

89-243, § 3(e) (1), Oct. 9, 1965, 79 Stat. 955, effective as provided in section 3(e) (2) of Pub. L. 89-243, set out as a note under this section. The text of such subsection (c) provides:

“(c) *Debt Obligations With Maturity from 1 to 3 Years.*—During the period in which an Executive order issued under subsection (a) is effective, and to the extent specified in such order (and any modifications thereof), there is hereby imposed, on each acquisition by a United States person (as defined in section 4920(a) (4)) which is a commercial bank of a debt obligation of a foreign obligor (if such obligation has a period remaining to maturity of 1 year or more and less than 3 years), a tax equal to a percentage of the actual value of the debt obligation measured by the period remaining to its maturity and determined in accordance with the following table:

“If the period remaining to maturity is:	The tax, as a percentage of actual value, is:
“At least 1 year, but less than 1¼ years....	1.58 percent
At least 1¼ years, but less than 1½ years..	1.95 percent
At least 1½ years, but less than 1¾ years..	2.25 percent
At least 1¾ years, but less than 2¼ years..	2.78 percent
At least 2¼ years, but less than 2¾ years..	3.45 percent
At least 2¾ years, but less than 3 years....	4.13 percent

For purposes of this title, the tax imposed under this subsection shall be treated as imposed under section 4911.”

EFFECT OF 1965 AMENDMENT ON EX. ORD. NO. 11198

Section 3(e) (2) of Pub. L. 89-243 provided in part that: “Executive Order 11198 [set out as a note under this section], issued February 10, 1965, shall not be affected by the amendments made by this section [to this section and sections 4911, 4914 and 4920 of this title] and shall continue to apply as though such amendments had not been made.”

Section 4(q) of Pub. L. 89-243 provided in part that: “Executive Order 11198 [set out as a note under this section], issued February 10, 1965, to the extent it is inconsistent with the amendments made by this section [to this section and sections 263, 4912, 4914, 4916, 4917, 4919 and 4920 of this title] shall be deemed modified by such amendments.”

EX. ORD. NO. 11198. IMPOSITION OF INTEREST EQUALIZATION TAX ON CERTAIN COMMERCIAL BANK LOANS

Ex. Ord. No. 11198, Feb. 10, 1965, 30 F.R. 1929, as amended by Ex. Ord. No. 11304, Sept. 12, 1966, 31 F.R. 12005; Ex. Ord. No. 11328, Feb. 20, 1967, 32 F.R. 3137, provided:

By virtue of the authority vested in me by chapter 41 (sections 4911 through 4931) of the Internal Revenue Code of 1954, as added by the Interest Equalization Tax Act, approved September 2, 1964 (Public Law 88-563, 78 Stat. 809), by section 301 of title 3 of the United States Code, and as President of the United States, it is hereby determined that the acquisition of debt obligations of foreign obligors by commercial banks in making loans in the ordinary course of the commercial banking business has materially impaired the effectiveness of the tax imposed by section 4911 of the Internal Revenue Code of 1954, as added by the Interest Equalization Tax Act, because such acquisitions have replaced acquisitions by United States persons, other than commercial banks, of debt obligations of foreign obligors which are subject to the tax imposed by section 4911, and it is hereby ordered that—

SECTION 1. The provisions of section 4931 of the Internal Revenue Code of 1954, as amended [this section], shall apply to acquisitions by commercial banks of debt obligations of foreign obligors to the extent set forth in sections 2 and 3.

SEC. 2. (a) The exclusions provided in section 4914(j) (1) (A) (ii) and section 4915(c) (2) (A) from the tax im-

posed by section 4911 shall continue to apply to any acquisition by a commercial bank of a debt obligation of a foreign obligor; and

(b) The exclusion provided in section 4914(b) (2) (A) from the tax imposed by section 4911 shall apply only to an acquisition of such debt obligation which is made by a commercial bank at any of its branches located outside the United States.

SEC. 3. The amendments of section 4931 contained in section 3(e) (1) of the Interest Equalization Tax Extension Act of 1965 (Public Law 89-243; 79 Stat. 954) shall be applicable with respect to acquisitions of debt obligations of foreign obligors made after the date on which this order is issued.

SEC. 4. The Secretary of the Treasury or his delegate is authorized to prescribe from time to time such regulations, rulings, directions, and instructions, and to require such reports of information, as he shall deem necessary to carry out the purposes of this order.

SEC. 5. This order shall be effective with respect to acquisitions of debt obligations of foreign obligors made during the period beginning on the day after the date on which this order is issued and ending on the date set forth in section 4911(d).

LYNDON B. JOHNSON.

Subtitle E.—Alcohol, Tobacco, and Certain Other Excise Taxes

Chapter 51.—DISTILLED SPIRITS, WINES, AND BEER

Subchapter A.—Gallonage and Occupational Taxes

PART I.—GALLONAGE TAXES

SUBPART A.—DISTILLED SPIRITS

§ 5001. Imposition, rate and attachment of tax.

(a) Rate of tax—

(1) General.

There is hereby imposed on all distilled spirits in bond or produced in or imported into the United States an internal revenue tax at the rate of \$10.50 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.

* * * * *

(3) Imported perfumes containing distilled spirits.

There is hereby imposed on all perfumes imported into the United States containing distilled spirits a tax of \$10.50 per wine gallon, and a proportionate tax at a like rate on all fractional parts of such wine gallon.

* * * * *

(As amended Pub. L. 89-44, title V, § 501(a), June 21, 1965, 79 Stat. 150.)

AMENDMENTS

1965—Subsecs. (a) (1). Pub. L. 89-44 struck out the last sentence which provided that the rate of tax imposed by par. (1) would be \$9 on and after July 1, 1965.

Subsec. (a) (3). Pub. L. 89-44 struck out the last sentence which provided that the rate of tax imposed by par. (3) would be \$9 on and after July 1, 1965.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (a) by section 501 of Pub. L. 89-44 applicable on and after July 1, 1965, see section 701(d) of Pub. L. 89-44, set out as a note under section 5701 of this title.

§ 5002. Definitions.

(a) Definitions.

When used in this chapter—

(12) Export.

The terms "export", "exported", and "exportation" shall include shipments to a possession of the United States.

(As amended Pub. L. 89-44, title VIII, § 807(a), June 21, 1965, 79 Stat. 164.)

AMENDMENTS

1965—Subsec. (a). Pub. L. 89-44 added par. (12).

EFFECTIVE DATE OF 1965 AMENDMENT

Section 807(c) of Pub. L. 89-44 provided that: "The amendments made by subsections (a) and (b) [to this section and section 5053(a) of this title] shall take effect on July 1, 1965."

§ 5004. Lien for tax.

(c) Cross reference.

For provisions relating to extinguishing of lien in case of redistillation, see section 5223(e).

(As amended Pub. L. 89-44, title VIII, § 805(f) (1), June 21, 1965, 79 Stat. 161.)

AMENDMENTS

1965—Subsec. (c). Pub. L. 89-44 substituted "5223(e)" for "5223(d)".

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (c) by Pub. L. 89-44 effective October 1, 1965, see section 805(g) (2) of Pub. L. 89-44, see out as a note under section 5025 of this title.

§ 5008. Abatement, remission, refund, and allowance for loss or destruction of distilled spirits.

(c) Loss of distilled spirits withdrawn from bond for rectification or bottling.

(1) General.

Whenever any distilled spirits withdrawn from bond on payment or determination of tax for rectification or bottling are lost before removal from the premises of the distilled spirits plant to which removed from bond, the Secretary or his delegate shall, under such regulations as he may prescribe, abate, remit, or, without interest, credit or refund the tax imposed on such spirits under section 5001(a) (1) to the proprietor of the distilled spirits plant who withdrew the distilled spirits on payment or determination of tax for removal to his bottling premises, if it is established to the satisfaction of the Secretary or his delegate that—

(B) such loss occurred (i) before the completion of the bottling and casing or other packaging of such spirits for removal from the bottling premises and (ii) by reason of, and was incident to, authorized rectifying, packaging, bottling, or casing operations (including losses by leakage or evaporation occurring during removal from bond to the bottling premises and during storage on bottling premises pending rectification or bottling).

(d) Distilled spirits returned to bonded premises.

(2) Limitation.

No allowance under paragraph (1) shall be made unless a claim is filed, under such regulations as the Secretary or his delegate may prescribe, by the proprietor of the distilled spirits plant to which the distilled spirits are returned, within 6 months of the date of return.

(As amended Pub. L. 89-44, title VIII, § 805(a), June 21, 1965, 79 Stat. 160; Pub. L. 90-630, § 1, Oct. 22, 1968, 82 Stat. 1328.)

AMENDMENTS

1968—Subsec. (c) (1). Pub. L. 90-630 added provisions allowing abatement, remission, and refund if the casualty loss occurs after completion of the packaging but before the spirits have been removed from the premises of the distilled spirits plant to which the spirits were removed from bond.

1965—Subsec. (d) (2). Pub. L. 89-44 struck out final clause prohibiting the allowance of a claim in respect to any distilled spirits withdrawn from bonded premises of a distilled spirits plant more than 6 months prior to the date of such return.

EFFECTIVE DATE OF 1968 AMENDMENT

Section 4 of Pub. L. 90-630 provided that:

"(a) For purposes of subsection (b), the effective date of this Act is the first day of the first calendar month which begins more than 90 days after the date of the enactment of this Act [Oct. 22, 1968].

"(b) The amendments made by the first section of this Act [amending this section] shall apply only to losses sustained on or after such effective date. The amendments made by section 2 [amending section 5082(b) of this title and section 1313(d) of Title 19] shall apply only to articles exported on or after such effective date. The amendments made by section 3 [amending section 5232 of this title and section 1202 of Title 19, sched. 1, pt. 12, headnote 3] shall apply only to withdrawals from customs custody on or after such effective date."

EFFECTIVE DATE OF 1965 AMENDMENT

Section 805(g) (1) of Pub. L. 89-44 provided that: "The amendments made by subsections (a), (c), (e), and (f) (6) [to this section and sections 5082(c) (1), 5215(a), and 5608(b) of this title] shall take effect on July 1, 1965."

SUBPART B.—RECTIFICATION

§ 5021. Imposition and rate of tax.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 5022, 5025 of this title.

§ 5022. Tax on cordials and liqueurs containing wine.

On all liqueurs, cordials, or similar compounds produced in the United States and not produced for sale as wine, wine specialties, or cocktails, which contain more than 2½ percent by volume of wine of an alcoholic content in excess of 14 percent by volume, there shall be paid, in lieu of the tax imposed by section 5021, a tax at the rate of \$1.92 per wine gallon and a proportionate tax at a like rate on all fractional parts of such wine gallon. The last sentence of section 5021 shall not be construed to limit the imposition of tax under this section. All other provisions of law applicable to rectification shall apply to the products subject to tax under this section. (As amended Pub. L. 89-44, title V, § 501(b), June 21, 1965, 79 Stat. 150.)

AMENDMENTS

1965—Pub. L. 89-44 struck out, at the end of the first sentence, "until July 1, 1965, and on or after July 1, 1965, at the rate of \$1.80 per wine gallon and a proportionate tax at a like rate on all fractional parts of such wine gallon".

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of section by section 501 of Pub. L. 89-44 applicable on and after July 1, 1965, see section 701(d) of Pub. L. 89-44, set out as a note under section 5701 of this title.

§ 5025. Exemption from rectification tax.

(e) Mingling of distilled spirits.

Sections 5021, 5081, and 5082 shall not apply to—

(3) the mingling in bulk gauging tanks on bonded premises of heterogeneous distilled spirits for immediate removal to bottling premises, exclusively for use in taxable rectification, or for blending under subsection (f), or for other mingling or treatment under subsection (k); or

(f) Blending straight whiskies, rums, fruit brandies, or wines.

The taxes imposed by this subpart shall not attach—

(1) to blends made exclusively of two or more pure straight whiskies, differing as to type, aged in wood for a period not less than 4 years and without the addition of coloring or flavoring matter or any other substance than pure water and if not reduced below 80 proof; or

(2) to blends made exclusively of two or more pure fruit brandies, differing as to type, distilled from the same kind of fruit, aged in wood for a period not less than 2 years and without the addition of coloring or flavoring matter (other than caramel) or any other substance than pure water and if not reduced below 80 proof; or

(3) to the mixing and blending of wines, where such blending is for the sole purpose of perfecting such wines according to commercial standards; or

(4) to blends made exclusively of two or more rums, differing as to type, aged in wood for a period not less than 2 years and without the addition of coloring or flavoring matter (other than caramel) or any other substance than pure water and if not reduced below 80 proof.

(k) Other mingling or treatment of distilled spirits.

The tax imposed by section 5021 shall not apply to the mingling of distilled spirits of the same class and type, or to the treatment of distilled spirits in such a manner as not to change the class and type of the distilled spirits, on bottling premises of a distilled spirits plant under such regulations as the Secretary or his delegate may prescribe.

(l) Addition of tracer elements.

The authorized addition of tracer elements to distilled spirits under provisions of section 5201 (d) shall not be deemed to be rectification within the meaning of sections 5021, 5081, and 5082.

(m) Cross references.

(1) For provisions exempting distilled spirits and wines rectified in customs manufacturing bonded warehouses, see section 5523.

(2) For provisions exempting winemarkers in the use or treatment of wines or wine spirits, see section 5391.

(3) For provisions exempting the manufacture of volatile fruit-flavor concentrates, see section 5511.

(As amended Pub. L. 89-44, title VIII, § 805 (b), (f) (2)—(5), June 21, 1965, 79 Stat. 161.)

AMENDMENTS

1965—Subsec. (e) (3). Pub. L. 89-44, § 805(f) (2), struck out "or in rectification under subsection (f); or" and inserted in lieu thereof "or for blending under subsection (f), or for other mingling or treatment under subsection (k); or".

Subsec. (f) (1). Pub. L. 89-44, § 805(f) (3), inserted ", differing as to type," after "whiskies".

Subsec. (f) (2). Pub. L. 89-44, § 805(f) (4), inserted ", differing as to type," after "brandies".

Subsec. (f) (4). Pub. L. 89-44, § 805(f) (5), inserted ", differing as to type," after "rums".

Subsec. (k). Pub. L. 89-44, § 805(b), added subsec. (k). Former subsec. (k) redesignated (l).

Subsecs. (l) and (m). Pub. L. 89-44, § 805(b), redesignated subsec. (k) as (l) and (l) as (m), respectively.

EFFECTIVE DATE OF 1965 AMENDMENT

Section 805(g) (2) of Pub. L. 89-44 provided that: "The amendments made by subsections (b), (d), and (f) (other than paragraph (6)) [to this section and sections 5004(c), 5083(14), (15), 5223(c), (d) and (e) and 5234(a) (1) (B) of this title], shall take effect on October 1, 1965."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 5223, 5234 of this title.

SUBPART C.—WINES

§ 5011. Imposition and rate of tax.

(a) Imposition.

There is hereby imposed on all wines (including imitation, substandard, or artificial wine, and compounds sold as wine) having not in excess of 24 percent of alcohol by volume, in bond in, produced in, or imported into, the United States, taxes at the rates shown in subsection (b), such taxes to be determined as of the time of removal for consumption or sale. All wines containing more than 24 percent of alcohol by volume shall be classed as distilled spirits and taxed accordingly. Still wines shall include those wines containing not more than 0.277 gram of carbon dioxide per hundred milliliters of wine; except that the Secretary or his delegate may by regulations prescribe such tolerances to this maximum limitation as may be reasonably necessary in good commercial practice.

(b) Rates of tax.

(1) On still wines containing not more than 14 percent of alcohol by volume, 17 cents per wine gallon;

(2) On still wines containing more than 14 percent and not exceeding 21 percent of alcohol by volume, 67 cents per wine gallon;

(3) On still wines containing more than 21 percent and not exceeding 24 percent of alcohol by volume, \$2.25 per wine gallon;

(4) On champagne and other sparkling wines, \$3.40 per wine gallon; and

(5) On artificially carbonated wines, \$2.40 per wine gallon.

(As amended Pub. L. 89-44, title V, § 501(c), title VIII, § 806(a), June 21, 1965, 79 Stat. 150, 162.)

AMENDMENTS

1935—Subsec. (a). Pub. L. 89-44, § 806(a), struck out "0.256" in the last sentence and inserted in lieu thereof "0.277".

Subsec. (b). Pub. L. 89-44, § 501(c) (1)—(5), struck out provisions at the end of each par. setting out a specified reduced rate to be applied on and after July 1, 1965.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (b) by section 501 of Pub. L. 89-44, applicable on and after July 1, 1965, see section 701(d) of Pub. L. 89-44, set out as a note under section 5701 of this title.

Section 806(d) (1) of Pub. L. 89-44 provided that: "The amendment made by subsection (a) [to this section] shall take effect on July 1, 1965."

SUBPART D.—BEER

§ 5051. Imposition and rate of tax.

(a) Rate of tax.

There is hereby imposed on all beer, brewed or produced, and removed for consumption or sale, within the United States, or imported into the United States, a tax of \$9 for every barrel containing not more than 31 gallons and at a like rate for any other quantity or for fractional parts of a barrel. Where the Secretary or his delegate finds that the revenue will not be endangered thereby, he may by regulations prescribe tolerances for barrels and fractional parts of barrels, and, if such tolerances are prescribed, no assessment shall be made and no tax shall be collected for any excess in any case where the contents of a barrel or a fractional part of a barrel are within the limit of the applicable tolerance prescribed.

(As amended Pub. L. 89-44, title V, § 501(d), June 21, 1965, 79 Stat. 150.)

AMENDMENTS

1965—Subsec. (a). Pub. L. 89-44 struck out sentence providing on and after July 1, 1965, a rate of \$8 in lieu of the tax imposed by the section.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (a) by section 501 of Pub. L. 89-44 applicable on and after July 1, 1965, see section 701(d) of Pub. L. 89-44, set out as a note under section 5701 of this title.

§ 5053. Exemptions.

(a) Removals for export.

Beer may be removed from the brewery, without payment of tax, for export, in such containers and under such regulations, and on the giving of such notices, entries, and bonds and other security as the Secretary or his delegate may by regulations prescribe.

(As amended Pub. L. 89-44, title VIII, § 807(b), June 21, 1965, 79 Stat. 164.)

AMENDMENTS

1965—Subsec. (a). Pub. L. 89-44 struck out "to a foreign country" following "export".

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (a) by Pub. L. 89-44 effective July 1, 1965, see section 807(c) of Pub. L. 89-44, set out as a note under section 5002 of this title.

SUBPART E.—GENERAL PROVISIONS

Sec.

- 5061. Method of collecting tax.
- 5062. Refund and drawback in case of exportation.
- 5064. Losses caused by disaster.
- 5065. Territorial extent of law.
- 5066. Cross references.

AMENDMENTS

1965—Pub. L. 89-44, title V, § 501(e), June 21, 1965, 79 Stat. 150, struck out item 5063.

§ 5062. Refund and drawback in case of exportation.

(b) Drawback.

On the exportation of distilled spirits or wines manufactured or produced in the United States on which an internal revenue tax has been paid or determined, and which are contained in any cask or package, or in bottles packed in cases or other containers, there shall be allowed, under regulations prescribed by the Secretary or his delegate, a drawback equal in amount to the tax found to have been paid or determined on such distilled spirits or wines. In the case distilled spirits, the preceding sentence shall not apply unless the claim for drawback is filed by the bottler or packager of the spirits and unless such spirits have been stamped or restamped, and marked, especially for export, under regulations prescribed by the Secretary or his delegate. The Secretary or his delegate is authorized to prescribe regulations governing the determination and payment or crediting of drawback of internal revenue tax on domestic distilled spirits and wines, including the requirement of such notices, bonds, bills of lading, and other evidence indicating payment or determination of tax and exportation as shall be deemed necessary.

(c) Exportation of imported liquors.

(i) Allowance of tax.

Upon the exportation of imported distilled spirits, wines, and beer upon which the duties and internal revenue taxes have been paid or determined incident to their importation into the United States, and which have been found after entry to be unmerchantable or not to conform to sample or specifications, and which have been returned to customs custody, the Secretary or his delegate shall, under such regulations as he shall prescribe, refund, remit, abate, or credit, without interest, to the importer thereof, the full amount of the internal revenue taxes paid or determined with respect to such distilled spirits, wines, or beer.

(As amended Pub. L. 89-44, title VIII, § 805(f) (6), June 21, 1965, 79 Stat. 161; Pub. L. 90-630, § 2(a), Oct. 22, 1968, 82 Stat. 1328.)

AMENDMENTS

1968—Subsec. (b). Pub. L. 90-630 permitted, under Treasury regulations, drawback of the tax where the stamping, restamping, or marking is done after the spirits have been removed from the original bottling plant.

1965—Subsec. (c) (1). Pub. L. 89-44 struck out "within six months of their release therefrom" following "customs custody".

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-630 applicable only to articles exported on or after the first day of the first calendar month which begins more than 90 days after Oct. 22, 1968, see section 4 of Pub. L. 90-630, set out as a note under section 5008 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (c) (1) by Pub. L. 89-44 effective July 1, 1965, see section 805(g) (1) of Pub. L. 89-44, set out as a note under section 5008 of this title.

§ 5063. Repealed. Pub. L. 89-44, title V, § 501(c), June 21, 1965, 79 Stat. 150.

Section, Pub. L. 85-859, title II, § 201, Sept. 2, 1958, 72 Stat. 1336; Pub. L. 86-75, § 3(b) (1), June 30, 1959, 73 Stat. 157; Pub. L. 86-564, title II, § 202(b) (1), June 30, 1960, 74 Stat. 290; Pub. L. 87-72, § 3(b) (1), June 30, 1961, 75 Stat. 193; Pub. L. 87-508, § 3(b) (1), June 28, 1962, 76 Stat. 114; Pub. L. 88-52, § 3(b) (1) (A), June 29, 1963, 77 Stat. 72; Pub. L. 88-348, § 2(b) (1) (A), June 30, 1964, 78 Stat. 237, made provision for floor stocks refunds on distilled spirits, wines, cordials, and beer and set out limitations on the eligibility for such refunds or credits.

EFFECTIVE DATE OF REPEAL

Repeal of section by Pub. L. 89-44 applicable on and after July 1, 1965, see section 701(d) of Pub. L. 89-44, set out as a note under section 5701 of this title.

PART II.—OCCUPATIONAL TAX

SUBPART A.—RECTIFIER

§ 5081. Imposition and rate of tax.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 5025 of this title.

§ 5082. Definition of rectifier.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 5025 of this title.

§ 5083. Exemptions.

- • • • •
- (14) Other mingling or treatment of distilled spirits, see section 5025(k).
- (15) Authorized addition of tracer elements, see section 5025(l).

(As amended Pub. L. 89-44, title VIII, § 805(f) (7), June 21, 1965, 79 Stat. 161.)

AMENDMENTS

1965—Par. (14). Pub. L. 89-44 struck out par. (14) making reference to section 5025(k) for authorized addition of tracer elements and inserted in lieu thereof reference to section 5025(k) for other mingling or treatment of distilled spirits. Coverage of tracer elements, with reference to section 5025(l), was transferred to par. (15).
Par. (15). Pub. L. 89-44 added par. (15).

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by Pub. L. 89-44 effective October 1, 1965, see section 805(g) (2) of Pub. L. 89-44, set out as a note under section 5025 of this title.

SUBPART F.—NONBEVERAGE DOMESTIC DRAWBACK CLAIMANTS

§ 5134. Drawback.

(b) Claims.

Such drawback shall be due and payable quarterly upon filing of a proper claim with the Secretary or his delegate; except that, where any person entitled to such drawback shall elect in writing to file monthly claims therefor, such drawback shall be due and payable monthly upon filing of a proper claim with the Secretary or his delegate. The Secretary or his delegate may require persons electing

to file monthly drawback claims to file with him a bond or other security in such amount and with such conditions as he shall by regulations prescribe. Any such election may be revoked on filing of notice thereof with the Secretary or his delegate. No claim under this subpart shall be allowed unless filed with the Secretary or his delegate within the 6 months next succeeding the quarter in which the distilled spirits covered by the claim were used as provided in this subpart. (As amended Pub. L. 90-615, § 2(a), Oct. 21, 1968, 82 Stat. 1210.)

AMENDMENTS

1968—Subsec. (b). Pub. L. 90-615 substituted "6 months" for "3 months" in the last sentence.

EFFECTIVE DATE OF 1968 AMENDMENT

Section 2(b) of Pub. L. 90-615 provided that: "The amendment made by subsection (a) [to subsec. (b) of this section] shall apply to claims filed on or after the date of the enactment of this Act [Oct. 21, 1968]."

Subchapter C.—Operation of Distilled Spirits Plants

PART II.—OPERATIONS ON BONDED PREMISES

SUBPART A.—GENERAL

§ 5215. Return of tax determined distilled spirits to bonded premises.

(a) General.

Such application and under such regulations as the Secretary or his delegate may prescribe, distilled spirits withdrawn from bonded premises in bulk containers on or after July 1, 1959, on payment or determination of tax may be returned to the bonded premises of a distilled spirits plant, if such spirits have been found to be unsuitable for the purpose for which intended to be used before any processing thereof and before removal from the original container in which such distilled spirits were withdrawn from bonded premises. Such returned distilled spirits shall immediately be destroyed, redistilled, or denatured, or may, in lieu of destruction, redistillation, or denaturation, be mingled on bonded premises as authorized in section 5234 (a) (1) (A), (a) (1) (D), or (a) (1) (E). All provisions of this chapter applicable to distilled spirits in bond shall be applicable to distilled spirits returned to bonded premises under the provisions of this section on such return.

(As amended Pub. L. 89-44, title VIII, § 805(c), June 21, 1965, 79 Stat. 161.)

AMENDMENTS

1965—Pub. L. 89-44 added destruction to redistillation, denaturation, and mingling in the second sentence on the list of options which might be used in disposing of returned distilled spirits.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (a) by Pub. L. 89-44 effective July 1, 1965, see section 805(g) (1) of Pub. L. 89-44, set out as a note under section 5008 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 5223 of this title.

SUBPART B.—PRODUCTION

Sec. 5223. Redistillation of spirits, articles, and residues.

AMENDMENTS

1965—Pub. L. 89-44, title VIII, § 805(f) (9), June 21, 1965, 79 Stat. 161, inserted articles and residues in item 5223.

§ 5223. Redistillation of spirits, articles, and residues.

(c) Redistillation of articles and residues.

Articles, containing denatured distilled spirits, which were manufactured under the provisions of subchapter D, and the spirits residues of manufacturing processes related thereto, may be received, and the distilled spirits therein recovered by redistillation, on the bonded premises of a distilled spirits plant authorized to produce distilled spirits, under such regulations as the Secretary or his delegate may prescribe.

(d) Denatured distilled spirits, articles, and residues.

Distilled spirits recovered by the redistillation of denatured distilled spirits, or by the redistillation of the articles or residues described in subsection (c), may not be withdrawn from bonded premises except for industrial use or after denaturation thereof in the manner prescribed by law.

(e) Products of redistillation.

All distilled spirits redistilled on bonded premises subsequent to production gauge shall be treated the same as if such spirits had been originally produced by the redistiller and all provisions of this chapter applicable to the original production of distilled spirits shall be applicable thereto. Any prior obligation as to taxes, liens, and bonds with respect to such distilled spirits shall be extinguished on redistillation. Nothing in this subsection shall be construed as affecting any provision of law relating to the labeling of distilled spirits or as limiting the authority of the Secretary or his delegate to regulate the marking, branding, or identification of distilled spirits redistilled under this section. The processing of distilled spirits subsequent to production gauge, in the manufacture of vodka in the production facilities of a distilled spirits plant shall be treated for the purposes of this subsection, subsection (a), and sections 5025 (d) and 5215 as redistillation of the spirits. (As amended Pub. L. 89-44, title VIII, § 805 (d), (f) (8), (10), June 21, 1965, 79 Stat. 161, 162.)

AMENDMENTS

1965—Pub. L. 89-44, § 805(f) (8), struck out "spirits" from the section heading and inserted in lieu thereof "spirits, articles, and residues".

Subsec. (c). Pub. L. 89-44, § 805(d), added subsec. (c). Former subsecs. (c) redesignated (d).

Subsec. (d). Pub. L. 89-44, § 805(d), (f) (10), redesignated subsec. (c) as (d), inserted ", articles, and residues" following "distilled spirits" in the catchline, and inserted ", or by the redistillation of the articles or residues described in subsection (c)," after "denatured distilled spirits" in the text. Former subsec. (d) redesignated (e).

Subsec. (e). Pub. L. 89-44, § 805(d), redesignated former subsec. (d) as (e).

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of section by Pub. L. 89-44 effective October 1, 1965, see section 805(g) (2) of Pub. L. 89-44, set out as a note under section 5025 of this title.

SUBPART C.—STORAGE

§ 5232. Imported distilled spirits.

(a) Transfer to distilled spirits plant without payment of tax.

Imported distilled spirits in bulk containers may, under such regulations as the Secretary or his dele-

gate shall prescribe, be withdrawn from customs custody and transferred in such bulk containers or by pipeline to the bonded premises of a distilled spirits plant without payment of the internal revenue tax imposed on imported distilled spirits by section 5001. The person operating the bonded premises of the distilled spirits plant to which such spirits are transferred shall become liable for the tax on distilled spirits withdrawn from customs custody under this section upon release of the spirits from customs custody, and the importer shall thereupon be relieved of his liability for such tax.

(b) Withdrawals, etc.

Imported distilled spirits transferred pursuant to subsection (a)—

(1) may not be bottled in bond under section 5233,

(2) may be redistilled or denatured only if of 185 degrees or more of proof, and

(3) may be withdrawn for any purpose authorized by this chapter, in the same manner as domestic distilled spirits.

(As amended Pub. L. 90-630, § 3(a), Oct. 22, 1968, 82 Stat. 1328.)

AMENDMENTS

1968—Pub. L. 90-630 permitted withdrawal in bulk containers or by pipeline from customs custody to internal revenue bond without payment of internal revenue taxes of all imported distilled spirits in bulk containers, regardless of proof, extended to all such imported distilled spirits the withdrawal privileges already available to imported distilled spirits of at least 185 proof, whether or not they have been redistilled or denatured, provided that the transferor's liability for the internal revenue tax ceases when the transferee's liability attaches, and established that imported bulk spirits are not eligible for the bottled in bond privileges available to domestic spirits.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-630 applicable only to withdrawals from customs custody on or after the first day of the first calendar month which begins more than 90 days after Oct. 22, 1968, see section 4 of Pub. L. 90-630, set out as a note under section 5008 of this title.

§ 5234. Mingling and blending of distilled spirits.

(a) Mingling of distilled spirits on bonded premises.

(1) In general.

Under such regulations as the Secretary or his delegate shall prescribe, distilled spirits may be mingled on bonded premises if such spirits—

(A) were distilled at 190 degrees or more of proof;

(B) are heterogeneous and are being dumped for gauging in bulk gauging tanks for immediate removal to bottling premises for use exclusively in taxable rectification, or for blending under section 5025(f), or for other mingling or treatment under section 5025(k);

(As amended Pub. L. 89-44, title VIII, § 805(f) (11), June 21, 1965, 79 Stat. 162.)

AMENDMENTS

1965—Subsec. (a) (1) (B). Pub. L. 89-44 struck out "or rectification under section 5025(f);" and inserted in lieu thereof ", or for blending under section 5025(f), or for other mingling or treatment under section 5025(k);".

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (a) (1) (B) by Pub. L. 89-44 effective October 1, 1965, see section 805(g) (2) of Pub. L. 89-44, set out as a note under section 5025 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 5215 of this title.

Subchapter F.—Bonded and Taxpaid Wine Premises

PART II.—OPERATIONS

§ 5362. Removals of wine from bonded wine cellars.

(d) Withdrawal free of tax of wine and wine products unfit for beverage use.

Under such regulations as the Secretary or his delegate may deem necessary to protect the revenue, wine, or wine products made from wine, when rendered unfit for beverage use, on which the tax has not been paid or determined, may be withdrawn from bonded wine cellars free of tax. The wine or wine products to be so withdrawn may be treated with methods or materials which render such wine or wine products suitable for their intended use. No wine or wine product so withdrawn shall contain more than 21 percent of alcohol by volume, or be used in the compounding of distilled spirits or wine for beverage use or in the manufacture of any product intended to be used in such compounding. (As amended Pub. L. 90-73, § 1(a), Aug. 29, 1967, 81 Stat. 175.)

AMENDMENTS

1967—Subsec. (d). Pub. L. 90-73 added subsec. (d).

EFFECTIVE DATE OF 1967 AMENDMENT

Section 1(b) of Pub. L. 90-73 provided that: "The amendment made by subsection (a) [adding subsec. (d) to this section] shall become effective on the first day of the first month which begins 90 days or more after the date of the enactment of this Act [Aug. 29, 1967]."

§ 5373. Wine spirits.

(a) In general.

The wine spirits authorized to be used in wine production shall be brandy or wine spirits produced in a distilled spirits plant (with or without the use of water to facilitate extraction and distillation) exclusively from—

- (1) fresh or dried fruit, or their residues,
- (2) the wine or wine residues therefrom, or
- (3) special natural wine under such conditions as the Secretary or his delegate may by regulations prescribe;

except that where, in the production of natural wine or special natural wine, sugar has been used, the wine or the residuum thereof may not be used if the unfermented sugars therein have been re-fermented. Such wine spirits shall not be reduced with water from distillation proof, nor be distilled, unless regulations otherwise provide, at less than 140 degrees of proof (except that commercial brandy aged in wood for a period of not less than 2 years, and barreled at not less than 100 degrees of proof, shall be deemed wine spirits for the purpose of this subsection).

(As amended Pub. L. 90-619, § 1, Oct. 22, 1968, 82 Stat. 1236.)

AMENDMENTS

1968—Subsec. (a). Pub. 90-619 added special natural wine, under conditions prescribed by regulations, as one of the materials from which wine spirits may be produced and extended to special natural wines the existing prohibition on the use of natural wine whose sugars have been re-fermented.

EFFECTIVE DATE OF 1968 AMENDMENT

Section 6 of Pub. L. 90-619 provided that: "The amendments made by this Act [amending this section and sections 5382, 5383, 5384, 5385, 5386, and 5387 of this title] shall take effect on the first day of the first month which begins 90 days or more after the date of the enactment of this Act [Oct. 22, 1968]."

PART III.—CELLAR TREATMENT AND CLASSIFICATION OF WINE

§ 5382. Cellar treatment of natural wine.

(b) Specifically authorized treatments.

(2) The addition to natural wine, or to concentrated or unconcentrated juice or must, from one kind of fruit, of wine spirits (whether or not taxpaid) distilled in the United States from the same kind of fruit; except that (A) the wine, juice, or concentrate shall not have an acoholic content in excess of 24 percent by volume after the addition of wine spirits, and (B) in the case of still wines, wine spirits may be added in any State only to natural wines produced by fermentation in bonded wine cellars located within the same State.

(As amended Pub. L. 89-44, title VIII, § 806(c) (1), June 21, 1965, 79 Stat. 164; Pub. L. 90-619, § 2, Oct. 22, 1968, 82 Stat. 1237.)

AMENDMENTS

1968—Subsec. (b) (2) (B). Pub. L. 90-619 permitted wine spirits to be added to natural wine produced by fermentation in any bonded wine cellars located within the same State in which the addition is to take place.

1965—Subsec. (b) (2). Pub. L. 89-44 struck out "made without added sugar or reserved as provided in sections 5383(b) and 5384(b)" following "winemaker's own production".

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-619 effective on the first day of the first month which begins 90 days or more after Oct. 22, 1968, see section 6 of Pub. L. 90-619, set out as a note under section 5373 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (b) (2) by Pub. L. 89-44 effective January 1, 1966, see section 806(d) (2) of Pub. L. 89-44, set out as a note under section 5383 of this title.

§ 5383. Amelioration and sweetening limitations for natural grape wines.

(a) Sweetening of grape wines.

Any natural grape wine may be sweetened after fermentation and before taxpayment with pure dry sugar or liquid sugar if the total solids content of the finished wine does not exceed 12 percent of the weight of the wine and the alcoholic content of the finished wine after sweetening is not more than 14 percent by volume; except that the use under this subsection of liquid sugar shall be limited so that the resultant volume will not exceed the volume which could result from the maximum authorized use of pure dry sugar only

(b) High acid wines.

(1) Amelioration.

Before, during, and after fermentation, amellorating materials consisting of pure dry sugar or liquid sugar, water, or a combination of sugar and water, may be added to natural grape wines of a winemaker's own production when such wines are made from juice having a natural fixed acid content of more than five parts per thousand (calculated before fermentation and as tartaric acid). Amellorating material so added shall not reduce the natural fixed acid content of the juice to less than five parts per thousand, nor exceed 35 percent of the volume of juice (calculated exclusive of pulp) and amellorating material combined.

(2) Sweetening.

Any wine produced under this subsection may be sweetened by the producer thereof, after amelloration and fermentation, with pure dry sugar or liquid sugar if the total solids content of the finished wine does not exceed (A) 17 percent by weight if the alcoholic content is more than 14 percent by volume, or (B) 21 percent by weight if the alcoholic content is not more than 14 percent by volume. The use under this paragraph of liquid sugar shall be limited to cases where the resultant volume does not exceed the volume which could result from the maximum authorized use of pure dry sugar only.

(3) Wine spirits.

Wine spirits may be added (whether or not wine spirits were previously added) to wine produced under this subsection only if the wine contains not more than 14 percent of alcohol by volume derived from fermentation.

(As amended Pub. L. 89-44, title VIII, § 806(b) (1), June 21, 1965, 79 Stat. 162; Pub. L. 90-619, § 3, Oct. 22, 1968, 82 Stat. 1237.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-619, § 3(b), substituted "not more than 14 percent" for "less than 14 percent".

Subsec. (b). Pub. L. 90-619, § 3(a), simplified production procedures and calculations, provided that the limitation on sweetening high acid wine is to be based upon the total solids content of the finished wine, authorized the use of liquid sugar but only to the extent that it did not increase the total volume of the finished wine above what it would be if the maximum authorized use had been made of dry sugar only, and added provisions making it clear that wine spirits may be added at more than one stage in the process of wine production.

1965—Pub. L. 89-44 divided subsec. (h) relating to high acid wines into pars. (1) and (2) and par. (2) into subpars. (A) — (E), deleted the reserve inventory requirement with respect to the amelloration and sweetening of wines, authorized the use of other than pure, dry sugar, and allowed the limited use of liquid sugar at appropriate points where the use of pure dry sugar had formerly been prescribed.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-619 effective on the first day of the first month which begins 90 days or more after Oct. 22, 1968, see section 6 of Pub. L. 90-619, set out as a note under section 5373 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Section 806(d) (2) of Pub. L. 89-44 provided that: "The amendments made by subsections (b) and (c) [to this section and sections 5382(b) (2), 5364 (a), (b), 5365 (a), and 5392 (c), (g)] shall take effect on January 1, 1966."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 5384 of this title.

§ 5384. Amelioration and sweetening limitations for natural fruit and berry wines

(a) In general.

To natural wine made from berries or fruit other than grapes, pure dry sugar or liquid sugar may be added to the juice in the fermenter, or to the wine after fermentation; but only if such wine has not more than 14 percent alcohol by volume after complete fermentation, or after complete fermentation and sweetening, and a total solids content not in excess of 21 percent by weight; and except that the use under this subsection of liquid sugar shall be limited so that the resultant volume will not exceed the volume which could result from the maximum authorized use of pure dry sugar only.

(b) Amellorated fruit and berry wines.

(1) Any natural fruit or berry wine (other than grape wine) of a winemaker's own production may, if not made under subsection (a) of this section, be amellorated to correct high acid content. Amellorating material calculations and accounting shall be separate for wine made from each different kind of fruit.

(2) Pure dry sugar or liquid sugar may be used in the production of wines under this subsection for the purpose of correcting natural deficiencies, but not to such an extent as would reduce the natural fixed acid in the corrected juice or wine to five parts per thousand. The quantity of sugar so used shall not exceed the quantity which would have been required to adjust the juice, prior to fermentation, to a total solids content of 25 degrees (Brix). Such sugar shall be added prior to the completion of fermentation of the wine. After such addition of the sugar, the wine or juice shall be treated and accounted for as provided in section 5383(b), covering the production of high acid grape wines, except that—

(A) Natural fixed acid shall be calculated as malic acid for apple wine and as citric acid for other fruit and berry wines, instead of tartaric acid;

(B) Juice adjusted with pure dry sugar or liquid sugar as provided in this paragraph shall be treated in the same manner as original natural juice under the provisions of section 5383 (b); except that if liquid sugar is used, the volume of water contained therein must be deducted from the volume of amellorating material authorized;

(C) Wines made under this subsection shall have a total solids content of not more than 21 percent by weight, whether or not wine spirits have been added; and

(As amended Pub. L. 89-44, title VIII, § 806 (b) (2), (c) (2), (3), June 31, 1965, 79 Stat. 163, 164; Pub. L. 90-619, § 3 (b), Oct. 22, 1968, 82 Stat. 1237.)

AMENDMENTS

1968—Subsec. (a). Pub. 90-619 substituted "not more than 14 percent" for "less than 14 percent".

1965—Subsec. (a). Pub. L. 89-44, § 806(b) (2) (A), authorized the addition of liquid sugar provided the resultant volume will not exceed the volume which could

result from the maximum authorized use of pure dry sugar only.

Subsec. (b). Pub. L. 89-44, § 806(c)(3), substituted "Ameliorated" for "Reserve" in the subsec. heading.

Subsec. (b)(1). Pub. L. 89-44, § 806(b)(2)(B), removed references to reserves and reserve inventories.

Subsec. (b)(2). Pub. L. 89-44, § 806(b)(2)(C), amended the first sentence by authorizing the use of liquid sugar but limiting the use of any sugar if it reduced the natural fixed acid in the corrected juice or wine to five parts per thousand.

Pub. L. 89-44, § 806(c)(2), struck out "reserved" following "covering the production of" in the fourth sentence.

Subsec. (b)(2)(B). Pub. L. 89-44, § 806(b)(2)(D), required that, if liquid sugar is used, the volume of water contained therein be deducted from the volume of ameliorating material authorized.

Subsec. (b)(2)(C). Pub. L. 89-44, § 806(b)(2)(E), struck out "may be withdrawn from reserve inventory with" and inserted in lieu thereof "shall have".

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-619 effective on the first day of the first month which begins 90 days or more after Oct. 22, 1968, see section 6 of Pub. L. 90-619, set out as a note under section 5373 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsecs. (a) and (b), by Pub. L. 89-44 effective January 1, 1966, see section 806(d)(2) of Pub. L. 89-44, set out as a note under section 5383 of this title.

§ 5385. Specially sweetened natural wines.

(a) Definition.

Specially sweetened natural wine is the product made by adding to natural wine of the winemaker's own production a sufficient quantity of pure dry sugar, or juice or concentrated juice from the same kind of fruit, separately or in combination, to produce a finished product having a total solids content in excess of 17 percent by weight and an alcoholic content of not more than 14 percent by volume, and shall include extra sweet kosher wine and similarly heavily sweetened wines.

(b) Cellar treatment.

Specially sweetened natural wines may be blended with each other, or with natural wine or heavy bodied blending wine in the further production of specially sweetened natural wine only, if the wines so blended are made from the same kind of fruit. Wines produced under this section may be cellar treated under the provisions of section 5382 (a) and (c). Wine spirits may not be added to specially sweetened natural wine. (As amended Pub. L. 89-44, title VIII, § 806(c)(4), June 21, 1965, 79 Stat. 164; Pub. L. 90-619, §§ 3(b), 4, Oct. 22, 1968, 82 Stat. 1237.)

AMENDMENTS

1968—Subsec. (a). Pub. L. 90-619, § 3(b), substituted "not more than 14 percent" for "less than 14 percent".

Subsec. (b). Pub. L. 90-619, § 4, authorized cellar treatment of specially sweetened natural wines, special natural wines, and agricultural wines.

1965—Subsec. (a). Pub. L. 89-44 struck out "sugar solids content in excess of 15" and inserted in lieu thereof "total solids content in excess of 17".

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-619 effective on the first day of the first month which begins 90 days or more after Oct. 22, 1968, see section 6 of Pub. L. 90-619, set out as a note under section 5373 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (a) by Pub. L. 89-44 effective January 1, 1966, see section 806(d)(2) of Pub. L. 89-44, set out as a note under section 5383 of this title.

§ 5386. Special natural wines.

(b) Cellar treatment.

Special natural wines may be cellar treated under the provisions of section 5382 (a) and (c). (As amended Pub. L. 90-619, § 5, Oct. 22, 1968, 82 Stat. 1237.)

AMENDMENT

1968—Subsec. (b). Pub. L. 90-619 added reference to subsec. (a) of section 5382.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-619 effective on the first day of the first month which begins 90 days or more after Oct. 22, 1968, see section 6 of Pub. L. 90-619, set out as a note under section 5373 of this title.

§ 5387. Agricultural wines.

(a) In general.

Wines made from agricultural products other than the juice of fruit shall be made in accordance with good commercial practice as may be prescribed by the Secretary or his delegate by regulations. Wines made in accordance with such regulations shall be classed as "standard agricultural wines". Wines made under this section may be cellar treated under the provisions of section 5382 (a) and (c).

(As amended Pub. L. 90-619, § 5, Oct. 22, 1968, 82 Stat. 1237.)

AMENDMENT

1968—Subsec. (a). Pub. L. 90-619 added reference to subsec. (a) of section 5382.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-619 effective on the first day of the first month which begins 90 days or more after Oct. 22, 1968, see section 6 of Pub. L. 90-619, set out as a note under section 5373 of this title.

PART IV.—GENERAL

§ 5392. Definitions.

(c) Pure sugar.

For purposes of this subchapter the term "pure sugar" means pure refined sugar, suitable for human consumption, having a dextrose equivalent of not less than 95 percent on a dry basis, and produced from cane, beets, or fruit, or from grain or other sources of starch. Invert sugar syrup produced from such pure sugar by recognized methods of inversion may be used to prepare any sugar syrup, or solution of water and pure sugar, authorized in this subchapter.

(g) Liquid sugar.

For purposes of this subchapter the term "liquid sugar" means a substantially colorless pure sugar and water solution containing not less than 60 percent pure sugar by weight (60 degrees Brix). (As amended Pub. L. 89-44, title VIII, § 806(b)(3), June 21, 1965, 79 Stat. 163.)

AMENDMENTS

1965—Subsec. (c). Pub. L. 89-44, § 806(b)(3)(A), added fruit, grain, or other sources of starch to cane and beets as sources of "pure sugar".

Subsec. (g). Pub. L. 89-44, § 806(b)(3)(B), added subsec. (g).

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by Pub. L. 89-44 effective January 1, 1966, see section 806(d) (2) of Pub. L. 89-44, set out as a note under section 5383 of this title.

Subchapter J.—Penalties, Seizures, and Forfeitures Relating to Liquors

PART I.—PENALTY, SEIZURE, AND FORFEITURE PROVISIONS APPLICABLE TO DISTILLING, RECTIFYING, AND DISTILLED AND RECTIFIED PRODUCTS

§ 5608. Penalty and forfeiture for fraudulent claims for export drawback or unlawful relanding.

(b) Unlawful relanding.

Every person who, with intent to defraud the United States, relands within the jurisdiction of the United States any distilled spirits which have been shipped for exportation under the provisions of this chapter, or who receives such relanded distilled spirits, and every person who aids or abets in such relanding or receiving of such spirits, shall be fined not more than \$5,000, or imprisoned not more than 3 years, or both; and all distilled spirits so relanded, together with the vessel from which the same were relanded within the jurisdiction of the United States, and all vessels, vehicles, or aircraft used in relanding and removing such distilled spirits, shall be forfeited to the United States. (As amended Pub. L. 89-44, title VIII, § 805(e), June 21, 1965, 79 Stat. 161.)

AMENDMENTS

1965—Subsec. (b). Pub. L. 89-44 substituted ", with intent to defraud the United States," for "intentionally;" following "Every person who".

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment of subsec. (b) by Pub. L. 89-44, effective July 1, 1965, see section 805(g) (1) of Pub. L. 89-44, set out as a note under section 5008 of this title.

PART V.—PENALTIES APPLICABLE TO OCCUPATIONAL TAXES

Sec. 5691. Penalties for nonpayment of special taxes relating to liquors.

AMENDMENTS

1968—Pub. L. 90-618, title II, § 206(b), Oct. 22, 1968, 82 Stat. 1235, struck out item 5692 "Penalties relating to posting of special tax stamps".

§ 5692. Repealed. Pub. L. 90-618, title II, § 206(a), Oct. 22, 1968, 82 Stat. 1235.

Section, Pub. L. 85-859, title II, § 201, Sept. 2, 1958, 72 Stat. 1413, set forth a cross reference to section 7273 (a), relating to penalties for failure to post special tax stamps.

EFFECTIVE DATE OF REPEAL

Repeal of section effective Oct. 22, 1968, see section 207 of Pub. L. 90-618, set out as a note under section 5801 of this title.

Chapter 52.—CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES

Subchapter

- A. Definitions; rate and payment of tax; exemption from tax; and refund and drawback of tax.
 B. Qualification requirements for manufacturers of tobacco products and cigarette papers and tubes, and export warehouse proprietors.

Subchapter

- C. Operations by manufacturers and importers of tobacco products and cigarette papers and tubes and export warehouse proprietors.
 D. Records of manufacturers of tobacco products and cigarette papers and tubes, and export warehouse proprietors.
 E. General provisions.
 F. Fines, penalties and forfeitures.

AMENDMENTS

1965—Pub. L. 89-44, title V, § 502(b) (1), (2), June 21, 1965, 79 Stat. 150, struck out "Tobacco," from the chapter heading, reference to dealers in tobacco materials from the heading of subchapter B, the heading of subchapter D and redesignated subchapters E, F and G as D, E and F respectively, and struck out in the heading of subchapter D (as redesignated) a reference to dealers in tobacco materials.

Subchapter A.—Definitions; Rate and Payment of Tax; Exemption From Tax; and Refund and Drawback of Tax

Sec.

5701. Rate of tax.
 5702. Definitions.
 5703. Liability for tax and method of payment.
 5704. Exemption from tax.
 5705. Credit, refund, or allowance of tax.
 5706. Drawback of tax.
 5708. Losses caused by disaster.

AMENDMENTS

1965—Pub. L. 89-44, title V, § 501(g), title VIII, § 808 (c) (2), June 21, 1965, 79 Stat. 150, 165, struck out item 5707 and, in item 5705, inserted "Credit" before "refund".

§ 5701. Rate of tax.

(a) Cigars.

On cigars, manufactured in or imported into the United States, there shall be imposed the following taxes:

(1) Small cigars.

On cigars, weighing not more than 3 pounds per thousand, 75 cents per thousand:

(2) Large cigars.

On cigars, weighing more than 3 pounds per thousand;

(A) If removed to retail at not more than 2½ cents each, \$2.50 per thousand;

(B) If removed to retail at more than 2½ cents each and not more than 4 cents each, \$3 per thousand;

(C) If removed to retail at more than 4 cents each and not more than 6 cents each, \$4 per thousand;

(D) If removed to retail at more than 6 cents each and not more than 8 cents each, \$7 per thousand;

(E) If removed to retail at more than 8 cents each and not more than 15 cents each, \$10 per thousand;

(F) If removed to retail at more than 15 cents each and not more than 20 cents each, \$15 per thousand;

(G) If removed to retail at more than 20 cents each, \$20 per thousand.

In determining the retail price, for tax purposes regard shall be had to the ordinary retail price of a single cigar in its principal market, exclusive of any State or local taxes imposed on cigars as a commodity. For purposes of the preceding sentence, the