceeds 1 per cent of the quantity on hand during the month, claim for allowance of the entire quantity lost will be made by the manufacturer. If the loss does not exceed 1 per cent, so calculated, claim for allowance will not be required, provided there are no circumstances indicating that the specially denatured alcohol lost, or any part thereof, was unlawfully used or removed.* (Sec. 3113, I.R.C.)

§ 182.872 *Claims.* Claim for allowance for losses of specially denatured alcohol in transit to or at a manufacturer's premises will be made in accordance with the procedure prescribed in §§ 182.637 to 182.640, inclusive, relative to losses at bonded warehouses.* (Sec. 3113, I.R.C.)

*Records and Reports of Manufacturers*

§ 182.873 *General.* Every person holding basic permit, Form 1481, shall keep records and render reports as hereinafter provided. Entries shall be made as indicated by the headings of the various columns and lines and in accordance with the instructions on the form and as set forth in these regulations. The provisions of §§ 182.455, 182.459, and 182.461, relative to the keeping, signing, and filing of reports by proprietors of industrial alcohol plants are hereby made applicable to the keeping, signing, and filing of reports by manufacturers holding basic permit, Form 1481, to use specially denatured alcohol.* (Sec. 3070, I.R.C.)

§ 182.874 *Form 1482.* Every manufacturer holding permit to use specially denatured alcohol or to recover completely denatured alcohol or articles for reuse must make a report on Form 1482, in triplicate, covering his transactions for each month. The report must show all denatured alcohol on hand, received, used, and recovered during the month. One copy of the form shall be retained by the manufacturer and the two remaining copies, one of which must be sworn to, must be forwarded by the manufacturer on or before the 10th day of the succeeding month to the district supervisor. Failure to keep or file this report as herein required will constitute grounds for the issuance of citation for the revocation of the manufacturer's basic permit.

(a) *Recovery.* Manufacturers using both specially denatured alcohol and completely denatured alcohol and recovering the completely denatured alcohol for reuse will render separate reports for the specially denatured alcohol and the completely denatured alcohol. Where such manufacturers also recover articles in accordance with §§ 182.883–182.896, a

separate report will be rendered therefor. Where denatured alcohol is recovered and reused one or more times during the month, the quantity used and recovered each time shall be recorded as in the case of new denatured alcohol. At the close of the month, the total quantity recovered and used during the month shall be reported on Form 1482.

(b) *Special entries.* If specially denatured alcohol is destroyed on the premises or is returned to a denaturer or bonded dealer or disposed of to another manufacturer, notation of such transactions, in the case of destruction, giving the dates of the destruction and, if supervised, the name of the officer supervising the destruction, and in the case of disposal, the name and address of the denaturer or bonded dealer or manufacturer to whom shipped, and the date, quantity, and formula number, etc., shall be made on the form.

(c) *Summary.* Details of each formula of specially denatured alcohol shall be entered in the summary in accordance with the information required by the lines thereof and the instructions on the form.

(d) *Articles manufactured.* The articles manufactured such as toilet preparations, perfumes, varnishes, artificial leather, external pharmaceuticals, and the quantity and formula of the specially denatured alcohol used will be entered under the caption "Articles manufactured." Where the specially denatured alcohol is used for laboratory and other manufacturing purposes and no articles are produced therefrom, such fact should be stated in lieu of the articles manufactured.* (Sec. 3070, I.R.C.)

§ 182.875 *Commercial records.* Persons holding permits to use specially denatured alcohol in excess of 33 wine gallons per calendar month must keep a permanent record showing the following data:

(1) Amount of each formula of denatured alcohol received, the date of receipt, and the serial numbers of the packages.

(2) Amount of each formula of denatured alcohol on hand at all times.

(3) The amount of each formula of denatured alcohol used and the name of each product in which used.

(4) Number of gallons or amount otherwise expressed of each separate product manufactured, together with the names and addresses of the persons to whom such products are sold and delivered.

(5) The names and addresses of all persons from whom have been purchased oils, chemicals, and other ingredients used for manufacturing preparations with specially denatured alcohol, together with the original invoices showing such purchases.

(a) *Form of record; period which must be kept.* No particular form of record is prescribed but the data herein indicated must be ascertainable from the records and invoices kept by the manufacturer. Such commercial records must be kept complete and up-to-date at all times, and shall be retained by the manufacturer, in accordance with § 182.324, and be open to inspection by Government officers during regular business hours.* (Secs. 3070, 3121 (c), I.R.C.)

§ 182.876 *Audit of reports.* Upon receipt of Form 1482 from the manufacturer, the district supervisor will carefully examine the same, and shall see that all specially denatured alcohol shown shipped to the manufacturer on shippers' memorandum slips, Form 1473, has been accounted for by the manufacturer. Upon completion of the examination and audit, the district supervisor will file the sworn copy of Form 1482 in his office and forward the other copy to the Commissioner with his monthly report, Form 1489. The district supervisor shall use the information reported on Form 1482 in compiling data for his monthly report, Form 1489, required by § 182.966.*

*Change in Proprietorship, Name, etc.; Discontinuance of Use*

§ 182.877 *Procedure*—(a) *Change in proprietorship, name, etc.* Where there is a change in proprietorship, or in the persons interested in the business, or in the individual, firm, or corporate name, trade name or style, or in the location of the premises, etc., procedure similar to that prescribed in §§ 182.650 to 182.652, inclusive, will be followed insofar as applicable.

(b) *Discontinuance of use.* When the use of specially denatured alcohol is discontinued, the permittee shall give notice thereof in writing, in triplicate, to the district supervisor, and shall surrender to the district supervisor his basic and withdrawal permits. Any specially denatured alcohol remaining on hand at the time of such discontinuance may be disposed of in accordance with §§ 182.867 and 182.868, or when authorized by the district supervisor, the specially denatured alcohol may be disposed of to another person holding permit to use specially denatured alcohol of the same formula, upon the filing of a consent of surety, Form 1533, on the bond (if any), of the purchaser extending the terms of his bond to cover the transportation to, and use by, him of the specially denatured alcohol. Recovered denatured alcohol and articles remaining on hand shall be disposed of only as authorized by the Commissioner, after full advice respecting their condition and the disposition which it is desired to make of the recovered products has been submitted. When all specially denatured alcohol, recovered denatured alcohol, and articles, remaining on hand at the time of discontinuance of the use of specially denatured alcohol, have been properly disposed of, as herein provided, the district supervisor will approve the notice of discontinuance, noting thereon the disposition made of such specially denatured alcohol, recovered denatured alcohol, and articles, retain one copy of the notice for his files, and forward one copy to the Commissioner and one copy to the permittee.*

DENATURED RUM

*Sale and Use of Denatured Rum*

§ 182.878 *Denaturation.* Under the law, rum of not less than 150 degrees proof may be denatured free of tax in a distillery denaturing bonded warehouse located on the premises of a registered distillery. The provisions of Regulations 16 (26 CFR, Part 187) govern the location, qualification, construction, equipment, establishment, and operation of distillery denaturing bonded warehouses.* (Sec. 3070, I.R.C.)

§ 182.879 *Dealers in and users of specially denatured rum.* The provisions of these regulations relating to specially denatured alcohol will apply, insofar as applicable, to the procurement and sale by bonded dealers, and the procurement and use by manufacturers, of specially denatured rum, except that dealers shall make deliveries in accordance with § 187.95 of Regulations 16.* (Sec. 3070, I.R.C.)

§ 182.880 *Forms, records, and reports.* The same forms, records, and reports as are prescribed in these regulations concerning the procurement and sale by bonded dealers, and the procurement and use by manufacturers of specially denatured alcohol, shall apply to and be used, insofar as applicable, after making proper modification, in each instance in connection with the procurement and sale by bonded dealers, and the procurement and use by manufacturers, of denatured rum: *Provided,* That bonds on Form 653-A or 582-A will be used in lieu of bonds on Form 1475 or 1480, in connection with application for permit as a bonded dealer in specially denatured rum, or with application by a manufacturer to use specially denatured rum. The penal sums of bonds on Forms 653-A and 582-A will be computed as provided in these regulations with respect to bonds, Forms 1475 and 1480.* (Sec. 3070, I.R.C.)

§ 182.881. *Forms to be used.* The forms, records, and reports referred to above shall include the following:

*Description*

Form No.

33. Affidavit of individual surety on bond.
597. Notice of shipment of specially denatured rum (in lieu of Form 1473).
1411. Permit file index card.
1411-A. Record card—application for permit.
1430. Order to show cause why permit should not be revoked, copy of complaint attached.
1430-A. Order to show cause why permit should not be revoked.
1453-A. Receipt for specially denatured alcohol by the United States or governmental agency.
1474. Application for permit to deal in specially denatured alcohol.
1476. Permit to deal in specially denatured alcohol.
1477. Bonded dealer's application and permit to withdraw specially denatured alcohol.
1478. Specially denatured alcohol bonded dealer's report.
1479. Application for permit to use denatured alcohol.

*Description*—Continued

Form No.
1479-A. Formula or process for the use of denatured alcohol.
1481. Permit to use denatured alcohol.
1482. User's report of denatured alcohol.
1485. Application and permit to withdraw specially denatured alcohol by user.
1489. District supervisor's report of denatured alcohol.
1490. Notice of bond termination.
1491. Notification of release of bond.
1503-A. District supervisor's record of specially denatured alcohol withdrawals.
1533. Consent of surety to change in terms of bond.
1534. Power of attorney.

* (Sec. 3070, I.R.C.)

§ 182.882 *Sale or use of both specially denatured alcohol and specially denatured rum.* Where it is desired to procure and sell or use both specially denatured alcohol and specially denatured rum, separate applications for permits and separate bonds shall be filed and separate permits procured for the specially denatured alcohol and for the specially denatured rum. Separate records shall be kept and separate reports made for the specially denatured alcohol and for the specially denatured rum so received and sold or used.*

RECOVERY OF DENATURED ALCOHOL AND ARTICLES

§ 182.883 *Definition.* "Recover" or "recovery" as used herein shall mean the saving, reclaiming, or salvaging, and restoring (where necessary) of specially or completely denatured alcohol or articles containing denatured alcohol, after use in a manufacturing process, but shall not include completely denatured alcohol recovered with all of the original denaturants therein or articles recovered with all of their original ingredients.*

§ 182.884 *Specially denatured alcohol.* Manufacturers using specially denatured alcohol and desiring to recover the same for reuse, must specify such fact in their application on Form 1479 for a basic permit to use specially denatured alcohol, and in their bond on Form 1480, and must file Form 1479-A, and a drawing describing fully the recovery process and, if the recovered alcohol is to be redenatured, the method of redenaturation to be followed, as required by §§ 182.139 to 182.155, inclusive. No specially denatured alcohol may be recovered by the manufacturer prior to the approval of Form 1479-A by the Commissioner authorizing such recovery.* (Secs. 3073, 3114 (a), I.R.C.)

§ 182.885 *Completely denatured alcohol.* Manufacturers using completely denatured alcohol in manufacturing processes and desiring to recover the same for reuse, must file application on Form 1479 for basic permit so to do, and bond on Form 1480, and Form 1479-A, and a drawing describing fully the recovery process and, if the recovered alcohol is to be redenatured, the redenaturation process, in accordance with §§ 182.139 to 182.155, inclusive. Manufacturers may not so recover completely denatured alcohol prior to approval of Form 1479-A by the Commissioner and the issuance of a basic permit to them by the district supervisor.* (Secs. 3073, 3114 (a), I.R.C.)

§ 182.886 *Articles.* Manufacturers using in a manufacturing process a product containing denatured alcohol, defined as an "article" in Article IV of these regulations, and desiring to recover the same for reuse, must file application on Form 1479-A, describing fully the recovery process. If the product is recovered in other than the form of completely denatured alcohol in its original denatured state, the manufacturer must file application, Form 1479, and bond, Form 1480, and procure a basic permit covering the recovery of denatured alcohol, in accordance with §§ 182.139 to 182.155, inclusive. If the product is recovered in the form of specially denatured alcohol, or is redenatured and used in the form of specially denatured alcohol, the application, bond, and permit must also cover the use of specially denatured alcohol. Manufacturers may not so recover products containing denatured alcohol prior to approval of Form 1479-A by the Commissioner and issuance of the basic permit to them by the district supervisor.* (Secs. 3073, 3114 (a), I.R.C.)

§ 182.887 *Stills.* Stills used in the recovery of denatured alcohol or articles will be permitted on the manufacturer's premises, but all such stills must be registered as required by law and these regulations on Form 26, in triplicate, with the district supervisor pursuant to the procedure prescribed in §§ 182.134 and 182.432. Such stills must be connected by continuous pipes with the condensers and receiving tanks.* (Secs. 2810 (a), 3170, I.R.C., Supp.)

§ 182.888 *Deposit in receiving tanks.* Manufacturers recovering specially denatured alcohol or completely denatured alcohol, or articles in the form of denatured alcohol, must provide a locked receiving tank in accordance with § 182.100 (b) for receiving such recovered alcohol. All alcohol recovered shall be transferred to such tank. Where the reclaimed product is to be shipped to a denaturing plant for restoration and redenaturation (where necessary), the district supervisor may authorize its retention in drums, properly marked for identification. If the recovered product requires redenaturation, the receiving tank into which it is run shall be locked with a Government lock, and the recovered product shall be retained therein until it is redenatured or shipped to a denaturing plant for redenaturation.* (Sec. 3073, I.R.C.)

§ 182.889 *Gauge prior to removal.* All denatured alcohol recovered must be measured and recorded before being redenatured or reused.* (Sec. 3073, I.R.C.)

§ 182.890 *Recovered denatured alcohol and new denatured alcohol.* The permittee must keep recovered denatured alcohol and new denatured alcohol in separate storage containers, properly marked for identification.* (Sec. 3073, I.R.C.)

§ 182.891 *Redenaturation; when required.* If the denatured alcohol is recovered in its original denatured state, or practically so, or containing substantial quantities of the original denaturants and other ingredients which render it nonpotable, it may be reused in any approved process without further redenaturation. In such cases, the district supervisor will cause samples of the recovered product to be taken from time to time for the purpose of determining whether the product requires redenaturation. Where the denatured alcohol is not recovered in its original denatured state, or practically so, or does not contain substantial quantities of the original denaturants and other ingredients which render it nonpotable, it must be redenatured under the supervision of a Government officer at the manufacturer's premises or at a denaturing plant before being reused. Where denatured alcohol is recovered and reused one or more times during the month, the quantity used and recovered each time shall be recorded and the total quantity reported on Form 1482, as hereinafter provided.* (Sec. 3073, I.R.C.)

§ 182.892 *Application for redenaturation, Form 1483.* When recovered specially denatured alcohol or completely denatured alcohol, requiring redenaturation, is collected in sufficient quantities and the manufacturer desires to redenature the same on his premises, he shall file with the district supervisor application on Part I of Form 1483, in triplicate. There shall be stated in the application the name of the permittee, location, wine gallons, and apparent proof of the recovered alcohol and the name or names of articles in the manufacture of which the recovered alcohol was used. The formula number and the kind of denaturants (if alternate denaturants are authorized by the provisions of the Appendix to these regulations) by which the recovered alcohol is to be redenatured, shall be stated.* (Sec. 3073, I.R.C.)

§ 182.893 *Approved denaturants.* Where recovered alcohol is redenatured on the manufacturer's premises, he shall provide and keep in his storeroom or in locked tanks the necessary approved denaturants, and such denaturants, unless obtained in sealed packages from a duly qualified denaturing plant, must be tested and approved by an authorized chemist, as required by §§ 182.706 to 182.715.* (Sec. 3073, I.R.C.)

§ 182.894 *Redenaturation of recovered alcohol.* Upon approval of Form 1483 by the district supervisor, he shall detail an officer to supervise the redenaturation of the alcohol described in such notice. The officer detailed to supervise the redenaturation of the alcohol on the manufacturer's premises shall, after ascertaining the quantity and proof of the alcohol, see that the proper quantity of approved denaturants, according to the approved formula, are added and are thoroughly mixed with such alcohol. If the denaturants to be used in denaturing the alcohol have not been approved, samples of such products shall be submitted for analysis by the officer under whose supervision the recovered alcohol is to be redenatured to an authorized chemist, as provided in these

regulations. Upon redenaturation of the recovered alcohol, the officer will execute his report thereof on each copy of Form 1483, deliver one copy of the form to the manufacturer, and send the other two copies to the district supervisor, who will forward one copy to the Commissioner with the manufacturer's monthly report on Form 1482.* (Sec. 3073, I.R.C.)

§ 182.895 *Shipment to denaturing plant.* Recovered denatured alcohol requiring restoration or redenaturation, or both, unless redenatured on the manufacturer's premises in accordance with § 182.894, shall be shipped to a denaturing plant for such purpose: *Provided,* That where the recovered alcohol is to be restored, the denaturing plant must be equipped with the necessary apparatus to restore the alcohol.

(a) *Marks on packages.* Packages of recovered denatured alcohol shipped to a denaturing plant for restoration or redenaturation must be numbered in serial order and have marked or stenciled thereon the name of the manufacturer, his permit number and address, and the quantity of alcohol contained therein, and the words "Recovered (specially) or (completely) denatured alcohol formula No. ———."

(b) *Notice, Form 1484.* The manufacturer, at the time of shipping recovered denatured alcohol to a denaturing plant, shall submit Form 1484, "Manufacturer's Notice of Shipment of Recovered Denatured Alcohol." The notice shall give all of the information called for by the form and shall be forwarded on the day of shipment to the storekeeper-gauger at the denaturing plant and to the district supervisor of the district in which the denaturing plant is located, as provided in subparagraphs (1) and (2).

(1) *Interdistrict shipments.* When shipment is made to a denaturing plant located in another supervisory district, the manufacturer will prepare Form 1484, in triplicate, and forward one copy to the storekeeper-gauger at the denaturing plant to which shipment is made and the remaining copies to the district supervisor of the district in which the denaturing plant is located. The district supervisor will check both copies of the form with the monthly report of the denaturer, execute his certificate of report of receipt on the form, and forward one copy of the form to the district supervisor of the manufacturer's district, who will check the form against the manufacturer's monthly report on Form 1482.

(2) *Intradistrict shipments.* When recovered alcohol is shipped to a denaturing plant located in the same district, the manufacturer will prepare Form 1484, in duplicate, and forward one copy to the storekeeper-gauger at the denaturing plant and the remaining copy to the district supervisor. The district supervisor will check the form with the monthly reports of the manufacturer and denaturer on Forms 1482 and 1468–F.

(c) *Record of shipment.* All denatured alcohol recovered for reuse on the manufacturer's premises and shipped to a denaturing plant for restoration or redenaturation shall be duly entered by the manufacturer on his monthly report, Form 1482.* (Secs. 3070, 3073, I.R.C.)

§ 182.896 *Records and reports.* Persons recovering denatured alcohol and articles pursuant to the provisions hereof must keep records and file reports monthly on Form 1482, as provided in §§ 182.873 and 182.874, properly modified if completely denatured alcohol or articles are recovered, showing the quantity received, used in manufacture, and the quantity recovered and the disposition thereof.* (Secs. 3070, 3073, I.R.C.)

USE OF TAX-FREE ALCOHOL AND SPECIALLY DENATURED ALCOHOL BY THE UNITED STATES OR GOVERNMENTAL AGENCY

*Tax-free Alcohol*

§ 182.897 *Procurement of alcohol.* Alcohol may be withdrawn tax-free by the United States or any governmental agency thereof, upon filing of application and the issuance of permit therefor on Form 1444, in accordance with § 182.171. Upon issuance of permit, Form 1444, by the Commissioner to the United States or governmental agency thereof, the department, bureau, commission, or independent office or agency may procure alcohol free of tax in any quantity desired from the proprietor of the bonded warehouse named as vendor in such permit. The permit shall be forwarded to the vendor named therein by the department or agency to which the permit is issued. The vendor will enter thereon the number of proof gallons transferred to the permittee, date and sign the same, and return the permit to the consignee. Further like transfers may be made under such permit during the term thereof: *Provided,* That the permit may remain in the possession of the vendor until the expiration thereof or until it is recalled by the department or agency to which issued. When it is desired to secure alcohol from more than one bonded warehouse, such additional permit or permits as may be necessary may be obtained.* (Secs. 3108, 3114 (a), I.R.C.)

§ 182.898 *Receipt, Form 1453.* Receipts of shipments of alcohol withdrawn tax-free for use of the United States or governmental agency thereof shall be made on Part II of Form 1453, when received from the proprietor of the warehouse. The receipt of such shipment shall be promptly certified to on Form 1453 by the official representative of the United States or governmental agency thereof to whom deliveries of such shipments are made and will be forwarded to the district supervisor of the district in which the bonded warehouse is located. Such certificates of receipt shall disclose the quantity actually received in order that the same may be checked against the returns of the proprietor of the bonded warehouse making the shipment.* (Secs. 3108, 3114 (a), I.R.C.)

§ 182.899 *Use.* Tax-free alcohol withdrawn under the provisions of law and these regulations for use of the United States or governmental agency must be used solely for nonbeverage purposes.* (Secs. 3108, 3114 (a), I.R.C.)

§ 182.900 *Destruction of marks and brands.* When an original package of alcohol has been completely emptied all of the marks and brands required to be placed thereon by law and these regulations shall be completely effaced or obliterated by painting, scraping, or otherwise. (See §§ 182.533 to 182.536, inclusive.)* (Sec. 2866, I.R.C.)

§ 182.901 *Carrier's receipt.* The person or carrier transporting tax-free alcohol to any department or agency of the United States Government is required to procure a receipt from such department or agency, which receipt shall show the name and address of the consignor and consignee, the quantity of alcohol in the shipment, the date of delivery and the name of the person receiving the alcohol as agent for the consignee.*

*Specially Denatured Alcohol*

§ 182.902 *Procurement of specially denatured alcohol.* Specially denatured alcohol may be withdrawn by the United States or governmental agency thereof, upon filing of application and the issuance of permit therefor on Form 1486, in accordance with § 182.173. Upon issuance of permit on Part II of Form 1486, in accordance with the provisions of § 182.226 by the Commissioner, the permit shall be forwarded by the Government department, bureau, commission, or independent office or agency to the denaturer or bonded dealer from whom the specially denatured alcohol is to be obtained and will be the authority of such denaturer or bonded dealer to make shipment. The vendor shall enter the quantity and formula number shipped and sign the permit at the time shipment is made. After shipment has been made the permit shall be returned to the proper department or office for use in obtaining further supplies when necessary.* (Secs. 3108 (a), 3109, 3114 (a), I.R.C.)

§ 182.903 *Receipt, Form 1453–A.* Upon receipt of a shipment of specially denatured alcohol, the Government officer receiving the same shall execute certificate of receipt on Part II of Form 1453–A, received from the denaturer or bonded dealer, and will promptly forward the form to the district supervisor of the district in which the denaturing plant or bonded dealer is located, as specified at the bottom of the form.* (Secs. 3108 (a), 3109, 3114 (a), I.R.C.)

CARRIERS

§ 182.904 *Possession by unauthorized carriers.* The transportation of tax-free or specially denatured alcohol by a carrier not authorized by permit to transport the same is a violation of law and renders the alcohol subject to forfeiture.* (Secs. 3111, 3114 (a), I.R.C.)

§ 182.905. *Permits of consignees.* The carrier must receive a certified copy of the withdrawal permit, authorizing the procurement of the alcohol, from the consignee (with the exception of the United States and governmental agencies) before delivery may be made to the consignee. The permits referred to (Forms 1436, 1450, 1463, 1464, 1477, and 1485) must be certified by the district supervisor and delivered to the carrier or his agent at the place of destination.* (Secs. 3111, 3114 (a), I.R.C.)

§ 182.906 *Permits to be filed.* The carrier or his agent shall file the certified

copy of the withdrawal permit as a permanent record, and the carrier will be authorized thereafter until the date of the expiration of such permit to deliver to the permit holder or his agent alcohol or specially denatured alcohol withdrawn thereunder.* (Secs. 3111, 3114 (a), I.R.C.)

§182.907. *Bill of lading.* The person making shipments of alcohol or denatured alcohol to any person holding one of the permits referred to in § 182.905 shall incorporate in his bill of lading a statement to the following effect:

The person to whom this shipment is consigned shall file with the agent of the delivering carrier at destination a certified copy of the withdrawal permit under which this shipment is made.

(a) *Written statement in lieu of bill of lading.* Where no bill of lading is issued as in the case of a local express company a written statement to the above effect signed by the shipper shall be delivered to the carrier.* (Secs. 3111, 3114 (a), I.R.C.)

§ 182.908 *Restricted use of containers*—(a) *Tank wagons or tank trucks.* Tank wagons or tank trucks are not authorized to be used for the transportation of alcohol or denatured alcohol and carriers shall not transport alcohol or denatured alcohol in such containers.

(b) *Railroad tank cars.* Shipment of alcohol or denatured alcohol by railroad tank cars may be made only when the premises of the consignor and consignee are equipped with satisfactory railroad siding facilities and the consignee is otherwise authorized to receive such shipment.* (Secs. 3111, 3114 (a), I.R.C.)

§ 182.909 *Delivery*—(a) *By shipper to carrier.* The consignor will be responsible for proper delivery of tax-free or specially denatured alcohol to a carrier holding a basic permit to transport.

(b) *By carrier to United States or governmental agency.* Where tax-free or specially denatured alcohol is shipped to any department, bureau, commission, or independent office or agency of the United States Government, the same may be delivered by the carrier transporting the alcohol or denatured alcohol without the necessity of receiving copy of permit to procure such alcohol.

(1) *Receipt required.* In such cases, however, the person transporting the tax-free or specially denatured alcohol shall procure a receipt from the consignee which receipt shall show the name and address of the consignor and the consignee, the quantity of alcohol or specially denatured alcohol in the shipment, the date of delivery and the name of the person receiving the alcohol as agent for the consignee.

(2) *Filing of receipt.* The receipt shall be filed by the carrier in the file or binder containing copies of withdrawal permits covering other deliveries of tax-free or specially denatured alcohol.* (Secs. 3111, 3114 (a), I.R.C.)

§ 182.910 *Delivery to agent of consignee.* Where the consignee is other than a natural person, a certain agent must be specially designated in writing to receive shipments of tax-free or specially denatured alcohol and the carrier transporting the tax-free or specially denatured alcohol must receive a copy of the document making the designation before delivery. Where the consignee is a natural person, the tax-free or specially denatured alcohol must be delivered to him personally, unless he furnishes the carrier with an affidavit to the effect that it is impracticable for him to receive the tax-free or speciall denatured alcohol personally and designating some certain agent to receive the same for him, in which event, the carrier may deliver the tax-free or specially denatured alcohol to such agent. Such affidavits shall be filed in the same manner as receipts, in accordance with the provisions of § 182.909.* (Secs. 3111, 3114 (a), I.R.C.)

§ 182.911 *Inability to deliver.* When tax-free or specially denatured alcohol cannot for any reason be delivered by the carrier at the point of destination, the carrier shall return it to the original shipper in accordance with the regulations of the Interstate Commerce Commission, unless the district supervisor, upon application of the consignor, authorizes delivery of the alcohol to another permittee.

(a) *Notification.* When alcohol or denatured alcohol is so returned, the carrier shall notify the original shipper and shall forward a copy of the notification to the district supervisor of the district in which the original shipper is located with a statement of the facts.* (Secs. 3111, 3114 (a), I.R.C.)

§ 182.912 *Record book to be kept.* Each person holding a basic permit to transport tax-free and specially denatured alcohol is required to keep at the place of shipment a record in book form containing the following information covering each package of such alcohol received for transportation:

(1) Name and address of the consignor and consignee;

(2) Kind (tax-free or specially denatured) and quantity of alcohol contained in the packages; and

(3) Date of shipment.* (Sec. 3114 (a), I.R.C.)

§ 182.913 *Change in proprietorship, etc.* Where there is a change in the proprietorship, persons interested in the business, or change in the individual, firm, or corporate name, trade name or style of a carrier holding basic permit to transport tax-free or specially denatured alcohol, the carrier must comply with the provisions of §§ 182.650 to 182.652, inclusive.*

MANUFACTURE, TAX-PAYMENT, REMOVAL, AND REGISTRATION OF STILLS AND WORMS

§ 182.914 *General.* Whenever a person manufactures or reconstructs stills or worms, or sets up, sells, or removes stills or distilling apparatus, they must comply with the regulations governing the payment of special and commodity taxes, the securing of permits before setting up or removing stills and distilling apparatus, and the registration of stills and distilling apparatus set up (see Regulations 23 (26 CFR, Part 181)): *Provided,* That special and commodity taxes are not incurred on the manufacture or reconstruction of stills and worms at industrial alcohol plants.* (Sec. 3103, I.R.C.)

RULES FOR COMPUTING CAPACITY OF STILLS

§ 182.915 *Capacity of stills.* The estimated maximum spirit-producing capacity of stills will be computed according to the following rules:

(a) *Pot or kettle stills.* The working capacity of pot or kettle stills will be determined by multiplying 80 per cent of the cubic capacity of the still by the maximum number of boilings that can be made in 24 hours and then multiplying this result by the percent of alcohol by volume contained in the highest yielding material to be used in distillation. This result will represent the quantity of wine gallons of absolute alcohol that can be distilled in 24 hours. This quantity, when multiplied by 2, will represent the number of proof gallons. For example, if a pot still having a cubic capacity of 2,000 gallons is used, and such still can be charged three times in 8 hours, and the highest percentage of alcohol by volume in the distilling material to be used is 8 percent, the spirit-producing capacity of the still will be computed as follows: $2,000 \times 0.8 \times 9 \times 0.08 \times 2 = 2,304$ proof gallons. (The quantity that can be distilled in 24 hours.)

(b) *Charge chamber stills.* Where a charge chamber still is used, the estimated maximum quantity of distilled spirits in proof gallons capable of being produced will be determined by multiplying 80 percent of the cubic capacity of the top or charge chamber of the still by the number of times the same can be filled and emptied in 24 hours. This result will represent the total number of gallons of distilling material that can be distilled in 24 hours, which quantity will be multiplied by the percent of alcohol by volume contained in the highest yielding material to be used. The result of such computation will represent the number of wine gallons of absolute alcohol that can be distilled in 24 hours. This quantity, when multiplied by 2, will represent the number of proof gallons. For example, if a charge still is used having a charge chamber of a cubic capacity of 600 gallons which can be charged three times in 1 hour, and the highest percentage of alcohol by volume in the distilling material to be used is 8 percent, the spirit-producing capacity will be computed as follows: $600 \times 0.8 \times 3 \times 24 \times 0.08 \times 2 = 5,529.6$ proof gallons. (The quantity that can be distilled in 24 hours.)

(c) *Continuous stills.* If continuous stills are used, the maximum spirit-producing capacity in proof gallons of such stills will be computed on the area of the column in square feet. The first step will be to determine the inside diameter of the still at its base and the diameter will then be divided by 2 to ascertain the radius. The diameter may be determined (1) by accurately measuring the inside width of the still with a rod or tape, or (2) by measuring the outside circumference of the still and dividing the same by 3.1416 and deducting from

the quotient twice the thickness of the sides of the still. The radius (in feet) will be squared and then multiplied by 3.1416 (Pi) to ascertain the area of the column in square feet. The area in square feet will be multiplied by the factor, 40 (the number of gallons of 100 proof spirits that can be distilled in 1 hour per square foot of plate area), and the result will represent the total number of gallons of 100 proof spirits that can be distilled in 1 hour. This quantity will be multiplied by 24 to determine the number of gallons of 100 proof spirits that can be distilled in 1 day. For example, if a continuous still having a diameter of 4 feet is used, the spirit-producing capacity will be computed as follows: 2×2×3.1416×40×24=12,063.74 proof gallons. (The quantity that can be produced in 24 hours.)*

CONCERNING LOCKS AND SEALS

§ 182.916 *General.* Except as otherwise provided in these regulations, the Commissioner will furnish at the expense of the United States all Government locks and seals required to be used at industrial alcohol plants, bonded warehouses and denaturing plants. District supervisors will see that the industrial alcohol plants, bonded warehouses and denaturing plants in their respective districts are fully equipped with locks in good condition, and that the necessary seals are provided for seal locks. District supervisors will bear in mind that Government locks are required in the case of industrial alcohol plants upon all necessary openings in the distilling apparatus by which access may be had to alcohol in the process of manufacture from the first still in which the vapors rise until the finished alcohol is deposited in the receiving tanks; upon all doors in the wineroom and receiving room; and upon the control valves in pipe lines which convey steam or fuel to the stills or which convey alcohol to warehouse storage tanks or to tanks in the denaturing plant on the same premises. Government locks are also required on all doors of bonded warehouses and denaturing plants and upon control valves and pipe lines and openings to tanks located therein.*

§ 182.917 *Defective or broken locks.* When any Government lock becomes defective or broken, the storekeeper-gauger will return it to the district supervisor with a letter giving the kind and number. When the district supervisor has accumulated a sufficient number of such defective or broken locks, he will destroy the same and report the destruction thereof to the Commissioner.*

§182.918 *Seal locks.* Seal locks will be used on the entrance door of the receiving room and the entrance door of the temporary storage room therein (if any) of industrial alcohol plants; on the door of the Government cabinet; the entrance door of bonded warehouses and of denaturing plants; and on such other places where the use of seal locks is required by these regulations or deemed necessary by the district supervisor. Where alcohol is retained overnight in the industrial alcohol plant and an officer is not assigned to night duty at the industrial alcohol plant, seal locks will be used on manheads of tanks in which the alcohol is so retained and on any outlets of such tanks leading to the stills, unless the alcohol is retained in the wineroom and the entrance door of such room is secured with a seal lock.*

§ 182.919 *Plain locks.* Plain locks will be used at all other places in the industrial alcohol plant, bonded warehouse, or denaturing plant where locks are required by these regulations.*

§ 182.920 *Custody of keys.* The storekeeper-gauger will keep the keys to Government locks in use under his charge in his custody at all times, and will not permit them at any time to go into the possession of the proprietor or any other person except the district supervisor or another Government officer authorized to receive them.*

§182.921 *Use of seal lock.* The seal lock is constructed with a clasp attached thereto, with blind hinges at the bottom opening downward. This clasp covers an indentation in the face of the lock surrounding the keyhole for the insertion of the seal. When it is desired to seal-close the lock, a seal will be placed in the indentation made for its reception, and the seal clasp will then be shut and the hasp pushed downward into the lock, thereby locking the lock and seal clasp.*

§ 182.922 *Use of lock seals.* Lock seals are numbered consecutively and care will be taken to use them in the order in which they are numbered, beginning with the lowest number. In cases where locks are required to be opened several times during the day, the seal will not be inserted until the lock is closed for the night, unless the duties of the storekeeper-gauger having the lock in charge require him to leave the premises of the industrial alcohol plant, bonded warehouse or denaturing plant during the day. All seals must be so inserted that the serial number will be visible through the keyhole after the locks are fastened. Government officer will, before opening seal locks, see that the seal has not been broken or tampered with.*

§ 182.923 *Custody of locks.* Government locks when not required for use at plants will be retained in the possession of the district supervisor. Receipts will be taken by district supervisors from storekeeper-gaugers for all locks and seals issued to them. Storekeeper-gaugers are strictly prohibited from intrusting locks, keys, or seals in their charge to any person other than an internal revenue officer entitled to receive them, and under no circumstances will they permit locks to remain open, whether hanging by the shackle or otherwise.*

§ 182.924 *Cap seals.* All unions, flanges, and other pipe connections in the equipment in an industrial alcohol plant, bonded warehouse, or denaturing plant not secured by welding or brazing or similar methods, must be securely connected and sealed with seals approved by the Commissioner. A special type of seal, serially numbered, has been approved for use in sealing unions, flanges, and other detachable pipe connections. This seal has, for the purpose of identification, been designated a "Cap" seal.*

§ 182.925 *Affixing cap seals.* Cap seals must be affixed in such a manner as to prevent disconnection of the equipment without detection. No. 16 gauge copper wire will be used in applying these seals, unless the use of a different gauge of such wire is authorized by the Commissioner. The seals must be used in serial order, beginning with the lowest number. When applied initially, they will follow in consecutive order the flow of the spirits.*

§ 182.926 *Custody of cap seals.* Cap seals furnished storekeeper-gaugers for use at industrial alcohol plants, bonded warehouses, or denaturing plants, must be kept in the Government cabinet.*

§ 182.927 *Breaking of sealed connections forbidden.* Sealed connections must not be broken by the proprietor for any reason, except in cases of emergency and then only after notifying the storekeeper-gauger in charge or the district supervisor. Where the proprietor desires to make changes in the equipment involving the breaking of a sealed connection, he will follow the procedure prescribed in § 182.271.*

§ 182.928 *Removal of cap seals.* Except as provided in § 182.927, cap seals which have been affixed may be removed only by a storekeeper-gauger or some other officer designated for the purpose by the district supervisor. All removed seals will be forwarded to the district supervisor with a statement giving the number thereof, the reason for removal, the place from which removed, the serial number of the seal used for replacement, and the date the new seal was applied. When a sufficient number of such removed cap seals has been accumulated, the district supervisor will cause them to be destroyed. The person designated to destroy the seals will render to the district supervisor a report of their destruction.*

§ 182.929 *Storekeeper-gauger's record of cap seals.* Storekeeper-gaugers will keep a record of cap seals in a blank-book supplied by the Bureau for that purpose. When cap seals are received, the storekeeper-gauger will enter in the record book the date of receipt, the number received, and the serial numbers thereof. When the seals are used the serial number of each, date of use, description of the place sealed, and the name or initials of the storekeeper-gauger applying the same will be entered in appropriate columns of such record. When seals are removed, as provided in § 182.932, entries will be made in the record book showing the serial number of each, the reason for removal, the place from which removed, the serial number of the seal used for replacement, and the date the new seal was applied. The record book will be kept in the Government cabinet when not in use.*

§ 182.930 *Storekeeper-gauger's report of locks and seals.* Storekeeper-gaugers will render to district supervisors a monthly report of all locks and seals in their charge on Form 289, "Storekeeper-

Gaugers' Report of Government Property."*

§ 182.931 *District supervisor's report of locks and seals.* District supervisors will be held accountable for the Government locks and seals, including cap seals, supplied upon their respective requisitions, and for those received from their predecessors in office. Outgoing district supervisors will take receipts from their successors in office for the Government locks then in use and on hand in the district. District supervisors will keep an account of locks and seals, and will make return thereof quarterly to the Commissioner on Form 152, "Return of Locks, Seals, and Gauging Instruments."*

§ 182.932 Requisition for lock seals. Lock seals will be furnished by the Commissioner in sheets of 54 seals each, upon requisition by the district supervisor. Requisitions should be made for the number of seals sufficient to meet the needs of the district for six months.*

DUTIES OF STOREKEEPER-GAUGERS AT INDUSTRIAL ALCOHOL PLANTS, BONDED WAREHOUSES, AND DENATURING PLANTS

§ 182.933 *General.* Storekeeper-gaugers assigned to duty at industrial alcohol plants, bonded warehouses, and denaturing plants must follow closely the provisions of the Manual of Instructions for U. S. Storekeeper-Gaugers—1940, in the performance of their duties at such establishments. Such officers are charged with the complete supervision of the plant and warehouse and all operations thereat, including production, denaturation, and removal, to the end that the Government will be secured in all revenue from the alcohol and that there will be no unlawful diversion of the alcohol. When the officer finds that the recorded gauge of any container of alcohol or the stamps affixed to the container do not correctly describe the contents of such container, he shall detain the container and report the facts at once in writing to the district supervisor.*

§ 182.934 *Memoranda records.* Storekeeper-gaugers assigned to industrial alcohol plants, bonded warehouses, and denaturing plants will keep such memoranda records of the gauging, denaturation, transfer, withdrawal, etc., of alcohol and denatured alcohol, as will enable them to determine the correctness of all daily reports delivered to them by the proprietor in accordance with these regulations. They will also keep such memoranda records of the proprietor's inventory of alcohol, denatured alcohol, and denaturants on hand at the close of the month, as will enable them to determine that the quantities of such materials reported on hand last of month in the proprietor's monthly reports are correct. Storekeeper-gaugers assigned to denaturing plants will also keep such memoranda records as will enable them to determine that the quantities of denaturants received and shipped out; the shipments of completely denatured alcohol; the quantities of recovered alcohol restored and the losses in restoration, are all correctly reported in the proprietor's monthly reports.*

§ 182.935 *Verification of gauge.* Storekeeper-gaugers must verify the gauge (proof, weight, and gallonage) of all alcohol gauged at industrial alcohol plants, bonded warehouses, and denaturing plants, and shall determine from the memoranda records kept by them that all reports of gauge, Form 1440, are correct.

(a) *Reading of proof of alcohol.* If the proof of any alcohol as determined by the officer does not agree with that found by the proprietor and the proprietor is unwilling to accept the officer's reading, the officer shall detain the alcohol and carefully take two 1-quart samples, and label and seal the same. He shall immediately send one sample, properly identified, to the Bureau field laboratory, and retain the other one, pending receipt of the chemist's report. The chemist will determine the proof of the alcohol.*

§ 182.936 *Denaturation of alcohol.* Storekeeper-gaugers must know that the proper kinds and quantities of denaturants, as specified in the prescribed formula, are used in each lot of alcohol denatured and that the same are thoroughly admixed with the alcohol. The storekeeper-gauger shall determine from his memoranda records that the daily reports, Form 1466, are correct.*

§ 182.937 *Verification of monthly inventory.* Storekeeper-gaugers shall verify the properitor's monthly inventory of ethyl alcohol, specially denatured alcohol, completely denatured alcohol, and denaturants remaining on hand at the end of the month.*

§ 182.938 *Receipt of reports.* Storekeeper-gaugers assigned to industrial alcohol plants, bonded warehouses, and denaturing plants shall stamp on each report or form the time when the report or form was delivered to them by the proprietor for forwarding to the district supervisor or others. Stamps for this purpose will be furnished by the Commissioner.*

§ 182.939 *Verification of daily reports.* Storekeeper-gaugers shall verify from their memoranda records the correctness of all daily reports delivered to them by the proprietor.*

§ 182.940 *Monthly reports.* Upon receiving the proprietor's monthly reports the storekeeper-gauger will examine the same to determine whether the reports are complete in every respect and whether the quantities of ethyl alcohol, specially denatured alcohol, completely denatured alcohol, and denaturants shown on hand last of month, and the quantities of denaturants shown received and shipped, are correct. Storekeeper-gaugers are not required to verify the other entries in such monthly reports.*

§ 182.941 *Initialing of reports.* Storekeeper-gaugers will initial all daily reports after determining that such reports are complete and correct, and will initial monthly reports after determining that such reports are complete, and that the quantities of ethyl alcohol, specially denatured alcohol, completely denatured alcohol, and denaturants shown on hand last of month are correct. The storekeeper-gauger will indicate his title by writing the letters "U. S. S. G." immediately below his initials.*

§ 182.942 *Inspection of proprietor's records and files.* Storekeeper-gaugers will inspect from time to time the proprietor's records and files, prescribed by these regulations, for the purpose of determining that the records are kept current and that the files are maintained in such a manner as to permit ready examination thereof by Government officers.*

OFFICER'S RIGHT OF ENTRY AND EXAMINATION

§ 182.943 *Authority to enter and inspect.* Internal revenue officers have authority under the law to inspect at any reasonable hour the records, liquors, and premises of permittees to determine that all provisions of the internal revenue laws and the regulations promulgated thereunder are being complied with. Officers desiring to make inspections will identify themselves by exhibiting their credentials. Any denial of or interference with such inspection by the permittee, his agents or employees, is a violation of law and will be reported as such for appropriate action.* (Sec. 3601, I.R.C.)

§ 182.944 *Authority to break up grounds or walls.* Under the law, any internal revenue officer and any persons acting in his aid may break up the ground on any part of an industrial alcohol plant or premises of the proprietor thereof, or any ground adjoining or near any such industrial alcohol plant or premises, or any wall or partition thereof or belonging therto, or other place, to search for any pipe, cock, private conveyance, or utensil, and upon finding any pipe or conveyance leading from or to such premises to break up any ground, house, wall or other place through or into which such pipe or conveyance leads, and to break or cut away such pipe or conveyance. Before taking action under this section of law, the investigating officer should consult with his superior officer or the district supervisor, unless the circumstances are such as to require immediate action.* (Sec. 2830, I.R.C.)

§ 182.945 *Proprietor to furnish assistance.* Under the law, on demand of any internal revenue officer, every proprietor of an industrial alcohol plant shall furnish convenient ladders to enable the officer to examine any vessel or utensil in his industrial alcohol plant, and shall furnish all assistance, lights, tools, or other things necessary for inspecting the premises and apparatus, and shall open all doors, boxes, packages, and all casks, barrels, and other vessels not under the control of the Government officer in charge thereof.* (Sec. 2828, I.R.C.)

INSTRUCTIONS TO INSPECTING OFFICERS

§ 182.946 *Officers to keep themselves informed.* Inspectors must inform themselves fully of the limitations and requirements of the internal revenue laws and regulations. They should familiarize themselves with the theory and practice of fermentation and distillation, the making of such simple chemical determinations as are requisite for a check of the yield of industrial alcohol plants,

the proper use of the instruments required for gauging and testing alcohol, the records that all permittees are required to keep, and the reports they are required to render.*

§ 182.947 *Frequency of inspections.* District supervisors will cause the premises of permittees to be inspected at irregular and unexpected intervals in accordance with the prevailing inspection policy as determined by the Commissioner from time to time.*

§ 182.948 *Scope of inspection.* The scope of the inspection will likewise be in accordance with the prevailing inspection policy as determined by the Commissioner from time to time. It is not intended that all of the following provisions respecting points to be covered shall necessarily apply in the case of each inspection. Such provisions are set forth for the guidance of inspectors when within the scope of the inspection required by their assignments.*

§ 182.949 *Observation of storekeeper-gaugers.* Inspectors will, in the course of their inspection, observe the storekeeper-gaugers on duty (if any are assigned to the premises), to determine whether they are fully informed as to their official duties and are properly performing the same.*

§ 182.950 *Examination of records.* The inspectors will see that the records of the permittee and the storekeeper-gauger (if any are assigned to the premises) are properly kept, but will not audit such records or take an inventory unless conditions indicate the necessity for a complete inspection. When a record is checked, the inspector will note such fact on the margin thereof, with the date of checking and his initials, so that other officers on subsequent visits need not verify the record for the period covered by such inspection.*

§182.951 *Examination of distilling equipment.* The inspectors will ascertain whether the distilling equipment in industrial alcohol plants conforms to the plans and will trace the equipment, including pipe lines, to determine whether the flow of alcohol is continuous and whether the alcohol is properly protected against diversion by adequate sealing and locking of the equipment. The inspectors will require correction of any unsafe condition discovered.*

§182.952 *Materials.* The inspectors should inquire into the kind of distilling material used, the method of determining the alcoholic content thereof, and any abnormal differences between the actual yield and the calculated yield of spirits therefrom.*

§ 182.953 *Storage of alcohol.* The means of storing the alcohol and denatured alcohol and the security thereof should be ascertained by inspectors. Where alcohol or denatured alcohol is stored in storage tanks, the officers should ascertain the contents of the tanks and compare the same with the quantity carried in the records as on hand in the tanks. Any deficiency found should be thoroughly inquired into at the time. The permittee should be called upon for an explanation of the shortage, unless the inspectors deem it advisable to inquire further into the matter before advising him of their discovery of the shortage.*

§182.954 *Additional inquiries.* The inspectors will make such further inquiries as may be necessary to determine whether the mode of operation followed by the permittee, particularly in respect to the receipt, storage, and use of distilling material, the distilling process employed, the taking of samples, if any, the transfer of alcohol to the receiving tanks and from such tanks to storage tanks in the bonded warehouse, the transfer of alcohol by pipe line to the denaturing plant, if any, on the premises, the proofing of alcohol prior to drawing off, the filling, weighing, and marking of packages and the transfer of packages, etc., is in conformity with the intendment of the law and these regulations, and is without jeopardy to the revenue.*

§ 182.955 *Inspection reports.* Inspectors will promptly render reports of their inspection to district supervisors. They will call the attention of the permittee and of the storekeeper-gauger, if any, to any condition or mode of operation which is unsatisfactory or irregular, and will describe fully the unsatisfactory or irregular condition or mode of operation in their reports and state what steps have been taken or ought to be taken to remedy the same. Any unusual conditions discovered in the course of inspection should be noted by the inspectors and covered fully in their reports. Any cases of illegal removal of alcohol or denatured alcohol or other unlawful acts coming to the knowledge of inspectors should be immediately reported to the district supervisor.*

GENERAL INSTRUCTIONS TO GOVERNMENT OFFICERS

§ 182.956 *Officers not to be interested in business.* Under the provisions of law and departmental order, no officer or employee in departmental or field services of the Bureau of Internal Revenue shall directly or indirectly have any interest, whether as owner or part owner, stockholder, or otherwise, in any business the whole or any substantial part of which consists in the production, sale, or distribution commercially of distilled spirits, wine, or fermented malt liquor, nor shall any such officer or employee directly or indirectly, with or without compensation, engage in any such business or have any connection whether as partner, officer, director, employee, agent, attorney, or in any other capacity with any person, firm, or corporation engaged in any such business.* (Sec. 4047 (b), I.R.C.; sec. 161, R.S. (5 U.S.C. 22))

§ 182.957 *Authority of officers and employees.* The Commissioner, his assistants, agents, inspectors, and other officers and employees, whose duty it is to enforce criminal laws, have all the rights, privileges, powers, and protection which are conferred by law for the enforcement of any laws in respect to taxation, importation, exportation, transportation, manufacture, possession, or use of, or traffic in intoxicating liquors.* (Sec. 3121 (a), I.R.C.)

§ 182.958 *Inspection of records and premises.* All records and reports kept and filed under the provisions of these regulations and all liquor or property to which such records or reports relate and all vehicles passing in or out of any permit premises shall be subject to inspection at any reasonable hour by any official or officer of the Bureau of Internal Revenue.* (Secs. 3121(c), 3601, I.R.C.)

§ 182.959 *Samples may be taken by officers.* Any internal revenue officer may take samples of denatured alcohol or of products manufactured with denatured alcohol, whether at the place of manufacture or on trucks or other conveyances leaving the place of manufacture, or the ingredients used in compounding products manufactured with denatured alcohol.*

§ 182.960 *Seizure of empty packages.* Any empty alcohol package from which the marks, brands, or stamps required by law and these regulations have not been effaced or obliterated is declared to be forfeited and any internal revenue officer should seize the same wherever found.* (Sec. 2866, I.R.C.)

§ 182.961 *Information not to be disclosed.* Storekeeper-gaugers, inspectors, and all other officers and employees of the Bureau must exercise special care to see that no person, except as authorized by law and departmental regulations, is permitted to have access to, inspect, or in any manner become cognizant of the contents of any official record, application, letter, or other document, or of any business of the Bureau. No person connected with the Bureau shall divulge or make known in any way to any person, other than as authorized by law and departmental regulation, any information, coming to his knowledge in the discharge of his official duties, concerning the operations and business of any permittee or any other person, or any information relative to any case, application, record, formula, sample, or other document in the Bureau.* (Sec. 4047(a), I.R.C.; sec. 161, R.S. (5 U.S.C. 22))

DISTRICT SUPERVISOR'S RECORDS AND REPORTS

§ 182.962 *Record of basic permits; Forms 1411 and 1411-A.* District supervisors shall keep a current card index record on Forms 1411 and 1411-A of all persons to whom basic permits have been issued or who have filed application therefor, as provided in § 182.227 (a). Any permittee shall be entitled to inspect Form 1411 covering the other permittees to whom he is authorized to sell, or from whom he is authorized to purchase, alcohol or specially denatured alcohol. District supervisors shall, therefore, as far as possible without interference with their office work, not only allow such inspections to be made, but also permit names and addresses to be copied from such cards.*

§ 182.963 *Receipt of reports.* District supervisors shall stamp on each report or form the time of receipt of the reports or forms by them from Government officers and permittees in accordance with the provisions of these regulations. Stamps for this purpose will be furnished by the Commissioner.*

§ 182.964 *Form 1487.* Each district supervisor will render a monthly account on Form 1487 of transactions at industrial alcohol bonded warehouses for each State within his district. The required data will be obtained from the monthly warehouse reports, Forms 1443-A and 1443-B, of proprietors after the reports have been audited. Data reported on Forms 1488 for industrial alcohol plants not having a bonded warehouse shall be included on Form 1487. The entries will be made as indicated by the headings of the columns and lines and in accordance with the instructions printed on the form. Where the district supervisor authorizes the return of alcohol withdrawn tax-free to a bonded warehouse, Form 1487 should show the return as a separate item. Any loss of such returned alcohol should be reflected in entries on the Form 1487. Form 1487 will be prepared, in duplicate, and one copy, with the supporting copies of Forms 1443-A and 1443-B, and Form 1488 (if any), will be forwarded to the Commissioner not later than the last day of the month succeeding that for which rendered. The remaining copy will be retained by the district supervisor.* (Secs. 3170, 3953, I.R.C.)

§ 182.965 *Form 1503-A.* District supervisors shall keep a Form 1503-A for each dealer in specially denatured alcohol and each user of specially denatured alcohol. The record shall be kept current and show the name, address, basic permit number, and the names of the persons authorized to sign for the permittee, and the penal sum of the bond. The withdrawal allowance in wine gallons and the formula numbers, and a withdrawal record shall be maintained on the Form 1503-A.*

§ 182.966 *Form 1489.* Each district supervisor will render a monthly statement on Form 1489, in duplicate, of transactions in denatured alcohol for each State within his district. The required data will be obtained from the monthly reports of proprietors of denaturing plants, and dealers in and users of specially denatured alcohol, after the reports have been audited. The entries will be made as indicated by the headings of the columns and lines and in accordance with the instructions printed on the form. The district supervisor will retain one copy and forward one copy with the supporting copies of Forms 1468-A, B, C, D, E, and F, 1478 and 1482, to the Commissioner not later than the last day of the month succeeding that for which rendered.*

IMPORTATION OF ALCOHOL AND DENATURED ALCOHOL AND PRODUCTS CONTAINING ALCOHOL OR DENATURED ALCOHOL

§ 182.967 *Alcohol.* Alcohol imported into this country from any foreign country is subject to tax.* (Sec. 2800 (a), I.R.C., Sup., as amended by sec. 533, Act of Sept. 20, 1941 (Public law 250, 77th Cong.))

§ 182.968 *Denatured alcohol.* Denatured alcohol imported into this country from any foreign country is subject to the distilled spirits tax for the reason that such denatured alcohol is not produced and withdrawn in accordance with sections 3070 to 3124, I.R.C., and these regulations.* (Sec. 2800 (a), I.R.C., Sup., as amended by sec. 533, Act of Sept. 20, 1941 (Public law 250, 77th Cong.))

§ 182.969 *Products containing alcohol or denatured alcohol.* Products containing alcohol or denatured alcohol imported into this country from any foreign country are subject to the distilled spirits tax if they are fit for beverage use. If such products (except imported perfumes) are unfit for beverage use, they are not subject to tax. Imported perfumes containing alcohol or denatured alcohol are subject to the tax imposed by section 2800 (a) (3), I.R.C., Sup., as amended by sec. 533, Act of Sept. 20, 1941 (Public law 250, 77th Cong.). Such imported perfumes must be unfit for beverage use.* (Sec. 2800 (a) (1), (3), I.R.C., Sup., as amended by sec. 533, Act of Sept. 20, 1941 (Public law 250, 77th Cong.))

ALCOHOL, DENATURED ALCOHOL, AND PRODUCTS CONTAINING ALCOHOL OR DENATURED ALCOHOL COMING INTO THE UNITED STATES FROM THE PHILIPPINE ISLANDS

§ 182.970 *Alcohol.* Alcohol coming into this country from the Philippine Islands is subject to tax.* (Sec. 3340, I.R.C.)

§ 182.971 *Denatured alcohol.* Denatured alcohol coming into this country from the Philippine Islands is subject to the distilled spirits tax for the reason that such denatured alcohol is not produced and withdrawn in accordance with sections 3070 to 3124, I.R.C., and these regulations.* (Sec. 3340, I.R.C.)

§ 182.972 *Products containing alcohol or denatured alcohol.* Products containing alcohol or denatured alcohol coming into this country from the Philippine Islands are subject to the distilled spirits tax on the alcohol contained therein, whether fit or unfit for beverage use. If fit for beverage use, such products are also subject to rectification tax.* (Sec. 3340, I.R.C.)

ALCOHOL, DENATURED ALCOHOL, AND PRODUCTS CONTAINING ALCOHOL OR DENATURED ALCOHOL COMING INTO THE UNITED STATES FROM PUERTO RICO

§ 182.973 *Alcohol.* Except as provided in paragraph (a), alcohol coming into this country from Puerto Rico is subject to tax.

(a) *Tax-free.* Alcohol produced and withdrawn in accordance with sections 3100 to 3124, I.R.C., and these regulations in this part, may be shipped free of tax, pursuant to proper withdrawal permits, from Puerto Rico to bonded warehouses, denaturing plants, customs bonded manufacturing warehouses, and persons holding permit to use tax-free alcohol, in this country, in accordance with the procedure prescribed in these regulations.* (Secs. 3123, 3360, I.R.C.)

§ 182.974 *Denatured alcohol.* Denatured alcohol produced and withdrawn in accordance with sections 3100 to 3124, I.R.C., and these regulations, may be shipped free of tax from Puerto Rico to this country and sold and used, in accordance with the procedure prescribed in these regulations. Specially denatured alcohol may be so shipped only pursuant to proper withdrawal permits.* (Secs. 3123, 3360, I.R.C.)

§ 182.975 *Products containing alcohol.* Products containing alcohol coming into this country from Puerto Rico are subject to the distilled spirits tax on the alcohol contained therein, whether fit or unfit for beverage use. If fit for beverage use, such products are also subject to rectification tax.* (Sec. 3360, I.R.C.)

§ 182.976 *Products containing denatured alcohol.* Products containing denatured alcohol not produced, withdrawn, and used in accordance with these regulations, coming into this country from Puerto Rico, are subject to the distilled spirits tax on the alcohol contained therein, regardless of whether they are fit or unfit for beverage use. If fit for beverage use, such products are also subject to rectification tax. Products containing denatured alcohol produced, withdrawn, and used in accordance with these regulations, coming into this country from Puerto Rico, are not subject to tax.* (Secs. 3123, 3360, I.R.C.)

§ 182.977 *Samples and analysis.* Whenever completely denatured alcohol, which has been produced and denatured under these regulations, or proprietary solvents, lacquer thinners, proprietary anti-freeze solutions, and toilet preparations, which have been manufactured under an approved formula with alcohol produced and denatured under these regulations, are shipped from Puerto Rico to the United States in containers larger than 5 wine gallons, the shipper shall notify the chemist in charge in Puerto Rico, who will have representative samples taken from each shipment for examination. Such samples must definitely represent the products which are to be shipped. It will not be necessary to sample every container, as samples taken at random from large shipments will be considered as representative of the entire lot. The samples will be examined promptly by the chemist in the Puerto Rican laboratory, who will forward a copy of his chemical report to the district supervisor of the district where the port of arrival is located. The report will show whether the product conforms to authorized formulas for completely denatured alcohol, or to the formulas on approved Form 1479-A for such products, and must contain sufficient data to definitely identify the particular shipment involved.* (Secs. 3123, 3360, I.R.C.)

§ 182.978 *Action by district supervisor.* Upon receipt of the chemical report, the district supervisor will examine the same and if the report discloses that the product conforms to approved formula, he will promptly advise the collector of customs at the port of arrival that the shipment may be released free of tax. In the event the chemical report discloses that the product does not conform to an approved formula, the district supervisor will request the collector of customs to

detain the product and will forward a copy of the chemical report to the Commissioner of Internal Revenue for advice as to the disposition of the product.* (Secs. 3123, 3360, I.R.C.)

§ 182.979 *Certificate.* Every person shipping into the United States from Puerto Rico (1) alcohol produced and withdrawn in accordance with sections 3100 to 3124, I. R. C., and these regulations, free of tax, pursuant to § 182.974 (a); (2) denatured alcohol produced and denatured in accordance with sections 3100 to 3124, I. R. C., and these regulations; and (3) products containing such denatured alcohol, shall certify, in the English language, to such fact on the face of the shipper's waybill. Where the product is made pursuant to approved Form 1479-A, the shipper shall also certify as follows:

Made with _____ denatured
(completely or specially)
alcohol, Formula No. _____, pursuant to Form 1479-A, approved _____, 19____.

* (Secs. 3123, 3360, I.R.C.)

§ 182.980 *Marking containers.* In addition to the data required by these regulations to be marked on packages of products containing denatured alcohol, the name, address, and permit number of the manufacturer shall appear on each shipping container of such products shipped from Puerto Rico to the United States free of tax.*

§ 182.981 *Arrival in the United States.* When alcohol, denatured alcohol, and products containing denatured alcohol, coming into this country from Puerto Rico, are covered by shipper's documents bearing the manufacturer's certificate prescribed in § 182.979, the collector of customs will inspect and verify the consignment. If no discrepancies are found, the products may be released free of tax: *Provided,* That in the case of products examined by the chemist in charge in Puerto Rico in accordance with § 182.977, release shall be withheld until advice is received from the district supervisor that the shipment may be released free of tax, as provided in § 182.978.*

ALCOHOL, DENATURED ALCOHOL, AND PRODUCTS CONTAINING ALCOHOL OR DENATURED ALCOHOL COMING INTO THE UNITED STATES FROM THE VIRGIN ISLANDS

§ 182.982 *Alcohol.* Except as provided in paragraph (a), alcohol coming into this country from the Virgin Islands is subject to tax.

(a) *Tax-free.* Alcohol produced and withdrawn in accordance with sections 3100 to 3124, I.R.C., and these regulations or regulations issued or adopted by the Governor of the Virgin Islands, or his duly authorized agents, may be shipped free of tax, pursuant to proper withdrawal permit, from the Virgin Islands to bonded warehouses, denaturing plants, customs bonded manufacturing warehouses, and persons holding permit to use tax-free alcohol, in this country, in accordance with the procedure prescribed in these regulations, if the alcohol and the packages containing the same conform to these regulations.* (Secs. 3123, 3350, I.R.C.)

§ 182.983 *Denatured alcohol.* Denatured alcohol produced and withdrawn in accordance with sections 3100 to 3124, I.R.C., and these regulations or regulations issued or adopted by the Governor of the Virgin Islands, or his duly authorized agents, may be shipped free of tax from the Virgin Islands to this country and sold and used in accordance with the procedure prescribed in these regulations, if the denatured alcohol conforms to the formulas for denatured alcohol prescribed by these regulations and the packages containing the same likewise conform to these regulations. Specially denatured alcohol may be so shipped only pursuant to proper withdrawal permit.* (Secs. 3123, 3350, I.R.C.)

§ 182.984 *Products containing alcohol.* Products containing alcohol coming into this country from the Virgin Islands are subject to the distilled spirits tax on the alcohol contained therein, whether fit or unfit for beverage use. If fit for beverage use, such products are also subject to rectification tax.* (Sec. 3350, I.R.C.)

§ 182.985 *Products containing denatured alcohol.* Products containing denatured alcohol not produced, withdrawn, and used in accordance with sections 3100 to 3124, I.R.C., and these regulations or regulations issued or adopted by the Governor of the Virgin Islands, or his duly authorized agents, coming into this country from the Virgin Islands, are subject to the distilled spirits tax on the alcohol contained therein, regardless of whether they are fit or unfit for beverage use. If fit for beverage use, such products are also subject to rectification tax. Products containing denatured alcohol produced, withdrawn, and used in accordance with sections 3100 to 3124, I.R.C., and these regulations or regulations issued or adopted by the Governor of the Virgin Islands, or his duly authorized agents, coming into this country from the Virgin Islands, are not subject to tax, if the products are sold in accordance with these regulations and, in the case of products manufactured with specially denatured alcohol and antifreeze preparations made with completely denatured alcohol, are manufactured in accordance with Form 1479-A approved by the Commissioner: *Provided,* That such products may be shipped in bulk containers to this country to persons authorized by these regulations or by the district supervisor to receive such products in bulk, but such persons, if other than actual users, shall package or bottle the products in containers conforming to these regulations prior to sale: *Provided further,* That if the person authorized by the district supervisor to receive such products in bulk from the Virgin Islands is a distributor, the district supervisor may authorize such distributor to sell the products in bulk to persons authorized by these regulations, or by him pursuant to these regulations, to receive the products in bulk, but such persons, except actual users, shall package or bottle the products in accordance with these regulations prior to sale. Form 1479-A, setting forth quantitative formulas for such products, shall be submitted to the Commissioner in accordance with § 182.147. The kinds and quantities of denaturants used to denature the alcohol shall also be specified on Form 1479-A.* (Secs. 3123, 3350, I.R.C.)

§ 182.986 *Certificate.* Every person shipping into the United States from the Virgin Islands (1) alcohol produced and withdrawn in accordance with sections 3100 to 3124, I.R.C., and these regulations or regulations issued or adopted by the Governor of the Virgin Islands, or his duly authorized agents, free of tax, pursuant to § 182.982 (a); (2) denatured alcohol produced and denatured in accordance with sections 3100 to 3124, I.R.C., and these regulations or regulations issued or adopted by the Governor of the Virgin Islands, or his duly authorized agents; and (3) products containing such denatured alcohol, shall certify, in the English language, to such fact on the face of the shipper's waybill. Where the product is made pursuant to approved Form 1479-A, the shipper shall also certify as follows:

Made with _____ denatured alcohol,
(completely or specially
Formula No._____, pursuant to Form 1479-A, approved _____, 19____

*(Secs. 3123, 3350, I.R.C.)

§ 182.987 *Marking containers.* In addition to the data required by these regulations to be marked on packages of alcohol, denatured alcohol, and products containing denatured alcohol, the name, address, and permit number of the manufacturer shall appear on each shipping container of such alcohol, denatured alcohol, and products shipped from the Virgin Islands to the United States free of tax.*

§ 182.988 *Arrival in the United States.* When alcohol, denatured alcohol, and products containing denatured alcohol, coming into this country from the Virgin Islands, are covered by shipper's documents bearing the manufacturer's certificate prescribed in § 182.986, the collector of customs will inspect and verify the consignment. If no discrepancies are found, the products may be released free of tax.*

GUY T. HELVERING,
*Commissioner of Internal Revenue.*

[SEAL] JOHN L. SULLIVAN,
*Acting Secretary of the Treasury.*

Approved: March 6, 1942.

JOHN L. SULLIVAN,
*Acting Secretary of the Treasury.*

[F. R. Doc. 42-2018; Filed, March 9, 1942; 10:09 a. m.]

## *Notices*

### DEPARTMENT OF THE INTERIOR.

Bituminous Coal Division.

[Docket No. 1703-FD]

IN THE MATTER OF BENCHLEY & VERMILLION COAL COMPANY, DEFENDANT

ORDER APPROVING AND ADOPTING THE PROPOSED FINDINGS OF FACT, PROPOSED CONCLUSIONS OF LAW, AND RECOMMENDATIONS OF THE EXAMINER AND REVOKING AND CANCELLING CODE MEMBERSHIP

This proceeding was instituted upon a complaint filed with the Bituminous Coal Division ("Division") on June 11, 1941, and an amended complaint filed on August 25, 1941, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937 (the "Act"), by Bituminous Coal Producers Board for District No. 4 ("District Board 4"), alleging that Benchley & Vermillion Coal Company, a partnership, a code member in District 4, defendant, had wilfully violated the Bituminous Coal Code (the "Code") or rules and regulations thereunder by selling for shipment by truck during January and February, 1941, inclusive, approximately 4,732 tons of 2" nut and slack coal produced at its Benchley & Vermillion Mine (Mine Index No. 1629) and Seaman Mine (Mine Index No. 2825), in District 4; and approximately 833 tons of ¾" slack coal produced at its Browning Mine (Mine Index No. 1320), in District 4, and delivered the same by truck at prices lower than the effective minimum f. o. b. mine prices for such coal; and praying that the Division either cancel and revoke the defendant's code membership or, in its discretion, direct the defendant to cease and desist from violations of the Code and rules and regulations thereunder.

A hearing was held before W. A. Cuff, a duly designated Examiner of the Division at a hearing room thereof, in Canton, Ohio, on October 2, 1941.

The Examiner made and entered his Report, Proposed Findings of Fact, Proposed Conclusions of Law and Recommendations in this matter dated February 3, 1942, in which he found that the defendant had wilfully violated the Act, and the Code, by selling for shipment by truck and delivering during the period from January 7 to February 28, 1941, inclusive, 3,568.278 net tons of 2" nut and slack coal at prices below the applicable effective minimum price plus the actual cost of transportation. The Examiner recommended that the defendant's code membership be revoked and cancelled.

An opportunity was afforded to all interested persons to file exceptions to the Examiner's Report, and supporting briefs. The defendant has filed exceptions to the Examiner's Report, Proposed Findings of Fact and Proposed Conclusions of Law, and has filed a supporting brief. No exception is taken to the Examiner's findings with respect to the tonnages sold by the defendant and the prices received therefor. Exception is, however, taken to (1) the propriety of the proceeding; (2) the exercise of jurisdiction over the defendant; (3) the acceptance of certain evidence over the objection of the defendant; and (4) the sufficiency of the evidence to support the finding with regard to the costs of trucking the coal.

1. *The Propriety of the Proceeding*

The defendant excepted to the procedure of the Examiner in permitting counsel for the Division, in the absence of complainant, to appear in the hearing and adduce evidence with respect to the transactions alleged in the complaint, over the objection of the defendant. The record shows that the complaint and the amended complaint were made and filed by District Board 4. Due notice of the time and place of hearing was given to District Board 4, the complainant, and to all persons interested. The hearing was duly convened and held at the time and place set forth in such notice. The complainant failed to appear at the hearing either by counsel or other representative and failed to take action in the premises authorized or required by the Act. Thereupon, an attorney representing the Office of the General Counsel for the Division proceeded to develop the facts concerning the violation charged.

The defendant urged that the Division has no power under the Act to initiate or prosecute a complaint against a code member. It is unnecessary to pass upon that contention for the reason that in this proceeding the Division has not assumed or exercised such power.

As I have said in connection with a similar exception made In the Matter of Edwin R. Eberhart, Docket No. 1780-FD, "A complaint of violation having been properly filed pursuant to the provisions of the Act, a hearing was duly called for the purpose of developing all the relevant facts pertaining to the alleged violation. To the end of securing a comprehensive record embodying those facts it is the function and, indeed, the responsibility of the representative of the General Counsel's Office to develop those facts both by direct and cross-examination of witnesses to insure that an adequate record is made upon the basis of which the Acting Director can determine whether or not the alleged violations were committed. The action of the representative of the Office of the General Counsel in this case accords with that responsibility. Charged as it is with the responsibility of administering the Bituminous Coal Act, the obligation of the Division to determine the facts upon the filing of a complaint of violation is beyond dispute."[1]

[1] That this is so is emphasized by section 4 II (k) of the Act which reads as follows: "In the investigation of any complaint or violation of the Code, or of any rule or regulation the observance of which is required under the terms thereof, the Commission shall have power by order to require such reports from, and shall be given access to inspect the books and records of, code members to the extent deemed necessary for the purpose of determining the complaint. * * *"

2. *Jurisdiction Over the Defendant*

In the second exception the defendant contended that the Examiner's Proposed Findings of Fact, Conclusions of Law and Recommendations should be set aside and the complaint dismissed for the reason that defendant is not engaged in interstate commerce and, therefore, it is not subject to the Act.

This contention has been considered in substantially similar circumstances, and adjudicated against the defendant.[2] With respect to the Order of the National Bituminous Coal Commission (Docket No. 18-FD) that substantially all coal produced in the State of Ohio affects interstate commerce, entered by the Commission on November 11, 1937, it is urged in the brief that defendant's code membership became effective subsequent to the entry of such order. Defendant is in error as to the fact stated by it. Exhibit 4, a photostatic copy of the defendant's application for code membership, discloses that the application was executed on June 25, 1937, and became effective as of that date. However, without regard to the date of an acceptance of the Code, one who accepts membership in the Code voluntarily subjects himself to all applicable orders and rules and regulations promulgated under the Act whether or not they were issued prior or subsequent to the date of its code acceptance.

The alleged intrastate character of the defendant's transactions may not be urged in this proceeding. Defendant did not file any exceptions to the order entered in Docket No. 18-FD. To permit the defendant to raise that question in this proceeding would be to allow an order of the National Bituminous Coal Commission (later adopted by the Division) to be collaterally attacked. As the Acting Director stated in the Eberhart case, *supra*, this is not permissible.

The Act provides (section 4-A) a specific method by which producers may have adjudicated the issue of whether their transactions in bituminous coal are not in interstate commerce and do not directly affect interstate commerce. Defendant here has not availed itself of this method. He cannot now be heard to complain.

3. *The Admissibility of Certain Evidence*

Documentary evidence, Exhibits 7, 8, 9, 10, 11 and 12 was introduced in evidence over the objection of the defendant. In the brief it is urged that this evidence should not have been received for the reason that the underlying data supporting these exhibits were not introduced in evidence. The answer to this contention is two-fold. While the underlying data were not formally introduced in evidence the record discloses clearly that such underlying data were physically present at the hearing and were tendered to and made available to the defendant for use in the cross-examination upon such exhibits. Moreover, the Examiner tendered additional time

[2] Cf. the Order of the Acting Director dated February 18, 1942, in the matter of Edwin R. Eberhart, defendant, Docket No. 1780-FD.

to defendant's counsel to examine such data, if desired. In the second place much of the data contained in these exhibits were not used by the Examiner and as to such date no Findings of Fact appear to be based thereon. Some of the data, however, appeared to be the basis for the findings of the Examiner. As to this data the defendant urged that they were not taken from defendant's files and records and that the defendant did not have fair opportunity to cross-examine upon such data. An examination of the record discloses that such data as were used by the Examiner as the basis for his Findings of Fact, drawn from such exhibits, particularly Exhibit 7, were drawn directly from the defendant's files, books and records. The facts used by the Examiner as the basis of his Report taken from these exhibits appear to be the tonnages and the delivered prices together with the prices paid for the truck transportation. These data all appear from defendant's records introduced in evidence either in documentary form or testified to orally by witness Benchley, one of the partners. The contention of the defendant in this respect is therefore without basis in fact.

4. *The Sufficiency of the Evidence*

The defendant excepted to the Findings of Fact and Conclusions of Law and Recommendations of the Examiner on the ground that the same were not supported by the evidence. Part of the coal in question was transported in trucks hired by the defendant. As to such coal in the brief it is conceded and the evidence shows that the defendant did not add the actual transportation and that the selling price, therefore, was below the effective minimum price. The remaining part of the coal was transported in trucks owned by the defendant and it is with respect to this tonnage that the exception is taken that the evidence does not support the findings. The effective minimum f. o. b. mine price applicable to the coals in question is $1.90 per net ton. The delivered price was $2.30 per net ton, leaving 40 cents per net ton as the amount of truck transportation added to the minimum f. o. b. mine price. The Examiner found that the actual cost of such transportation was far in excess of the amount charged by the defendant. I have carefully considered the evidence in this proceeding and find and conclude that the evidence sufficiently sustains the findings of the Examiner.

Accordingly, I find that the exceptions of the defendant to the Report, Proposed Findings of Fact, Proposed Conclusions of Law and Recommendations of the Examiner are not well taken and should be denied.

The undersigned having determined after a consideration of the record and the defendant's exceptions, that the Proposed Findings of Fact, Proposed Conclusions of Law and Recommendations of the Examiner should be approved and adopted as the Findings of Fact and Conclusions of Law of the undersigned;

*It is, therefore, ordered,* That the exceptions of the defendant to the Report, Proposed Findings of Fact, Proposed Conclusions of Law and Recommendations of the Examiner be and the same hereby are denied.

*It is further ordered,* That the Proposed Findings of Fact and the Proposed Conclusions of Law of the Examiner be and the same are hereby approved and adopted as the Findings of Fact and Conclusions of Law of the undersigned.

*It is further ordered,* That pursuant to section 5 (b) of the Act the code membership of the defendant, Benchley & Vermillion Coal Company, be and it is hereby revoked and cancelled, effective fifteen (15) days from and after the date of this Order.

*It is further ordered,* That prior to any reinstatement of the defendant to membership in the Code, the defendant shall pay to the United States a tax in the amount of $2,644.09, as provided in section 5 (c) of the Bituminous Coal Act of 1937.

Dated: March 9, 1942.

[SEAL] DAN H. WHEELER,
*Acting Director.*

[F. R. Doc. 42-2103; Filed, March 11, 1942; 10:22 a. m.]

## DEPARTMENT OF LABOR.

### Wage and Hour Division.

NOTICE OF ISSUANCE OF SPECIAL CERTIFICATES FOR THE EMPLOYMENT OF LEARNERS UNDER THE FAIR LABOR STANDARDS ACT OF 1938

Notice is hereby given that Special Certificates authorizing the employment of learners at hourly wages lower than the minimum rate applicable under section 6 of the Act are issued under section 14 thereof and § 522.5 (b) of the Regulations issued thereunder (August 16, 1940, 5 F.R. 2862) to the employers listed below effective March 11, 1942.

The employment of learners under these Certificates is limited to the terms and conditions as designated opposite the employer's name. These Certificates are issued upon the employers' representations that experienced workers for the learner occupations are not available for employment and that they are actually in need of learners at subminimum rates in order to prevent curtailment of opportunities for employment. The Certificates may be cancelled in the manner provided for in the Regulations and as indicated on the Certificate. Any person aggrieved by the issuance of these Certificates may seek a review or reconsideration thereof.

NAME AND ADDRESS OF FIRM, PRODUCT, NUMBER OF LEARNERS, LEARNING PERIOD, LEARNER WAGE, LEARNER OCCUPATIONS, EXPIRATION DATE

I. Lewis Cigar Manufacturing Company, Morgan Street, Selma, Alabama; Cigar manufacturing; 320 hours for any one learner; 270 learners; 75% of the applicable minimum wage; Cigar machine operator, Packer; May 20, 1942. (This certificate replaces one which expires May 16, 1942.)

Signed at New York, N. Y., this 10th day of March 1942.

MERLE D. VINCENT,
*Authorized Representative of the Administrator.*

[F. R. Doc. 42-2104; Filed, March 11, 1942; 11:17 a. m.]