(2) *Definitions.* As used herein, "peaches," "handler," and "ship" shall have the same meaning as when used in the aforesaid marketing agreement and order; "U. S. No. 1," "diameter," "count," and "standard pack" shall have the same meaning as when used in the United States Standards for Peaches, as recodified (7 CFR 51.1210-1223; 18 F. R. 7116).

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: August 18, 1955.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 55-6811; Filed, Aug. 19, 1955; 8:54 a. m.]

[Lemon Reg. 603]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

LIMITATIONS OF SHIPMENTS

§ 953.710 *Lemon Regulation 603*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 19 F. R. 7175; 20 F. R. 2913), regulating the handling of lemons grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of the quantity of such lemons which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of lemons, grown in the State of California or in the State of Arizona, are currently subject to regulation pursuant to said amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein was promptly submitted to the Department after an open meeting of the Lemon Administrative Committee on August 17, 1955, such meeting was held, after giving due notice thereof to consider recommendations for regulation, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this regulation effective during the period hereinafter specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time thereof.

(b) *Order.* (1) The quantity of lemons grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., August 21, 1955, and ending at 12:01 a. m., P. s. t., August 28, 1955, is hereby fixed as follows:

(i) District 1: Unlimited movement;
(ii) District 2: 350 carloads;
(iii) District 3: Unlimited movement.

(2) As used in this section, "handled," "carloads," "District 1," "District 2," and "District 3" shall have the same meaning as when used in the said amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: August 18, 1955.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 55-6832; Filed, Aug. 19, 1955; 8:55 a. m.]

[957.313, Amdt. 2]

PART 957—IRISH POTATOES GROWN IN CERTAIN DESIGNATED COUNTIES IN IDAHO AND MALHEUR COUNTY, OREGON

LIMITATION OF SHIPMENTS

Findings. (a) Pursuant to Marketing Agreement No. 98 and Order No. 57, as amended (7 CFR Part 957), regulating the handling of Irish potatoes grown in certain designated counties in Idaho and Malheur County, Oregon, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the Idaho-Eastern Oregon Potato Committee, established pursuant to said marketing agreement and order, as amended, and upon other available information, it is hereby found that the amendment to the limitation of shipments, as hereinafter provided, will tend to effectuate the declared policy of the act.

(b) It is hereby found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this amendment until 30 days after publication in the FEDERAL REGISTER (5 U. S. C. 1001 et seq.) in that (i) the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient, (ii) more orderly marketing in the public interest, than would otherwise prevail, will be promoted by regulating the shipment of potatoes, in the manner set forth below, on and after the effective date of this amendment, (iii) compliance with this amendment will not require any special preparation on the part of handlers which cannot be completed by the effective date, (iv) reasonable time is permitted, under the circumstances, for such preparation, and (v) information regarding the committee's recommendations has been made available to producers and handlers in the production area.

Order, as amended. The provisions of subparagraphs (1) and (2) of § 957.313 (b) (20 F. R. 4794, 5807) are hereby amended to read as follows:

(b) *Order.* (1) During the period from August 25, 1955, to September 20, 1955, both dates inclusive, no handler shall ship potatoes of any variety unless at least 90 percent of such potatoes are "fairly clean" and (i) if they are of the red skin varieties such potatoes meet the requirements of the U. S. No. 1 or better grade, 2 inches minimum diameter, (ii) if they are of the White Rose variety such potatoes meet the requirements of the U. S. No. 1 or better grade, Size A, 2 inches minimum diameter, or 4 ounces minimum weight, and (iii) if they are of any other varieties, including but not limited to Russet Burbanks, Early Gems, Kennebecs, and all round white varieties, such potatoes meet the requirements of the U. S. No. 2 or better grade, Size A, 2 inches minimum diameter, or 4 ounces minimum weight, as such terms, grades, and sizes are defined in the United States Standards for Potatoes (§§ 51.1540 to 51.1559 of this title), including the tolerances set forth therein.

(2) During the period from August 25, 1955, to October 31, 1955, both dates inclusive, and subject to the requirements set forth in subparagraph (1) of this paragraph no handler shall ship (i) any lot of potatoes of the Kennebec and White Rose varieties if more than 30 percent of the potatoes in such lot have more than one-half of the skin missing or "feathered", as such terms are used in the said United States Standards, or (ii) any lot of potatoes of any other varieties if such potatoes are more than "moderately skinned" as such term is defined in the said United States Standards, which means that not more than 10 percent of such potatoes have more than one-half of the skin missing or "feathered": *Provided,* That during such period, not to exceed 100 hundredweight of each variety of such potatoes may be handled for any producer without regard to the aforesaid skinning requirements: *Provided further,* That, in addition to the above, any lot of potatoes may be handled for any producer without regard to the aforesaid skinning requirement if (i) such lot of potatoes previously failed,

upon inspection by a Federal-State Inspector, to meet grade and size requirements but met the aforesaid skinning requirements applicable to such lot of potatoes, (ii) such lot of potatoes has been regraded, and such lot of potatoes otherwise meets, as indicated by a Federal-State inspection certificate, the grade and size requirement applicable to such potatoes, and (iii) such potatoes failing to meet the aforesaid skinning requirements are not in excess of 100 hundredweight in any such lot. Prior to each shipment of potatoes exempt from the above skinning requirements, the handler thereof shall report the name and address of the producer of such potatoes, and each such shipment shall be handled as an identifiable entity.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Done at Washington, D. C., this 18th day of August 1955 to become effective August 25, 1955.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 55-6856; Filed, Aug. 19, 1955; 11:48 a. m.]

TITLE 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

Subchapter C—Interstate Transportation of Animals and Poultry

[B. A. I. Order 383, Revised, Amdt. 60]

PART 76—HOG CHOLERA, SWINE PLAGUE, AND OTHER COMMUNICABLE SWINE DISEASES

SUBPART B—VESICULAR EXANTHEMA

CHANGES IN AREAS QUARANTINED

Pursuant to the provisions of sections 1 and 3 of the act of March 3, 1905, as amended (21 U. S. C. 123, 125), sections 1 and 2 of the act of February 2, 1903, as amended (21 U. S. C. 111-113, 120), and section 7 of the act of May 29, 1884, as amended (21 U. S. C. 117), § 76.27, as amended, Subpart B, Part 76, Title 9, Code of Federal Regulations (20 F. R. 2881, 2973, 3499, 3931, 4397, 4841, 5256, 5709), which contains a notice with respect to the States in which swine are affected with vesicular exanthema, a contagious, infectious, and communicable disease, and which quarantine certain areas in such States because of said disease, is hereby further amended in the following respects:

1. Subparagraph (4) of paragraph (a), relating to Mendocino County, in California, is deleted.

2. Subparagraphs (12) and (13) of paragraph (a), relating to California, are amended to read:

(12) NE¼ Sec. 22, T. 6 S., R. 1 W., MDBM, in Santa Clara County.

(13) That part of Rancho Petaluma Grant lying south and east of State Highway No. 37, west of Maffei Lane, and north of Wayne Road, in Sonoma County.

3. New subdivisions (xvi), (xvii), and (xviii), are added to subparagraph (8) of paragraph (d), relating to Gloucester County in New Jersey, to read:

(xvi) That part of Deptford Township included within a boundary beginning at a point on the Westville-Almonesson Road 1,006 feet south of the New Jersey Turnpike, running easterly 3,478 feet to Timber Creek, thence southerly 440 feet along Timber Creek, thence westerly 3,467 feet to the Westville-Almonesson Road, thence northerly 420 feet to the point of beginning, owned by Charles A. Bodine and operated by C. D. Bodine;

(xvii) Lot No. 23 in Block 387 in Deptford Township, owned by Charles Braunninger and operated by William Englehart;

(xviii) Lot No. 4 in Block 236 in Deptford Township, owned and operated by George Steward, Jr.

Effective date. The foregoing amendment shall become effective upon issuance.

The amendment excludes certain areas in California and New Jersey from the areas heretofore quarantined because of vesicular exanthema. Hereafter, the restrictions pertaining to the interstate movement of swine, and carcasses, parts and offal of swine, from or through quarantined areas, contained in 9 CFR, 1954 Supp., Part 76, Subpart B, as amended, will not apply to such areas. However, the restrictions pertaining to such movement from non-quarantined areas, contained in said Subpart B, as amended, will apply thereto.

The amendment relieves certain restrictions presently imposed, and must be made effective immediately to be of maximum benefit to persons subject to the restrictions which are relieved. Accordingly, under section 4 of the Administrative Procedure Act (5 U. S. C. 1003), it is found upon good cause that notice and other public procedure with respect to the amendment are impracticable and contrary to the public interest, and the amendment may be made effective less than 30 days after publication in the FEDERAL REGISTER.

(Secs. 4, 5, 23 Stat. 32, as amended, sec. 2, 32 Stat. 792, as amended, secs. 1, 3, 33 Stat. 1264, as amended, 1265, as amended; 21 U. S. C. 120, 111, 123, 125. Interprets or applies sec. 7, 23 Stat. 32, as amended; 21 U. S. C. 117)

Done at Washington, D. C., this 17th day of August 1955.

[SEAL] M. R. CLARKSON,
Acting Administrator, Agricultural Research Service.

[F. R. Doc. 55-6801; Filed, Aug. 19, 1955; 8:52 a. m.]

TITLE 26—INTERNAL REVENUE, 1954

Chapter I—Internal Revenue Service, Department of the Treasury

Subchapter E—Alcohol, Tobacco, and Other Excise Taxes

PART 250—LIQUORS AND ARTICLES FROM PUERTO RICO AND THE VIRGIN ISLANDS

On December 15, 1954, a notice of proposed rulemaking with respect to regulations designated as Part 250 of Title 26 (1954) of the Code of Federal Regulations was published in the FEDERAL REGISTER (19 F. R. 8564). The purposes of the proposal were to adopt Regulations 24, 1952 edition (26 CFR (1939) Part 180; 17 F. R. 3079), Liquors and Articles from Puerto Rico and the Virgin Islands, and Treasury Decision 6088 (19 F. R. 5055), and to amend such adopted regulations (a) to implement the revision of the regulatory provisions of the Internal Revenue Code of 1954, and (b) to implement administrative decisions. No data, views, or arguments pertaining thereto having been received within the period of 15 days from the date of publication of the notice, the regulations so published are hereby adopted as set forth below, subject to the following changes:

PARAGRAPH 1. The preamble is amended as follows:

(A) Paragraph 1 is revised.

(B) A new paragraph is added after paragraph 2.

PAR. 2. Subpart B is amended as follows:

(A) Sections 250.9 through 250.20 are renumbered as §§ 250.11 through 25.22, respectively.

(B) By adding new §§ 250.9 and 250.10

(C) Section 250.21 is renumbered § 250.23, and is revised.

(D) Sections 250.22, 250.23, 250.24, 250.25, 250.26 and 250.27 are renumbered as §§ 250.24, 250.25, 250.27, 250.28, 250.29 and 250.31, respectively.

(E) By adding new §§ 250.26 and 250.30.

PAR. 3. Subpart C is amended as follows:

(A) By revising § 250.37.

(B) Section 250.38 is amended by adding the following new sentence at the end thereof: "Except as provided in § 250.77, Puerto Rican law does not permit the shipment of distilled spirits to the United States in containers of a capacity of more than one gallon".

(C) Section 250.40 is revised by deleting from the last sentence the phrase "or Form 487C".

PAR. 4. Subpart D is amended as follows:

(A) Section 250.50 is amended by changing the word "whether" in the fourth sentence to the word "that" and deleting from the end of such sentence the phrase ", or paid at the port of arrival in the United States".

(B) Section 250.55 is amended:

(1) By deleting the paragraph designation and headnote as follows: "—(a) Products to be taxpaid in Puerto Rico", and deleting from the first sentence of such paragraph the phrase "When the internal revenue tax is to be paid in Puerto Rico,".

(2) By deleting paragraph (b).

PAR. 5. Subpart E is amended as follows:

(A) Sections 250.63 to 250.68, inclusive, are revised.

(B) Section 250.70 is amended by changing the reference to "Subpart I", in the second sentence, to "Subpart G".

(C) Section 250.71 is amended as follows:

(1) By changing the reference "§ 250.63", in the first sentence, to "§ 250.64",

(2) By changing the phrase "collection officer" in the third sentence to the phrase "United States Internal Revenue Service office" and,

(3) By changing the word "collection" in the fifth sentence to the word "issuing".

(D) Section 250.72 is amended by changing the reference to "§ 250.88", in the last sentence, to "§ 250.94".

(E) Section 250.74 is amended by revising the last sentence to read "The rectifier will prepare application, Form 1594, in triplicate, and forward all copies of the application, Form 1594, and two copies each of Form 487A and Form 1520 to the United States Internal Revenue Service office with remittance for the tax on the distilled spirits and wine, as provided in §§ 250.64 and 250.86.", and by inserting at the end of the section the following citation: "(68A Stat. 614, 829; 26 U. S. C. 5061, 6801)".

(F) Section 250.75 is revised.

(G) Section 250.76 is amended by changing the reference to "Subpart I", in the last sentence, to "Subpart G".

(H) Sections 250.77 through 250.87 and §§ 250.88 through 250.93 are renumbered as §§ 250.82 through 250.92 and §§ 250.94 through 250.99, respectively.

(I) By inserting immediately following § 250.76 a new undesignated centerheading "Packages of Distilled Spirits", and new §§ 250.77, 250.78, 250.79, 250.80, and 250.81.

(J) Section 250.78, renumbered § 250.83, is amended as follows:

(1) By changing the phrase "collection officer" in the first, second and third sentences, to the phrase "United States Internal Revenue Service office", and,

(2) By changing the reference to "§ 250.88", in the last sentence, to "§ 250.94".

(K) Section 250.79, renumbered § 250.84, is amended by striking the phrase "or Form 487C".

(L) Section 250.81, renumbered § 250.86, is amended by changing the phrase "collection officer" in the first and second sentences to the phrase "United States Internal Revenue Service office".

(M) Section 250.82, renumbered § 250.87, is amended by striking therefrom the phrase "or Form 387C".

(N) Section 250.86, renumbered § 250.91, is revised.

(O) Section 250.87, renumbered § 250.92, is amended as follows:

(1) By changing the word "stamps", in the first sentence, to the phrase "certificate, Form 1595", and,

(2) By changing the reference to "§ 250.88", in the second sentence, to "§ 250.94".

(P) By inserting immediately following § 250.92 a new undesignated centerhead "Certificate, Form 1595; to Taxpay Distilled Spirits and Alcohol Only", and new § 250.93.

(Q) Section 250.88, renumbered § 250.94, is amended by changing the reference, "§§ 250.89 and 250.90", to "§§ 250.95 and 250.96".

(R) Section 250.89, renumbered § 250.95, is amended by changing the reference to "§ 250.90", in the last sentence, to "§ 250.96".

(S) Section 250.90, renumbered § 250.96, is amended by changing the phrase "collection officer at San Juan, Puerto Rico" in the sixth sentence to the phrase "United States Internal Revenue Service office".

(T) Section 250.93, renumbered § 250.99, is amended by changing the phrase "collection officer at San Juan, Puerto Rico", in the first sentence and the phrase "collection officer" in the second sentence to the phrase "United States Internal Revenue Service office".

PAR. 6. Subparts F and G are deleted.

PAR. 7. Subpart H is amended as follows:

(A) Subpart H is redesignated Subpart F.

(B) Section 250.126 is amended by changing the phrase "collection officer at San Juan, P. R." in the fourth sentence to the phrase "United States Internal Revenue Service office", and by changing the expression "collection officer, who" in the fifth sentence to the phrase "United States Internal Revenue Service office, and such office".

PAR. 8. Subpart I is amended as follows:

(A) Subpart I is redesignated Subpart G.

(B) Section 250.135 is amended by striking the portion of the second sentence following the expression "red strip stamped".

(C) Section 250.136 is revised.

(D) Section 250.141 is amended by changing the phrase "collection officer" in the first sentence to the phrase "United States Internal Revenue Service office".

(E) Section 250.143 is amended by changing the phrase "collection officer, who" in the first sentence to the phrase "United States Internal Revenue Service office, which office" and by changing the words "He" and "his" in the second sentence to, respectively, the phrase "The issuing office" and the word "its".

(F) Section 250.146 is amended by changing the phrase "collection officer" in the last sentence to the phrase "United States Internal Revenue Service office".

(G) Sections 250.147 through 250.152 and the undesignated centerheading "Procurement and Affixing of Red Strip Stamps at Port of Arrival," immediately preceding § 250.147, are deleted.

PAR. 9. Subpart J is amended as follows:

(A) Subpart J is redesignated Subpart H.

(B) Sections 250.160 through 250.162 are deleted.

PAR. 10. Subpart K is amended as follows:

(A) Subpart K is redesignated Subpart I.

(B) Section 250.182 is amended by changing the reference to "250.85" in the third sentence, to "250.90".

(C) Section 250.184 is amended as follows:

(1) By inserting immediately following the second sentence the following new sentence: "The provisions of subpart E relative to the procurement of permit to taxpay, payment of such tax, application for certificate, Form 1595, procurement of special Puerto Rican rectified spirits stamps and affixing thereof to cases, procurement of permit to ship, and release for shipment, action by carrier, inspection by customs, and disposition of forms shall be applicable to liquors taxpaid upon withdrawal after rectification or bottling."

(2) The phrase "collection officer" in the third sentence is changed to the phrase "United States Internal Revenue Service office", and,

(3) By changing the reference to "250.78, 250.81, and 250.86", in the last sentence to "250.83, 250.86, and 250.91".

(D) Section 250.185 is amended by changing the phrase "collection officer" in the first sentence to the phrase "United States Internal Revenue Service office".

(E) Section 250.186 is revised by striking from the first sentence all after the word "taxpayment" and by deleting the last sentence.

(F) The undesignated centerhead "Taxpayment by certificate" and §§ 250.187 through 250.192 are deleted.

PAR. 11. Subpart L is amended as follows:

(A) Subpart L is redesignated Subpart J.

(B) Section 250.202 is revised.

PAR. 12. Subpart M is redesignated Subpart K.

PAR. 13. Subpart N is redesignated Subpart L.

PAR. 14. Subpart O is redesignated as Subpart M, and is amended by striking, in the parenthetical expression at the end of § 250.266, the words "Part 22" and substituting in lieu thereof the words "Chapter I".

PAR. 15. Subpart P is redesignated Subpart N.

[SEAL] PAUL K. WEBSTER,
Acting Commissioner of Internal Revenue.
RALPH KELLY,
Commissioner of Customs.

Approved: August 15, 1955.

A. N. OVERBY,
Acting Secretary of the Treasury.

Preamble. 1. The regulations in this part shall supersede Regulations 24, 1952 Edition (26 CFR (1939) Part 180; 17 F. R. 3079), as amended.

2. These regulations shall not affect any act done or any liability or right accruing or accrued, or any suit or proceeding had or commenced before the effective date of these regulations.

3. These regulations shall be effective on the first day of the first month which begins not less than 30 days following the date of publication in the FEDERAL REGISTER.

SUBPART A—SCOPE OF REGULATIONS

Sec.
250.1 Alcoholic products coming into the United States from Puerto Rico and the Virgin Islands.
250.2 Forms prescribed.

SUBPART B—DEFINITIONS

250.5 Meaning of terms.
250.6 Alcohol.
250.7 Article.
250.8 Assistant regional commissioner.
250.9 Collector of customs.
250.10 Commissioner.

Sec.
250.11 Beer.
250.12 Denatured alcohol.
250.13 Director, Alcohol and Tobacco Tax Division.
250.14 Distilled spirits.
250.15 District director.
250.16 Gallon or wine gallon.
250.17 Including.
250.18 Inclusive language.
250.19 I. R. C.
250.20 Insular internal revenue agent.
250.21 Liquors.
250.22 Permit.
250.23 Person, importer, shipper, or consignee.
250.24 Proof gallon.
250.25 Red strip stamp.
250.26 Regional commissioner.
250.27 Treasurer.
250.28 United States.
250.29 U. S. C.
250.30 United States Internal Revenue Service office.
250.31 Wine.

Subpart C—Products Coming Into the United States From Puerto Rico

250.35 Taxable status.
250.36 Products exempt from tax.
250.37 United States Internal Revenue Service office.
250.38 Containers of distilled spirits.
250.39 Labels.
250.40 Marking containers of distilled spirits.
250.41 Destruction of marks and brands.
250.42 Destruction of stamps.
250.43 Samples.

SPECIAL (OCCUPATIONAL) TAXES

Sec.
250.44 Liquor dealers' special taxes.
250.45 Warehouse receipts covering distilled spirits.

Subpart D—Formulae and Processes for Products From Puerto Rico

250.50 Form 27-B Supplemental.
250.51 Description of formula for liquors.
250.52 Description of formula for articles.
250.53 Description of process.
250.54 Changes of formulae and processes.
250.55 Filing and disposition of Form 27-B Supplemental.

Subpart E—Taxpayment in Puerto Rico

250.60 Insular permit required.

DISTILLED SPIRITS

250.61 Application and permit to taxpay, Form 487A.
250.62 Gauge.
250.63 Application for certificate of taxpayment, Form 1594.
250.64 Taxpayment.
250.65 Issuance of certificate, Form 1595.
250.66 Issuance of rectified spirits Class B stamps.
250.67 Disposition of certificates by treasurer.
250.68 Notice of taxpayment by treasurer.
250.69 Bottling taxpaid spirits.
250.70 Stamping bottles.
250.71 Payment of rectification tax on bottled rectified spirits.
250.72 Affixing rectified spirits stamps to cases.

LIQUEURS, CORDIALS, ETC., CONTAINING WINE

250.73 Rates of tax.
250.74 Taxpayment.
250.75 Issuance and disposition of certificate, Form 1595.
250.76 Taxpayment of finished product.

PACKAGES OF DISTILLED SPIRITS

250.77 Shipments authorized.
250.78 Application for wholesale liquor dealer's stamps.
250.79 Issuance of wholesale liquor dealer's stamps.

Sec.
250.80 Affixing stamps to barrels, casks, etc.
250.81 Release of packages of spirits.

BEER

250.82 Application and permit to taxpay, Form 487A.
250.83 Taxpayment.
250.84 Marking containers of beer.

WINE

250.85 Application and permit to taxpay, Form 487A.
250.86 Taxpayment.
250.87 Marking containers of wine.

ARTICLES

250.88 Taxable status.
250.89 Application and permit to taxpay, Form 487A.
250.90 Gauge.
250.91 Taxpayment.
250.92 Action by treasurer.

CERTIFICATE, FORM 1595, TO TAXPAY DISTILLED SPIRITS AND ALCOHOL ONLY

250.93 Use of certificates.

PERMIT TO SHIP LIQUORS AND ARTICLES

250.94 Permit to ship required.
250.95 Application, Form 487B.
250.96 Issuance of permit, Form 487B, and customs inspection.

PROCEDURE AT PORT OF ARRIVAL

250.97 Action by carrier.
250.98 Inspection by collector of customs.
250.99 Disposition of forms by collector of customs.

Subpart F—Liquors and Articles Purchased by Tourists in Puerto Rico

250.125 Taxable.
250.126 Taxpayment in Puerto Rico.
250.127 Report of red strip stamps used.
250.128 Taxpayment at port of arrival.

Subpart G—Procurement and Use of Red Strip Stamps for Distilled Spirits From Puerto Rico

250.135 Containers of distilled spirits to bear red strip stamps.
250.136 Persons authorized to affix red strip stamps.
250.137 Denominations of red strip stamps.
250.138 Manner of affixing red strip stamps.
250.139 Concealing or obscuring red strip stamps.
250.140 Affixing red strip stamp over cup or cap.

PROCUREMENT AND AFFIXING OF RED STRIP STAMPS IN PUERTO RICO

250.141 Requisition, Form 428.
250.142 Approval of requisition.
250.143 Procurement of red strip stamps.
250.144 Overprinting red strip stamps.
250.145 Marking of cases.
250.146 Monthly report of red strip stamps.

Subpart H—Records and Reports of Distilled Spirits From Puerto Rico

250.163 Record and report, Form 52E.
250.164 Record 52.
250.165 Record of warehouse receipts, Form 52F.
250.166 Place where Form 52F shall be kept.
250.167 Time of making entries.
250.168 Separate record of serial numbers of cases.
250.169 Reports.

REPORT OF THIRD PARTY TRANSACTIONS

250.170 Additional requirements.
250.171 Reporting of shipment or delivery of distilled spirits to third party.
250.172 Similar third party transactions.

PROCUREMENT OF FORMS

250.173 Forms to be provided by users at own expense.

Subpart I—Taxpayment in Puerto Rico Upon Withdrawal After Rectification or Bottling

REQUIREMENTS

Sec.
250.180 Applicable procedure.
250.181 Formula.
250.182 Gauging.
250.183 Basis for taxpayment.
250.184 Taxpayment.
250.185 Red strip stamps.
250.186 Withdrawal for shipment to United States.

Subpart J—Product Coming Into the United States From the Virgin Islands

250.200 Taxable status.
250.201 Products exempt from tax.
250.202 Requirements of the Federal Alcohol Administration Act.
250.203 Containers.
250.204 Regauge.
250.205 Certificate.
250.206 Marking packages and cases.
250.207 Destruction of marks and brands.
250.208 Destruction of Stamps.
250.209 Samples.

SPECIAL (OCCUPATIONAL) TAXES

250.210 Liquor dealers' special taxes.
250.211 Warehouse receipts covering distilled spirits.

Subpart K—Formulae and Processes for Products From the Virgin Islands

250.220 Form 27-B Supplemental.
250.221 Description of formula for liquors.
250.222 Description of formula for articles.
250.223 Description of process.
250.224 Changes of formulae and processes.
250.225 Filing.
250.226 Disposition.

Subpart L—Red Strip Stamps for Distilled Spirits From the Virgin Islands

GENERAL

250.230 Containers of distilled spirits to bear red strip stamps.
250.231 Persons authorized to affix red strip stamps.
250.232 Denominations of red strip stamps.
250.233 Manner of affixing red strip stamps.
250.234 Concealing or obscuring red strip stamps.
250.235 Affixing red strip stamp over cup or cap.
250.236 Breach of regulations, or failure to use red strip stamps.

RED STRIP STAMPS TO BE AFFIXED IN THE VIRGIN ISLANDS

250.237 Conditions.
250.238 Requisition, Form 428.
250.239 Statement, Form 1627.
250.240 Approval of requisition.
250.241 Procurement of red strip stamps.
250.242 Overprinting of red strip stamps.
250.243 Marking of cases.
250.244 Endorsement of consumption entries.
250.245 Credit of red strip stamps against requisition on arrival of distilled spirits at specified port.
250.246 Credit of red strip stamps against requisition where distilled spirits are diverted to other than specified port.
250.247 Irregularities or discrepancies in shipments.
250.248 Unused red strip stamps.

RED STRIP STAMPS TO BE AFFIXED AT THE PORT OF ENTRY UNDER CUSTOMS SUPERVISION

250.249 Conditions.
250.250 Requisition, Form 428.
250.251 Expense of affixing red strip stamps.
250.252 Marking of cases.

Subpart M—Procedure at Port of Entry From the Virgin Islands

250.260 Conditions.
250.261 Action by collector of customs.

Sec.
250.262 Determination of tax on distilled spirits.
250.263 Determination of tax on beer.
250.264 Determination of tax on wine.
250.265 Determination of tax on articles.
250.266 Taxpayment.

Subpart N—Records and Reports of Distilled Spirits From the Virgin Islands

250.270 Monthly record and report, Form 96.
250.271 Monthly record, part I, Form 96.
250.272 Monthly report, parts II and III, Form 96.
250.273 Semiannual reports of collectors of customs.
250.274 Record and report, Form 52E.
250.275 Record 52.
250.276 Record of warehouse receipts, Form 52F.
250.277 Place where Form 52F shall be kept.
250.278 Time of making entries.
250.279 Separate record of serial numbers of cases.
250.280 Reports.

REPORT OF THIRD PARTY TRANSACTIONS

250.281 Additional requirements.
250.282 Reporting of shipment or delivery of distilled spirits to third party.
250.283 Similar third party transactions.

PROCUREMENT OF FORMS

250.284 Forms to be provided by users at own expense.

AUTHORITY: §§ 250.1 through 250.284 issued under sec. 7805, 68A Stat. 917; 26 U. S. C. 7805. Interpret or apply secs. 7651, 7652, 68A Stat. 906, 907; 26 U. S. C. 7651, 7652. Other statutory provisions interpeted or applied are cited to text in parentheses.

SUBPART A—SCOPE OF REGULATIONS

§ 250.1 *Alcoholic products coming into the United States from Puerto Rico and the Virgin Islands.* This part, "Liquors and Articles from Puerto Rico and the Virgin Islands," relates to the collection of internal revenue taxes on alcoholic products coming into the United States from Puerto Rico and the Virgin Islands.

§ 250.2 *Forms prescribed.* The Director, Alcohol and Tobacco Tax Division, is authorized to prescribe all forms required by this part, including applications, reports, returns, and records. Information called for shall be furnished in accordance with the instructions on the forms or issued in respect thereto.

SUBPART B—DEFINITIONS

§ 250.5 *Meaning of terms.* As used in this part, unless the context otherwise requires, terms shall have the meanings ascribed in this subpart.

§ 250.6 *Alcohol.* "Alcohol" shall mean spirits produced at industrial alcohol plants established and operated under chapter 51 of the Internal Revenue Code (26 U. S. C.).

§ 250.7 *Article.* "Article" shall mean any preparation unfit for beverage use, made with or containing distilled spirits, wine, beer, and alcohol not denatured in a denaturing plant established under Part 182 of this subchapter.

§ 250.8 *Assistant regional commissioner.* "Assistant regional commissioner" shall mean the assistant regional commissioner, Alcohol and Tobacco Tax, who is responsible to and functions under the direction and supervision of the regional commissioner.

§ 250.9 *Collector of customs.* "Collector of customs" shall mean the person having charge of a customs collection district and shall include assistant collector of customs, deputy collector of customs, and any person authorized by law or by regulations approved by the Secretary of the Treasury to perform the duties of a collector of customs.

§ 250.10 *Commissioner.* "Commissioner" shall mean the Commissioner of Internal Revenue.

§ 250.11 *Beer.* "Beer" shall mean all beer, ale, porter, stout and other similar fermented beverages (including sake or similar products) of any name or description containing one-half of 1 percent or more of alcohol by volume, brewed or produced from malt, wholly or in part, or from any substitute therefor.

§ 250.12 *Denatured alcohol.* "Denatured alcohol" shall mean alcohol denatured in accordance with approved formulae in denaturing plants established under the provisions of Part 182 of this subchapter and shall include completely and specially denatured alcohol.

§ 250.13 *Director, Alcohol and Tobacco Tax Division.* "Director, Alcohol and Tobacco Tax Division", shall mean the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Treasury Department, Washington, D. C.

§ 250.14 *Distilled spirits.* "Distilled spirits" shall mean that substance produced by the distillation of fermented grain, molasses, fruit, or other materials, commonly known as spirits, whisky, brandy, rum, gin, etc., but shall not include alcohol.

§ 250.15 *District director.* "District director" shall mean the district director of internal revenue.

§ 250.16 *Gallon or wine gallon.* "Gallon" or "wine gallon" shall mean a United States gallon of liquid measure equivalent to the volume of 231 cubic inches.

§ 250.17 *Including.* The word "including" shall not be deemed to exclude things other than those enumerated which are in the same general class.

§ 250.18 *Inclusive language.* Words in the plural shall include the singular, and vice versa, and words in the masculin gender shall include the feminine, associations, partnerships, and corporations.

§ 250.19 *I. R. C.* "I. R. C." shall mean the Internal Revenue Code of 1954.

§ 250.20 *Insular internal revenue agent.* "Insular internal revenue agent" shall mean any duly authorized internal revenue agent of the Department of Finance of Puerto Rico.

§ 250.21 *Liquors.* "Liquors" shall mean ethyl alcohol, distilled spirits, liqueurs, cordials and similar compounds, wines, and beer or any alcoholic preparation fit for beverage use.

§ 250.22 *Permit.* "Permit" shall mean a formal written authorization of the treasurer of Puerto Rico.

§ 250.23 *Person, importer, shipper, or consignee.* "Person," importer," "shipper," or "consignee" shall be construed to mean and include an individual, a trust, estate, partnership, association, company or corporation.

§ 250.24 *Proof gallon.* "Proof gallon" shall mean the alcoholic equivalent of a United States gallon at 60 degrees Fahrenheit, containing 50 percent of ethyl alcohol by volume.

§ 250.25 *Red strip stamp.* "Red strip stamp" shall mean the stamps prescribed under authority of section 5008 I. R. C.

§ 250.26 *Regional commissioner.* "Regional commissioner" shall mean the regional commissioner of internal revenue in each of the internal revenue regions.

§ 250.27 *Treasurer.* "Treasurer" shall mean the treasurer of Puerto Rico.

§ 250.28 *United States.* "United States" shall mean the States and the Territories of Alaska, Hawaii, and the District of Columbia.

§ 250.29 *U. S. C.* "U. S. C." shall mean the United States Code.

§ 250.30 *United States Internal Revenue Service office.* "United States Internal Revenue Service office," as used in this part, shall mean the United States Internal Revenue Service office in Puerto Rico under the direction of the District Director of Internal Revenue, Lower Manhattan, New York.

§ 250.31 *Wine.* "Wine" shall mean still wine, vermouth, or other aperitif wine, imitation, substandard or artificial wine, compounds designated as wine, flavored or sweetened wine, champagne or sparkling wine, and artificially carbonated wine, containing not over 24 percent of alcohol by volume.

SUBPART C—PRODUCTS COMING INTO THE UNITED STATES FROM PUERTO RICO

§ 250.35 *Taxable status.* Liquors coming into the United States from Puerto Rico are subject to a tax equal to the internal revenue tax imposed upon the production in the United States of like liquors. Articles coming into the United States from Puerto Rico, except as provided in § 250.36, are subject to a tax on the liquors contained therein at the rates imposed in the United States on like liquors of domestic production.

§ 250.36 *Products exempt from tax.* Alcohol denatured in accordance with approved formulae at denaturing plants established under the provisions of Part 182 of this subchapter and preparations made therewith in accordance with approved formulae, Form 1479–A, may be brought into the United States from Puerto Rico without incurring liability to internal revenue taxes as provided in Part 182 of this subchapter. Alcohol which has not been so denatured and articles made therewith are subject to tax as provided in § 250.35.

(68A Stat. 660; 26 U. S. C. 5318)

§ 250.37 *United States Internal Revenue Service office.* The United States Internal Revenue Service office is authorized to issue and sell internal revenue stamps and to collect internal revenue taxes on liquors and articles subject to tax, which are to be shipped to the United States. Whenever the internal revenue tax is paid in Puerto Rico, the tax shall be paid to the United States Internal Revenue Service office as defined in this part and as provided in Subpart E of this part.

§ 250.38 *Containers of distilled spirits.* Containers of distilled spirits brought into the United States from Puerto Rico, having a capacity of one-half pint and not more than 1 gallon, shall conform to the requirements of Part 175 of this subchapter. Bulk containers are those having a capacity in excess of 1 liquid gallon. Except as provided in § 250.77, Puerto Rican law does not permit the shipment of distilled spirits to the United States in containers of a capacity of more than one gallon.

(68A Stat. 639; 26 U. S. C. 5214)

§ 250.39 *Labels.* All labels affixed to bottles of liquors coming into the United States shall conform to the requirements of the Federal Alcohol Administration Act and regulations issued thereunder. (27 CFR Parts 4, 5, and 7.)

§ 250.40 *Marking containers of distilled spirits.* Each case, barrel, cask, or similar container of distilled spirits filled for shipment to the United States shall be serially numbered by the distiller, rectifier, or bottler. In addition to the serial number there shall be plainly printed, stamped, or stenciled on the head of each barrel or similar container or on one side of each case with durable coloring material, in letters and figures not less than one-half inch in height, the name of the distiller, rectifier, or bottler, the brand name and kind of liquor, the wine and proof gallon contents, the serial number of the approved formula under which made, and, in the case of barrels or casks, the serial number of the withdrawal permit, Form 487B, prefixed by the number of such form.

§ 250.41 *Destruction of marks and brands.* The marks, brands, and serial numbers required by this part to be placed on barrels, casks, or similar containers, or cases, shall not be removed, or obscured or obliterated, before the contents thereof have been removed; but when barrels, casks, or similar containers (except for beer and wine) are emptied, all such marks, brands, and serial numbers shall be effaced and obliterated by the person removing the contents.

(68A Stat. 603; 26 U. S. C. 5010)

§ 250.42 *Destruction of stamps.* All stamps must remain on packages and cases until the contents are emptied. When a package or case of distilled spirits is emptied, all internal revenue stamps thereon must be completely effaced and obliterated.

(68A Stat. 603, 830; 26 U. S. C. 5010, 6804)

§ 250.43 *Samples.* The Director, Alcohol and Tobacco Tax Division, may require samples of liquors and articles to be submitted whenever desired for laboratory analysis in order to determine the rates of tax applicable thereto.

SPECIAL (OCCUPATIONAL) TAXES

§ 250.44 *Liquor dealers' special taxes.* Every person bringing liquors into the United States from Puerto Rico, who sells, or offers for sale, such liquors must file Form 11 with the district director of internal revenue and pay special (occupational) taxes as wholesale dealer in liquor or retail dealer in liquor, or both, in accordance with the law and regulations governing the payment of such special taxes (Part 194 of this subchapter).

(68A Stat. 618, 620, 621; 26 U. S. C. 5111, 5112, 5121, 5122)

§ 250.45 *Warehouse receipts covering distilled spirits.* Since the sale of warehouse receipts for distilled spirits is equivalent to the sale of distilled spirits, every person bringing distilled spirits into the United States from Puerto Rico, who sells, or offers for sale, warehouse receipts for distilled spirits stored in warehouses, or elsewhere, incurs liability to special tax as a dealer in liquors at the place where such warehouse receipts are sold, or offered for sale, and must file return and pay occupational tax as provided in § 250.44.

(68A Stat. 618, 620, 621; 26 U. S. C. 5111, 5112, 5121, 5122)

SUBPART D—FORMULAE AND PROCESSES FOR PRODUCTS FROM PUERTO RICO

§ 250.50 *Form 27–B Supplemental.* Every person who ships liquors or articles to the United states, except (a) alcohol denatured according to approved formulae at denaturing plants under the provisions of Part 182 of this subchapter and (b) articles made with such denatured alcohol in accordance with approved formulae, shall submit to the Director, Alcohol and Tobacco Tax Division, in advance of shipment, formulae and processes on Form 27–B Supplemental covering the manufacture of such liquors or articles. A separate Form 27–B Supplemental will be filed for each formula and process. Each formula shall be given a serial number, beginning with number 1 for the first and continuing in series thereafter: *Provided,* That the series in current use by persons who have filed formulae heretofore shall be continued. Form 27–B Supplemental must also show that the internal revenue tax thereon will be paid in Puerto Rico. Entries on Form 27–B Supplemental shall be made as indicated by the headings of the columns and lines of the form and in accordance with the instructions printed thereon or issued in respect thereto, and as required by this part. Formulae for products manufactured with specially or completely denatured alcohol shall be submitted as provided in Part 182 of this subchapter.

§ 250.51 *Description of formula for liquors.* Formulae for liquors (except beer) must show on Form 27–B Supplemental the kind and brand name of the product, the proof thereof, and all ingredients composing the product. If wine only or wine and distilled spirits are used in any product, the quantity or percentage by volume of each and the percent of alcohol by volume of the wine must be shown. Where coloring, flavoring, sweetening, or blending materials are used, the percentage thereof by volume shall be shown. If any of the liquors named in the formula are made outside of Puerto Rico, the country of origin must be stated.

§ 250.52 *Description of formula for articles.* Formulae for articles made with distilled spirits must show the quantity and proof of the distilled spirits used, or the percentage of alcohol by volume contained in the finished product. Formulae for articles made with beer or wine must show the kind and quantity thereof (liquid measure), and the percent of alcohol by volume of such beer or wine.

§ 250.53 *Description of process.* The statement of process must set out in sequence each step used in the manufacture of the finished product. The statement of process must also show whether liquors distilled from different materials, or by different distillers, or from different combinations of the same materials at less than 190 degrees proof, or of different ages, or which differ in kind according to the standards of identity established under the Federal Alcohol Administration Act, or differ more than 10 degrees in proof, are to be blended together in the manufacture of the finished product. Likewise, the statement of process must show whether spirits stored in charred new oak containers are to be mingled with spirits stored in plain, reused, or metal cooperage, or whether spirits which have been quick-aged or treated with wood chips are to be mingled with spirits not so processed, or whether spirits that have been subjected to any treatment which changes their character are to be mixed with spirits not so treated.

§ 250.54 *Changes of formulae and processes.* Any change in the ingredients composing a product covered by an approved formula or any change in the process of manufacture will necessitate the submission of a new Form 27–B Supplemental. Such formula will be serially numbered and disposed of in the same manner as new formulae.

§ 250.55 *Filing and disposition of Form 27–B Supplemental.* Form 27–B Supplemental, in quadruplicate, will be submitted to the Director, Alcohol and Tobacco Tax Division. The Director, Alcohol and Tobacco Tax Division, will indicate the rate of tax applicable to the product on each copy of the form, retain one copy, forward one copy to the collection officer and one copy to the treasurer, and return one copy to the applicant.

SUBPART E—TAXPAYMENT IN PUERTO RICO

§ 250.60 *Insular permit required.* When liquors are to be taxpaid in Puerto Rico for shipment to the United States, an insular permit, Form 487A, to taxpay and withdraw the liquors from their place of storage in bond must be obtained from the treasurer. Each Form

487A will be given a serial number, by the applicant, beginning with "1" for the first day of January of each year, and running consecutively thereafter to December 31, inclusive. This serial number will be prefixed by the last two digits of the calendar year, e. g. "55-1".

DISTILLED SPIRITS

§ 250.61 *Application and permit to taxpay, Form 487A.* Application for permit to taxpay and withdraw distilled spirits, or to taxpay and withdraw distilled spirits, and wines for use in the manufacture of liqueurs, cordials and similar compounds, as provided in §§ 250.73–250.76, shall be made by the proprietor of the bonded warehouse or bonded processing room on Form 487A, in triplicate. All of the information called for by the form shall be furnished. The applicant will forward all copies of the form to the treasurer. If the application is properly prepared and is otherwise in order, the treasurer will execute his permit and send all copies of the form to the insular internal revenue agent at the bonded warehouse or bonded processing room where the spirits are stored.

§ 250.62 *Gauge.* The insular internal revenue agent will gauge the spirits covered by the permit and report the details of gauge on Form 1520, in quadruplicate. All copies of Form 487A and three copies of Form 1520 will be delivered to the proprietor by the agent.

§ 250.63 *Application for certificate of taxpayment, Form 1594.* The proprietor will prepare an application on Form 1594, in triplicate. The application Form 1594, shall be appropriately modified to show that the spirits are to be taxpaid in Puerto Rico (in lieu of "For shipment in tank cars"), and shall show, in addition to all applicable data, the serial number and date of the Form 487A. Request should be made in the application that the certificate be forwarded to the treasurer.

(68A Stat. 829; 26 U. S. C. 6801)

§ 250.64 *Taxpayment.* The proprietor shall retain one copy of each form (487A and 1520) and send two copies of each, and all copies of the Form 1594, to the United States Internal Revenue Service office, with remittance for the tax. If the spirits (either rectified or unrectified) are to be bottled before shipment, remittance for the distilled spirits tax only shall be made. The rectification tax on rectified spirits which are to be bottled shall be paid in the manner prescribed in § 250.71. If shipment of rectified spirits is to be made in packages (barrels, casks, or similar containers), as authorized in § 250.77, the remittance must cover both the distilled spirits and rectification taxes. All applications on Form 1594 must be accompanied by proper remittance in a sum equal to the amount of the tax.

(68A Stat. 614, 829; 26 U. S. C. 5061, 6801)

§ 250.65 *Issuance of certificate, Form 1595.* The United States Internal Revenue Service office will issue Form 1595 appropriately modified to show that the spirits are taxpaid in Puerto Rico in lieu of "For shipment in tank cars," and shall show the serial number and date of the Form 487A. The United States Internal Revenue Service office will fill in all applicable data in the blank spaces on the certificate and the issuing officer will date and sign the certificate. This certificate is not negotiable and shall not reflect taxpayment of any distilled spirits except those described therein and in the accompanying Forms 487A and 1520. The issuing officer will enter on the original and the copies of Form 1594, in the space provided, the serial number, date, and amount of the certificate issued. The issuing officer will retain one copy each of Form 487A, and Form 1520 and the original of Form 1594, will mail or deliver the certificate, Form 1595, and one copy each of Form 487A and Form 1520 to the treasurer, and will return one copy of the application, Form 1594, to the taxpayer. The issuing officer will forward the remaining copy of Form 1594 to the District Director of Internal Revenue, Lower Manhattan, New York.

(68A Stat. 829; 26 U. S. C. 6801)

§ 250.66 *Issuance of rectified spirits class B stamps.* If the permit authorizes the shipment of rectified spirits in packages, and the remittance covers the rectification tax, in addition to the distilled spirits tax, the United States Internal Revenue Service office will issue the necessary rectified spirits class B stamps. Each stamp shall bear the signature of the issuing officer, the date issued, by whom paid, the number of gallons and tenths of gallons of proof spirits, and the serial number of the cask or package. The issuing officer's signature may be affixed in facsimile by the use of a hand stamp, care being taken to use only such ink as will neither fade nor blur. When the stamps have been issued, the issuing officer will enter the serial numbers thereof in the appropriate space on all copies of Form 1520. The serial numbers of the rectified spirits stamps will be preceded by the letter "R." The issuing officer will deliver the stamps to the proprietor and note on the copy of Form 487A forwarded to the treasurer that the rectified spirits class B stamps were delivered to the proprietor.

(68A Stat. 829; 26 U. S. C. 6801)

§ 250.67 *Disposition of certificates by treasurer.* Upon receipt of taxpaid certificates issued in accordance with § 250.65, the treasurer will cancel such certificates by perforating therein or stamping thereon the word "canceled." The canceled certificate will be securely attached to the Forms 487A and 1520 covering the regauge and withdrawal of the packages or cases represented by the certificate and filed in the office of the treasurer. These certificates and forms will be available for inspection by United States internal revenue officers.

§ 250.68 *Notice of taxpayment by treasurer.* When the taxpaid certificate has been canceled as provided in § 250.67 and (when shipment of rectified products in packages is authorized) notation of issuance of rectified spirits class B stamps appears on Form 487A, the treasurer will notify the proper insular internal revenue agent of the taxpayment of the spirits and authorize their withdrawal from the bonded warehouse or bonded processing room for bottling or shipment as the case may be. The notice to the insular internal revenue agent must describe fully the liquors to be released. Thereafter, the spirits will be released for bottling or withdrawal in acordance with the procedure prescribed in this part in respect to spirits upon which the tax has been paid.

§ 250.69 *Bottling taxpaid spirits.* Upon receipt of notice from the treasurer that the distilled spirits tax on a particular lot of spirits has been paid, the insular internal revenue agent will release the spirits for bottling. Spirits which are to be bottled without rectification may not be removed through the bonded processing room to the bottling house, but must be removed directly from the bonded warehouse to the bottling house. The bottling operations will be conducted under supervision of the insular internal revenue agent.

§ 250.70 *Stamping bottles.* Each bottle of taxpaid distilled spirits must have affixed thereto a red strip stamp of proper denomination bearing the name of the distiller, rectifier, or bottler. Red strip stamps will be procured and overprinted as provided in Subpart G of this part.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.71 *Payment of rectification tax on bottled rectified spirits.* When rectified spirits, upon which the distilled spirits tax has been paid as provided in § 250.64 have been bottled and cased, the rectification tax thereon shall be paid by rectified spirits stamps affixed to the case. Special Puerto Rican rectified spirits stamps in denominations of ½ cent, 1 cent, 2 cents, 3 cents, 4 cents, 5 cents, 6 cents, 10 cents, 30 cents, 36 cents, 40 cents, 50 cents, 60 cents, 72 cents, 80 cents, and $1 have been provided for this purpose. These stamps may be purchased by rectifiers, whenever desired, from the United States Internal Revenue Service office pursuant to requisition approved by the insular internal revenue agent on Form 427B, in triplicate. The heading of the form shall be modified by eliminating the word "wine" and substituting therefor the words "rectified spirits." When the stamps have been issued, the issuing officer will stamp the date of sale on all copies of Form 427B, retain one copy and send two copies to the treasurer. The treasurer will send one copy to the insular internal revenue agent at the plant.

§ 250.72 *Affixing rectified spirits stamps to cases.* The rectifier shall cancel the rectified spirits stamps immediately before affixing them to the cases by indelibly writing or stamping thereon or perforating therein his name or initials and the date of cancellation. The stamps must be securely affixed to one side of the case with an adhesive of good quality under the immediate supervision of an insular internal revenue agent. If the spirits are packaged in wooden cases, the stamps will be further secured by the use of tacks in addition to the adhesive. After affixing the stamps to the cases, a coating of transparent varnish or shellac shall be applied over the stamps to prevent their easy removal. Before shipment to the United States may be made, a permit therefore must be obtained from the treasurer as provided in § 250.94.

LIQUEURS, CORDIALS, ETC., CONTAINING WINE

§ 250.73 *Rates of tax.* Where wine and distilled spirits are used in the manufacture of liqueurs, cordials, and similar compounds, the internal revenue tax imposed under section 5041, Internal Revenue Code, will be collected on the wine, and tax at the distilled spirits rate will be collected on the distilled spirits used therein. In addition thereto, liqueurs, cordials, and similar compounds containing wine of not more than 14 percent by volume are subject to the tax imposed under section 5021, Internal Revenue Code, whereas liqueurs, cordials, and similar compounds not sold as wine containing more than 2½ percent by volume of wine of an alcoholic content in excess of 14 percent by volume (other than bottled cocktails), are subject to the tax imposed under section 5022, Internal Revenue Code. A quantitative formula is required to be filed for each such product in accordance with § 250.51.

§ 250.74 *Taxpayment.* When permit, Form 487A, has been issued by the treasurer, as provided in § 250.61 authorizing the taxpayment and withdrawal of distilled spirits and wines for use in the manufacture of liqueurs, cordials, and similar compounds, the insular internal revenue agent will gauge the distilled spirits to be used therein and report the details of gauge on Form 1520, in quadruplicate. He will also determine the number of gallons (liquid measure) and the percent of alcohol by volume of the wine to be used and report the quantity so determined and alcoholic strength of the wine on Form 1520, immediately below the details of gauge of the distilled spirits. The wine will be reported thereon as follows: "Wine, 16 percent alcohol by volume, 200 gallons." The insular internal revenue agent will retain one copy of Form 1520 and deliver three copies each of Forms 487A and 1520 to the rectifier. The rectifier will prepare application, Form 1594, in triplicate, and forward all copies of the application, Form 1594, and two copies each of Form 487A and Form 1520 to the United States Internal Revenue Service office with remittance for the tax on the distilled spirits and wine, as provided in §§ 250.64 and 250.86.

(68A Stat. 614, 829; 26 U. S. C. 5061, 6801)

§ 250.75 *Issuance and disposition of certificate, Form 1595.* The United States Internal Revenue Service office will issue certificate, Form 1595, denoting the payment of the distilled spirits tax in the manner prescribed in § 250.65 and will note payment of the wine tax on each copy of Form 487A. The certificate, Form 1595, denoting payment of the distilled spirits tax will be forwarded to the treasurer, together with one copy each of Forms 487A and 1520. The treasurer will cancel and file the certificate in the manner prescribed in § 250.67 and authorize the release of the liquors.

(68A Stat. 829; 26 U. S. C. 6801)

§ 250.76 *Taxpayment of finished product.* If the finished product is subject to the rectification tax under section 5021 (a), Internal Revenue Code, rectified spirits stamps will be procured and affixed to the cases as provided in §§ 250.71 and 250.72. If the finished product is subject to the tax under section 5022, Internal Revenue Code, rectified spirits stamps, similar to those used in Part 235 of this subchapter covering rectified spirits in bottling tanks, will be procured on Form 427–C and affixed to the cases as provided in § 250.72. Containers of liqueurs, cordials and similar compounds shall bear red strip stamps as provided in Subpart G of this part.

PACKAGES OF DISTILLED SPIRITS

§ 250.77 *Shipments authorized.* The laws of Puerto Rico provide that distilled spirits may be shipped or exported from Puerto Rico only in containers holding not more than one gallon, except that where any rectifier presents to the Secretary of the Treasury of Puerto Rico a sworn application stating that he wishes to withdraw from business and to liquidate his stock of rum, the Secretary of the Treasury may authorize the sale of such stock in barrels of forty gallons or more for shipment to the United States. Therefore, subject to approval of such application by the Secretary of the Treasury of Puerto Rico, and pursuant to the provisions of this part, rum taxpaid in Puerto Rico may be shipped to the United States in such bulk containers. Such spirits shall be taxpaid pursuant to the applicable provisions prescribed in §§ 250.61 to 250.68 or Subpart I, stamped with wholesale liquor dealer's stamps pursuant to the provisions of §§ 250.78 to 250.80 and, where rectification tax is incurred, with rectified spirits class B stamps, issued in accordance with § 250.66.

(68A Stat. 620, 651; 26 U. S. C. 5115, 5282)

§ 250.78 *Application for wholesale liquor dealer's stamps.* Upon taxpayment of spirits authorized to be shipped in packages and receipt of permit to ship, Form 487B, the proprietor shall make written request in triplicate, on his letterhead, to the United States Internal Revenue Service office for issuance of wholesale liquor dealer's stamps for the packages. Such request shall show the name and address of the packer, the serial number of each package and the proof gallon contents thereof and shall identify the authorization and permit, Form 487B, pursuant to which the packages of distilled spirits are to be shipped. The request and permit Form 487B shall be submitted to the insular internal revenue agent who, if the request appears to be correctly prepared and all taxes have been paid on the spirits, will note his approval on all copies of the request and return the request and Form 487B to the proprietor. The proprietor will forward all copies of the approved request and Form 487B to the United States Internal Revenue Service office.

(68A Stat. 829; 26 U. S. C. 6801)

§ 250.79 *Issuance of wholesale liquor dealer's stamps.* Upon receipt of the approved request therefore, and permit Form 487B, the United States Internal Revenue Service office will issue the requested wholesale liquor dealer's stamps to the proprietor. Each stamp shall bear the signature of the issuing officer, the date issued, the name of the proprietor to whom issued, the number of gallons and tenths of gallons of proof spirits and the serial number of the package. The issuing officer's signature may be affixed in facsimile by the use of a hand stamp, care being taken to use only such ink as will neither fade nor blur. When the stamps have been issued, the issuing officer will enter the serial numbers thereof, preceded by the symbols "WLD", on each copy of the request; return the Form 487B and one copy of the request, with the stamps, to the applicant; forward one copy of the request to the treasurer; and retain one copy for the files of the office.

(68A Stat. 829; 26 U. S. C. 6801)

§ 250.80 *Affixing stamps to barrels, casks, etc.* The stamps shall be affixed by the proprietor under supervision of an insular internal revenue agent to the heads of the packages with an adhesive of good quality. If the spirits are rectified, the rectified spirits stamps will also be affixed to the heads of the packages. The insular internal revenue agent will then cancel the stamps. A stencil plate shall be used for this purpose in which will be cut not less than five fine parallel waved lines, long enough to extend not less than three-quarters of an inch above and below the stamp, on the surface of the cask. The stencil plate will be so set as to imprint with durable, black coloring material the five parallel waved lines across the stamp at such points as will least obscure the reading matter. The coloring material will be so applied with the brush as to make these lines distinct without blotting or spreading over the stamp. The proprietor shall further secure the stamp to the cask by driving a tack or staple in each corner of the stamp and one in the center and as many more as appear necessary where the stamp bears coupons rendering it irregular in shape. When the stamps have been affixed and canceled, they must be immediately covered by a coat of transparent varnish or shellac.

(68A Stat. 829; 26 U. S. C. 6801)

§ 250.81 *Release of packages of spirits.* Upon stamping of packages of spirits authorized for shipment as provided in § 250.77, the insular internal revenue agent will release the packages for shipment.

BEER

§ 250.82 *Application and permit to taxpay, Form 487A.* The brewer shall make application for permit to taxpay beer on Form 487A, in triplicate. If shipment is to be made in hogsheads, barrels, or kegs, the brewer will enter in the statement "Description of packages" the total number of each size, according to capacity, of containers which it is desired to taxpay. If shipment is to be made in bottles, the brewer will enter therein the number of cases, size of bottles, number of bottles per case, the total contents thereof in gallons (liquid measure), and the equivalent thereof in barrels and fractions of barrels of 31 gallons each. All copies of Form 487A will be forwarded to the treasurer. If the application is properly executed and the taxpayment and withdrawal are in order, the treasurer will execute his permit and return all copies to the brewer.

§ 250.83 *Taxpayment.* The brewer shall send two copies of Form 487A to the United States Internal Revenue Service office with remittance for the tax. The United States Internal Revenue Service office will note the receipt of the tax on both copies of Form 487A. One copy will be sent to the treasurer, and one copy will be retained by the United States Internal Revenue Service office. The treasurer will notify the insular internal revenue agent that the tax thereon has been paid. Before shipment may be made, a permit therefor must be obtained as provided in § 250.94.

(68A Stat. 614; 26 U. S. C. 5061)

§ 250.84 *Marking containers of beer.* Containers of beer which are to be shipped to the United States must be marked with the name of the brewer, the serial number, capacity and size of the container, the kind of beer, and the serial number of the withdrawal permit, Form 487B, prefixed by the number of such Form.

WINE

§ 250.85 *Application and permit to taxpay, Form 487A.* Application for permit to taxpay wine shall be made on Form 487A, in triplicate. All of the information required by this part and called for by the form shall be furnished. If shipment is to be made in casks, barrels, kegs, or similar containers, the applicant shall enter in the statement "Description of liquors" the name of the winemaker producing the wine, the serial numbers of the packages, the total number of wine gallons contained therein, and the taxable grade of the wine, i. e., "not more than 14%" if the wine contains not more than 14 percent of alcohol by volume; "14–21%" if the wine contains more than 14 percent and not exceeding 21 percent of alcohol by volume; "21–24%" if the wine contains more than 21 percent and not exceeding 24 percent of alcohol by volume. On wines containing more than 24 percent of alcohol by volume, the true percentage of alcohol by volume shall be stated. If the application for taxpayment covers more than one taxable grade of wine, the quantity in each taxable grade must be reported separately. If bottled wine is to be taxpaid, the applicant shall show the number of cases, size of the bottles, the number of bottles per case, the total contents in wine gallons, and the taxable grade of the wine in the manner stated above. All copies of the application, Form 487A, shall be forwarded to the treasurer. If the application is properly executed and the taxpayment is in order, the treasurer will execute the permit and return all copies to the applicant.

(68A Stat. 609; 26 U. S. C. 5041)

§ 250.86 *Taxpayment.* The applicant shall send two copies of Form 487A to the United States Internal Revenue Service office with remittance for the tax. The United States Internal Revenue Service office will note the receipt of the tax on both copies of Form 487A, retain one copy, and send one copy to the treasurer. The treasurer will notify the insular internal revenue agent that the tax thereon has been paid. Before shipment may be made, a permit therefor must be obtained as provided in § 250.94.

(68A Stat. 614; 26 U. S. C. 5061)

§ 250.87 *Marking containers of wine.* Containers of wine which are shipped to the United States must be marked with the name of the winemaker, the serial number, the kind and taxable grade of the wine, the wine gallon content, and the serial number of the withdrawal permit, Form 487B, prefixed by the number of such Form.

ARTICLES

§ 250.88 *Taxable status.* Articles containing alcohol which has been denatured at a denaturing plant established under Part 182 of this subchapter but which have not been made in accordance with an approved formula, Form 1479–A; articles made with alcohol which has not been denatured at a denaturing plant established under Part 182 of this subchapter; and articles unfit for beverage purposes, made with distilled spirits, wine or beer, are subject to tax on the distilled spirits, wine, or beer contained therein at the rate imposed by law on like liquors of domestic production. A formula and process covering the manufacture of each such product shall be filed in accordance with Subpart D of this part.

§ 250.89 *Application and permit to taxpay, Form 487A.* The manufacturer shall make application on Form 487A, in triplicate, for permit to taxpay the distilled spirits, wine, or beer which it is desired to use in the manufacture of the articles. All copies of the application shall be forwarded to the treasurer. If the application is properly executed and otherwise in order, the treasurer will execute his permit on the form and send all copies of the form to the insular internal revenue agent at the premises where the liquor is stored.

§ 250.90 *Gauge.* If distilled spirits are to be used in the manufacture of articles, the insular internal revenue agent will gauge the spirits and report the details of gauge on Form 1520, in quadruplicate. If wine is to be used, the insular internal revenue agent will determine the number of wine gallons and the percentage of alcohol by volume. The wine will be reported on Form 1520, in quadruplicate, in the manner prescribed in § 250.74. If articles are to be manufactured with beer, the insular internal revenue agent will determine the quantity to be used and prepare a report, in quadruplicate, showing such amount in terms of barrels of 31 gallons each, or fractional parts thereof. Three copies of the report will be delivered to the manufacturer by the agent.

§ 250.91 *Taxpayment.* The manufacturer will prepare an application, Form 1594, in triplicate, for issuance of certificate of taxpayment, Form 1595, for the distilled spirits or alcohol, if any, in the same manner provided in § 250.63, and forward all copies of the application, Form 1594, with two copies of the report of gauge and two copies of his permit to taxpay, Form 487A, to the United States Internal Revenue Service office with remittance for the tax. The United States Internal Revenue Service office will issue a certificate, Form 1595, denoting the payment of the tax on distilled spirits, if any, and, as to the tax on beer or wine, will note the receipt thereof on both copies of Form 487A, retain one copy each of the report of gauge and Form 487A, and send one copy of each, and the certificate, Form 1595, to the treasurer.

(68A Stat. 614, 829; 26 U. S. C. 5061, 6801)

§ 250.92 *Action by treasurer.* The treasurer will cancel and file the certificate, Form 1595, denoting the payment of the tax on distilled spirits, if any, in the manner prescribed in § 250.67, and authorize the insular internal revenue agent to release the liquors. A permit must be obtained as provided in § 250.88 before the articles may be shipped to the United States.

(68A Stat. 614; 26 U. S. C. 5061)

CERTIFICATE, FORM 1595; TO TAXPAY DISTILLED SPIRITS AND ALCOHOL ONLY

§ 250.93 *Use of certificates.* The use of certificates in respect of payment of the rectification tax, wine tax, or tax on beer or articles is prohibited.

(68A Stat. 614, 829; 26 U. S. C. 5061, 6801)

PERMIT TO SHIP LIQUORS AND ARTICLES

§ 250.94 *Permit to ship required.* Before liquors and articles upon which all internal revenue taxes have been paid may be shipped from Puerto Rico to the United States, a permit therefor must be obtained from the treasurer as provided in §§ 250.95 and 250.96.

§ 250.95 *Application, Form 487B.* Application for permit to ship taxpaid liquors and articles shall be made by the shipper for each consignment on Form 487B, in septuple. All the information required by this part and called for by the form shall be furnished. Each Form 487B will be given a serial number, by the applicant, beginning with "1" for the first day of January of each year and running consecutively thereafter to December 31, inclusive. This serial number will be prefixed by the last two digits of the calendar year, e. g. "55–1". In addition thereto, the shipper shall note separately in part 1 of such forms the amounts of the basic internal revenue tax and rectification tax paid on the merchandise. All copies of the form shall be delivered to the insular internal revenue agent who will execute his certificate of taxpayment thereon and forward all copies to the treasurer within sufficient time to allow for the issuance of permit and customs inspection as provided by § 250.96.

§ 250.96 *Issuance of permit, Form 487B, and customs inspection.* If the application has been properly executed and the treasurer is satisfied that all internal revenue taxes due on the liquors or articles covered thereby have been paid, he will execute his permit on all copies thereof, retain one copy of the form, return two copies to the shipper and send four copies to the collector of customs in Puerto Rico. The shipper will submit the two copies of the Form 487B to the collector at least six hours prior to the intended lading of the merchandise. The collector will then inspect the merchandise covered by the Form 487B after which he will execute his certificate on part 4 of each copy of Form 487B indicating all exceptions. If discrepancies appear indicating differences between the quantity covered by Form 487B and the quantity actually contained in the shipment or the improper taxpayment of the merchandise, he will withhold release of the shipment and notify the treasurer of such discrepancies. Thereupon, such discrepancies must be corrected in the shipping documents and additional tax paid, if required, prior to release of the merchandise. The collector, upon release of the merchandise for shipment, will retain one copy of the Form 487B, return two copies to the shipper and forward one copy to the United States Internal Revenue Service office. He will also send two copies to the collector of customs at the port of arrival in the United States, one of which should be mailed and the other dispatched on the vessel concerned for the guidance of the inspector who will handle the cargo. After the shipment has been cleared by the collector of customs in Puerto Rico, the shipper shall retain one copy of the Form 487B and send one copy thereof, with other shipping documents, to the collector of customs at the port of arrival.

PROCEDURE AT PORT OF ARRIVAL

§ 250.97 *Action by carrier.* The carrier of the merchandise specified on the Form 487B shall, at the time of unlading at the port of arrival in the United States, segregate and arrange the cases of liquors or articles for convenient customs examination and will assume any expense incurred in connection therewith.

§ 250.98 *Inspection by collector of customs.* Upon receipt of Form 487B, application and permit to ship taxpaid liquors or articles to the United States, bearing the sworn affidavit of the shipper and the certification of the insular internal revenue agent that all the internal revenue taxes due on the liquors or articles covered thereby have been paid and the copies of Form 487B from the collector of customs in Puerto Rico, the collector of customs at the port of arrival will inspect the merchandise to determine whether the quantity specified on the Form 487B is contained in the shipment. He will execute his certificate on part 5 of each copy of Form 487B received and indicate thereon any exceptions found at the time of discharge. The statement of exceptions should show the serial number of each case or other shipping container which sustained a loss, the quantity of liquor reported shipped in such container and the quantity lost. Losses occurring as the result of missing bottles, cases or other containers should be listed separately from empty containers and containers which have sustained losses due to breakage. Where the statement is made on the basis of bottles missing or lost due to other cause, the number and size of bottles lost should be shown. If the collector finds that the full amount of the taxes due has not been paid, he will require the difference due to be paid prior to release of the merchandise in accordance with the applicable provisions of this part. When the proper inspection of the merchandise has been effected, and any additional taxes found to be due on the liquors or articles collected, the merchandise will be released.

§ 250.99 *Disposition of forms by collector of customs.* Two copies of the Form 487B will be forwarded to the United States Internal Revenue Service office and one copy of the form will be retained by the collector of customs and be available for inspection by internal revenue officers. If the taxpayer files a claim for refund of tax on losses, the United States Internal Revenue Service office will forward to the assistant regional commissioner of the region in which the port of arrival is located a copy of the completed Form 487B with the claim for refund.

SUBPART F—LIQUORS AND ARTICLES PURCHASED BY TOURISTS IN PUERTO RICO

§ 250.125 *Taxable.* When liquors and articles subject to tax are brought into the United States by tourists, the tax thereon shall be paid as provided in this subpart.

§ 250.126 *Taxpayment in Puerto Rico.* Liquors upon which all Federal internal revenue taxes have been paid in Puerto Rico may be brought into the United States for personal consumption without payment of additional taxes thereon. Containers of such spirits must be red strip stamped by the distiller, bottler, or rectifier who paid the tax. Bottles in possession of tourists bearing red strip stamps shall be evidence to customs authorities at the port of departure and at the port of arrival that the tax on the spirits has been paid. When wines or beer are purchased by a tourist for consumption in the United States, the tourist will pay the internal revenue tax due thereon to the United States Internal Revenue Service office, and obtain receipt therefor on Form 1. The tax on articles purchased by tourists may be paid to the United States Internal Revenue Service office, who will issue receipt therefor on Form 1. Such receipts must be presented to customs authorities at the port of arrival as evidence of taxpayment.

(68A Stat. 602, 614; 26 U. S. C. 5008, 5061)

§ 250.127 *Report of red strip stamps used.* The insular internal revenue agent will report all red strip stamps used on taxpaid spirits, bottled for sale to tourists in Puerto Rico, on Form 182 as provided in section 250.146.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.128 *Taxpayment at port of arrival.* If the internal revenue tax on liquors and articles is not paid in Puerto Rico, it must be paid by the tourist to the district director of internal revenue at the port of arrival before release thereof from customs custody. The collector of customs will notify the district director of internal revenue of the amount of tax due. Upon payment of the tax, the district director will give a receipt therefor on Form 1, and report it on his current distilled spirits list, Form 23A, as an advance collection. The district director will note in the remarks column of the list "Puerto Rican collection." The taxpayer shall submit the receipt to the collector of customs, who will release the liquor or article. Liquors brought into the United States by tourists for personal consumption are not required to be strip stamped when taxpaid at the port of arrival in the United States.

(68A Stat. 602, 614; 26 U. S. C. 5008, 5061)

SUBPART G—PROCUREMENT AND USE OF RED STRIP STAMPS FOR DISTILLED SPIRITS FROM PUERTO RICO

§ 250.135 *Containers of distilled spirits to bear red strip stamps.* Distilled spirits upon which all Federal internal revenue taxes are paid in Puerto Rico must have red strip stamps affixed to the immediate containers thereof prior to shipment to the United States. Containers of distilled spirits which have not been taxpaid in Puerto Rico may not be red strip stamped.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.136 *Persons authorized to affix red strip stamps.* Red strip stamps shall be affixed to containers of distilled spirits by the distiller, bottler, or rectifier in Puerto Rico as prescribed in §§ 250.141 through 250.146.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.137 *Denominations of red strip stamps.* Red strip stamps will be provided in the following denominations only: 1 gallon, ½ gallon, 1 quart, ⅘ quart, ¾ quart, 1 pint, ⅘ pint, ¾ pint, ½ pint, and less than ½ pint. When bottles for which standards of fill are not prescribed are of sizes for which no red strip stamps are provided, the person required to affix the red strip stamps shall use those of the denomination next under the actual quantity of liquors contained in the bottles, as, for instance, a red strip stamp of the ½ pint denomination for a bottle containing more than ½ pint and less than ¾ pint, and will block or strike out the original denomination and write or print on the red strip stamps immediately above the blocked or stricken out denomination the exact quantity of liquors contained in the bottles. Red strip stamps of the denomination of "less than ½ pint" need not be changed to show the exact quantity contained in the bottles.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.138 *Manner of affixing red strip stamps.* The red strip stamps must be securely affixed to the containers with the use of good adhesive. The adhesive when used must be in proper liquid condition. Care must be taken to insure secure adhesion of the stamp to the container. The stamp must be affixed in such manner that it will be broken when the container is first opened, but so placed that a portion of the stamps will remain attached to the opened container.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.139 *Concealing or obscuring red strip stamps.* No part of the red strip 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 red strip stamps must be sufficiently transparent to permit the red strip 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 cup or cap is in place. Cartons or other coverings of bottles 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 red strip stamp and the indicia on the bottle to be plainly seen and read.

(68A Stat. 602, 639; 26 U. S. C. 5008, 5214)

§ 250.140 *Affixing red strip stamp over cup or cap.* The red strip stamp may be affixed over a cup or cap placed over the opening of the container, provided the arrangement is such that the stamp will be broken when the cup or cap is unscrewed or removed. Where it is desired to affix the stamp over a removable cup or cap, the cup or cap must be securely screwed or fastened over the opening of the container. The stamp must be securely affixed, with a strong adhesive, to both the cup or cap and the container. 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 container as to be unremovable without being destroyed, it will not be necessary for the ends of the stamp to be affixed to the surface of the container, but the cap or seal and stamp must be so affixed that a portion of each will remain attached to the container. In any case where there is doubt as to the propriety of the use of any cup or cap, the container and cup or cap should be submitted to the assistant regional commissioner for a ruling thereon.

(68A Stat. 602; 26 U. S. C. 5008)

PROCUREMENT AND AFFIXING OF RED STRIP STAMPS IN PUERTO RICO

§ 250.141 *Requisition, Form 428.* The distiller, rectifier, or bottler, or his duly authorized agent, in Puerto Rico shall make requisition on internal revenue Form 428, in quadruplicate, to the United States Internal Revenue Service office for the procurement of red strip stamps for affixing to taxpaid distilled spirits and shall attach thereto a supporting statement. Such statement shall be signed by the applicant, and immediately above the signature there will appear the following statement: "I declare under the penalties of perjury that the stamps requested on the Form 428 are required, and will be used for taxpaid distilled spirits, which will be shipped to the United States, Hawaii, or Alaska, to supply existing orders and/or anticipated requirements within 90 days from date of the requisition, Form 428."

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.142 *Approval of requisition.* All copies of Form 428, together with the supporting statement, shall be submitted to the insular internal revenue agent, who will approve Form 428 if he is satisfied that the stamps are required for taxpaid distilled spirits to be shipped to the United States, Hawaii, or Alaska to supply existing orders, or anticipated requirements within 90 days from the date of the requisition. The insular internal revenue agent will retain one copy of Form 428 and the supporting statement for his files, and return the original and two copies of the approved form to the applicant.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.143 *Procurement of red strip stamps.* The distiller, rectifier, or bottler, or his duly authorized agent, shall submit the original and two copies of the approved Form 428 to the United States Internal Revenue Service office, which office will issue the number of stamps covered by the approved requisition, enter the serial numbers of the stamps issued, and stamp the date of issue on all copies of Form 428. The issuing office will retain the original for its files, send one copy with the strip stamps to the insular internal revenue agent at the bottling plant, and one copy to the treasurer.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.144 *Overprinting red strip stamps.* At such time as the distiller, rectifier, or bottler desires to have strip stamps overprinted and cut, the insular internal revenue agent will deliver the stamps to the proprietor, who shall at his own expense have his name and address indelibly overprinted in plain and legible letters and figures in not less than 8 point type on each of the stamps. When the stamps have been overprinted and cut, the proprietor will deliver them to the insular internal revenue agent, who will verify the overprinting and determine whether the correct number has been returned. The insular internal revenue agent will issue stamps to bottlers for affixing to bottles of taxpaid distilled spirits as desired upon application from the proprietor.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.145 *Marking of cases.* The distiller, rectifier, or bottler shall plainly and legibly mark upon each case containing bottles of distilled spirits to which red strip stamps are attached, the following legend:

This is to certify that the red strip stamps required by section 5008, Internal Revenue Code, are affixed to the bottles contained in this case consisting of ______ bottles bearing stamps of ______ denomination.

(Name of distiller, rectifier, or bottler)

This legend when stamped on the case may be accepted by customs officers as evidence that the containers bear the stamps as indicated by the certification.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.146 *Monthly report of red strip stamps.* Insular internal revenue agents having custody of red strip stamps will make a record and report of strip stamps received and used on Form 182. Entries will be made on part 1 of Form 182 daily, as indicated by the headings of the various columns and lines of the form and in accordance with the instructions printed thereon, or issued in respect thereto, and as required by this part. At the close of the month, or within five days thereafter, the insular internal revenue agent will prepare a monthly report of the strip stamps received and used during the month on part 2 of the Form 182, in quadruplicate. The agent will retain one copy of part 2 and forward three copies to the treasurer; the treasurer will retain one copy, forward one copy to the United States Internal Revenue Service office, and one copy to the assistant regional commissioner.

(68A Stat. 602; 26 U. S. C. 5008)

SUBPART H—RECORDS AND REPORTS OF DISTILLED SPIRITS FROM PUERTO RICO

§ 250.163 *Record and report, Form 52E.* Every person, except a tourist, bringing distilled spirits into the United States from Puerto Rico in bulk and in bottles shall keep Form 52E. The distilled spirits shall be entered on part 1 of Form 52E as of the time of notice of arrival of the liquor in customs custody. The disposition of such distilled spirits shall be entered on part 2 of Form 52E as of the time of their sale or their taxpayment and withdrawal from customs custody. However, if desired, such person may keep Form 52E for bulk spirits only, and Record 52 for bottled spirits.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.164 *Record 52.* Every person bringing distilled spirits into the United States from Puerto Rico, who maintains wholesale liquor dealer premises where bottled distilled spirits are received and stored, shall keep Record 52 of all bottled distilled spirits received and disposed of thereat (including bottled spirits transferred from customs custody) in accordance with Part 194 of this subchapter, in addition to a record on Form 52E or Record 52, as the case may be, as prescribed by § 250.163.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.165 *Record of warehouse receipts, Form 52F.* Every person bringing distilled spirits into the United States from Puerto Rico, who sells, or offers for sale, distilled spirits by warehouse receipts shall keep a separate record, and render a monthly transcript, of all purchases and sales of warehouse receipts, on Form 52F. There need not be entered on Form 52F transactions in warehouse receipts not involving the purchase or sale of distilled spirits, such as the receipt from a warehouseman of warehouse receipts covering the deposit or bottling of spirits in his warehouse or the surrender of warehouse receipts for the bottling of the spirits in bond or their transfer in bond to another warehouse. Entries on Form 52F shall be made as indicated by the headings of the various columns and lines of the form and in accordance with the instructions printed thereon, or issued in respect thereto, and as required by this part. The provisions of § 250.167 with respect to the time of making entries, and of § 250.173 with respect to forms to be provided by users, are hereby made applicable to Form 52F. The provisions of § 250.168 with respect to a separate record of serial numbers of cases are hereby made applicable to Form 52F with respect to serial numbers of packages and cases purchased or sold by warehouse receipts. The monthly transcript on Form 52F shall be forwarded to the assistant regional commissioner on or before the tenth day of the succeeding month. The arrival of distilled spirits in customs custody, and the disposition of such distilled spirits from customs custody at the time of their sale or withdrawal therefrom, shall continue to be reported on Form 52E or Record 52, as the case may be, in accordance with the provisions of § 250.163. The physical receipt and disposition of distilled spirits at the wholsale liquor dealer premises of the person bringing distilled spirits into the United States from Puerto Rico, shall continue to be reported on Record 52 in accordance with the provisions of § 250.164.

(68A Stat. 618, 619, 681; 26 U. S. C. 5112, 5114, 5555)

§ 250.166 *Place where Form 52F shall be kept.* Every person bringing distilled spirits into the United States from Puerto Rico shall keep Form 52F at the place of business where warehouse receipts are sold, or offered for sale.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.167 *Time of making entries.* Daily entries shall be made on Record 52 and Form 52E, as indicated by the headings of the various columns, and in accordance with instructions printed thereon, before the close of the business day next succeeding the day on which the transactions occur. Where the making of the entries is deferred to the next business day, as authorized in this section, a separate record, such as invoices, shall be kept, of the removals of distilled spirits, showing the removal data required to be entered on Record 52 and Form 52E, and appropriate memoranda of other transactions required to be entered on such records, for the purpose of making the entries correctly.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.168 *Separate record of serial numbers of cases.* Serial numbers of cases of distilled spirits disposed of need not be entered on Form 52E or Record 52, provided the respective proprietor keeps in his place of business a separate record, approved by the assistant regional commissioner, 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, and bills shall be preserved for a period of two 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 internal revenue officers. Entries shall be made on such separate approved record before the close of the business day next succeeding the day on which the transactions occur. Where the making of the entries is deferred to the next business day, as authorized herein, appropriate memoranda shall be maintained for the purpose of making the entries correctly. Where a separate record has been approved by the assistant regional commissioner, notation shall be made in the column for reporting serial numbers that "Serial numbers shown on commercial records per authority, dated ___________."

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.169 *Reports.* Except as otherwise provided in this part, every person required to keep the prescribed records shall file, daily, full and complete transcripts of Form 52E (parts 1 and 2) and Record 52 on Forms 52E (parts 1 and 2), 52A and 52B with the assistant regional commissioner by delivering or mailing them to such officer on the date the transactions entered therein occurred: *Provided,* That in any case in which the assistant regional commissioner shall direct, the transcripts shall be so filed with the suvervisor in charge instead of with the assistant regional commissioner. The transcripts shall bear the following certification signed by the person or officer authorized to execute Form 52E or 338:

I hereby certify that these transcripts, consisting of ______ pages, disclose all the transactions which occurred during the period covered thereby, and that each entry is correct:

If in any case the assistant regional commissioner shall so authorize, the transcripts, in lieu of being filed daily, may be filed with him on or before the 10th day of the month succeeding the month in which the transactions in distilled spirits occurred. In such event, transactions will be entered on Form 52E and Record 52 in accordance with the provisions of § 250.167. Monthly summary reports on Form 52E (part 3) and Form 338 (where Record 52 is kept) shall be prepared in duplicate, one copy of which will be retained on file and the original forwarded to the assistant regional commissioner on or before the 10th day of the month succeeding the month in which the transactions in distilled spirits occurred. Records kept on Form 52E and Record 52 shall be preserved for a period of two years, and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by any internal revenue officer.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

REPORT OF THIRD PARTY TRANSACTIONS

§ 250.170 *Additional requirements.* Every person bringing distilled spirits into the United States from Puerto Rico shall report, on Form 52E, part 2, and when Record 52 is kept, on part 2 and on transcript, Form 52B, the name and address of each consignee, in the column now designated "Name." In the column now designated "Address", there will be reported the name and address of the person, firm, or corporation paying (by advancement or reimbursement) either tax, bottling charge, brokerage fee, handling charge, or clearance fee, indicating which are included. The heading of both columns will be amended accordingly.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.171 *Reporting of shipment or delivery of distilled spirits to third party.* Where a person bringing distilled spirits into the United States from Puerto Rico ships or delivers distilled spirits to a consignee on the order of another wholesale liquor dealer, detailed records of the transactions shall be kept on Form 52E by the person bringing the distilled spirits into the United States from Puerto Rico; on Record 52 by the wholesale liquor dealer giving the order; and on Record 52 by the consignee if he is a wholesale liquor dealer. For example, assuming that wholesale dealer (A) ships or delivers the distilled spirits to consignee (C) on the order of wholesale dealer (B), entries will be made on the prescribed forms as follows:

(a) Wholesale dealer (A) will show in his Form 52E the name and address of wholesale dealer (B) who ordered the distilled spirits, as well as the name and address of consignee (C), the person to whom the distilled spirits are actually shipped or delivered;

(b) Wholesale dealer (B) will show in his Record 52 that the distilled spirits were purchased from wholesale dealer (A), giving both the name and address of (A), and will at the same time make an entry showing that the distilled spirits were shipped or delivered by (A) to consignee (C) giving the name and address of (C); and

(c) Consignee (C), if a wholesale liquor dealer, will show in his Record 52 that the distilled spirits were purchased from wholesale dealer (B) and received by him from wholesale dealer (A), giving name and address of both. A copy of Form 52E and transcripts of Records 52 on Forms 52A and 52B, required to be filed with the assistant regional commissioner, will similarly show the details of such transactions.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.172 *Similar third party transactions.* Where a person bringing distilled spirits into the United States from Puerto Rico keeps Record 52 and is a party to transactions similar to those described in § 250.171, he shall make similar entries of such transactions in

Record 52; and the transcripts on Forms 52A and 52B required to be filed with the assistant regional commissioner, will likewise show the details of the transactions.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

PROCUREMENT OF FORMS

§ 250.173 *Forms to be provided by users at own expense.* Form 52E, Record 52, and Forms 52A, 52B, and 338 shall be purchased by users from commercial printers and must be in the form prescribed: *Provided,* That, with the approval of the Director, Alcohol and Tobacco Tax Division, 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.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

SUBPART I—TAXPAYMENT IN PUERTO RICO UPON WITHDRAWAL AFTER RECTIFICATION OR BOTTLING

REQUIREMENTS

§ 250.180 *Applicable procedure.* Distilled spirits of less than 190 degrees of proof, wines and beer (hereinafter referred to as "liquors," unless otherwise indicated) intended for shipment to the United States, which are withdrawn from producing or storage premises for entry into bonded rectification sections, bottling sections, or bonded warehouses, in accordance with the Spirits and Alcoholic Beverages Act, as amended, of Puerto Rico, shall be subject to the requirements of this subpart, and §§ 250.1 through 250.173, in so far as such sections may be applicable.

§ 250.181 *Formula.* Following entry into a bonded rectification or bottling section for rectification or bottling, all liquors shall be rectified and/or bottled in accordance with an approved formula prescribed by §§ 250.50 through 250.55.

§ 250.182 *Gauging.* The alcoholic constituents of all liquors constituting a specific bottling lot shall be ascertainable from records maintained in accordance with insular requirements. In gauging liquors for taxpayment, the insular internal revenue agent will prepare Form 1520 to show separately all distilled spirits and wines according to taxable gallonage. See §§ 250.73, 250.74, 250.90 and 250.183. The formula number under which the liquors were produced or manufactured for shipment to the United States will also be shown on the Form 1520.

§ 250.183 *Basis for taxpayment.* The taxes on distilled spirits shall be paid on the basis of wine gallons, if below proof, or proof gallons, if 100 proof or above, in accordance with the proof ascertained by the insular gauger prior to entry of the spirits into the bonded rectification section, or bonded bottling section, pursuant to appropriate entries in records prescribed by the insular authorities.

(68A Stat. 595; 26 U. S. C. 5001)

§ 250.184 *Taxpayment.* Taxpayment shall be made at the rate prescribed by law. The prescribed taxes shall be paid at the time of withdrawal of the liquors pursuant to issuance of the appropriate insular permit. The provisions of Subpart E relative to the procurement of permit to taxpay, payment of such tax, application for certificate, Form 1595, procurement of special Puerto Rican rectified spirits stamps and affixing thereof to cases, procurement of permit to ship, and release for shipment, action by carrier, inspection by customs, and disposition of forms shall be applicable to liquors taxpaid upon withdrawal after rectification or bottling. A copy of the Form 1520 covering the gauging of the liquors shall accompany the insular permit, Form 487A, when presented to the United States Internal Revenue Service office for taxpayment. See §§ 250.74, 250.83, 250.86, and 250.91.

§ 250.185 *Red strip stamps.* United States internal revenue red strip stamps will be procured from the United States Internal Revenue office for affixing to containers of spirits intended for shipment to the United States. Where the tax is paid in accordance with § 250.184 such stamps may be affixed to the containers prior to taxpayment. The provisions of §§ 250.135 through 250.146 shall govern the procurement, overprinting, affixing, reporting, etc., of red strip stamps procured and used under this subpart.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.186 *Withdrawal for shipment to United States.* Withdrawal of liquors for shipment to the United States may be made only after taxpayment.

SUBPART J—PRODUCTS COMING INTO THE UNITED STATES FROM THE VIRGIN ISLANDS

§ 250.200 *Taxable status.* Liquors coming into the United States from the Virgin Islands are subject to a tax equal to the internal revenue tax imposed upon the production in the United States of like liquors. Articles coming into the United States from the Virgin Islands, except as provided in § 250.201, are subject to tax on the liquors contained therein at the rates imposed in the United States on like liquors of domestic production.

§ 250.201 *Products exempt from tax.* Alcohol denatured in accordance with approved formulae at denaturing plants established under the provisions of Part 182 of this chapter and preparations made therewith in accordance with approved formulae, Form 1479-A, may be brought into the United States from the Virgin Islands without incurring liability to internal revenue taxes as provided in Part 182 of this chapter. Alcohol which has not been so denatured and articles made therewith are subject to tax as provided in § 250.200.

(68A Stat. 660; 26 U. S. C. 5318)

§ 250.202 *Requirements of the Federal Alcohol Administration Act.* Every person, except an agency of a State or a political subdivision thereof or any officer or employee of any such agency, bringing liquors into the United States from the Virgin Islands for non-industrial use must obtain an importer's basic permit therefor and file with the collector of customs at the port of entry a certified or photostatic copy thereof, and every person and any agency of a State or political subdivision thereof or any officer or employee of such agency, bringing liquors into the United States from the Virgin Islands for nonindustrial use must file with the collector of customs at the port of entry a certificate of label approval, in accordance with the requirements of the Federal Alcohol Administration Act and regulations issued pursuant thereto. Tourists bringing liquors into the United States for personal or other noncommercial use are not subject to the provisions of the Federal Alcohol Administration Act or regulations issued pursuant thereto. (27 CFR Parts 1, 4, 5, 7)

(Sec. 3, 49 Stat. 978, as amended; sec. 5, 49 Stat. 981, as amended; 27 U. S. C. 203, 205)

§ 250.203 *Containers.* Containers of distilled spirits brought into the United States from the Virgin Islands, having a capacity of not less than one-half pint or more than 1 gallon, shall conform to the requirements of Part 175 of this subchapter.

(68A Stat. 639; 26 U. S. C. 5214)

§ 250.204 *Regauge.* Distilled spirits withdrawn from insular bonded warehouses for bottling without rectification or for rectification and bottling and shipment to the United States may be gauged at the time of withdrawal by an insular gauger. A report of gauge shall be prepared by the insular gauger showing the name of the distiller, the serial number, the proof of the spirits, and the wine and proof gallon contents of each package gauged. The report of gauge shall be attached to the certificate prescribed in § 250.205.

§ 250.205 *Certificate.* Every person bringing liquors or articles under this part into the United States from the Virgin Islands, except tourists, shall obtain a certificate in the English language from the manufacturer showing, for each shipment, the following information:

(a) The name and address of the consignee;

(b) The kind and brand name;

(c) The quantity thereof as follows:

(1) If distilled spirits, the wine and proof gallons.

(2) If beer, the gallons, liquid measure, and the percent of alcohol by volume.

(3) If articles, the kind, quantity, and proof of liquors used therein.

(d) The number and date of the approved formula;

(e) A declaration that it has been manufactured in accordance with the formula;

(f) The name and address of the person filing such formula;

(g) A certification by the insular gauger that the spirits covered by such certificate were or were not regauged by him when withdrawn from the insular bonded warehouse and, if regauged, were at that time at the proofs indicated on the attached report of gauge.

The consignee shall file the certificate and report of gauge with the collector of customs at the port of entry, as provided in § 250.260.

§ 250.206 *Marking packages and cases.* Each case, barrel, cask, or similar container filled for shipment to the United States shall be serially numbered by the distiller, rectifier, or bottler. In addition to the serial number there shall be plainly printed, stamped, or stenciled on the head of each barrel or similar container or on one side of each case with durable coloring material, in letters and figures not less than one-half inch in height, the name of the manufacturer, the brand name and kind of liquor, the wine and proof gallon contents, and the serial number of the approved formula under which made.

§ 250.207 *Destruction of marks and brands.* The marks, brands, and serial numbers required by this part to be placed on barrels, casks, or similar containers, or cases, shall not be removed, or obscured or obliterated, before the contents thereof have been removed; but when barrels, casks, or similar containers (except for beer and wine) are emptied, all such marks, brands, and serial numbers shall be effaced and obliterated by the person removing the contents.

(68A Stat. 603; 26 U. S. C. 5010)

§ 250.208 *Destruction of stamps.* All stamps must remain on packages and cases until the contents are emptied. When a package or case of distilled spirits is emptied, all internal revenue stamps thereon must be completely effaced and obliterated.

(68A Stat. 603; 26 U. S. C. 5010)

§ 250.209 *Samples.* The Director, Alcohol and Tobacco Tax Division, may require samples of liquors and articles to be submitted whenever desired for laboratory analyses in order to determine the rate of tax applicable thereto.

SPECIAL (OCCUPATIONAL) TAXES

§ 250.210 *Liquor dealers' special taxes.* Every person bringing liquors into the United States from the Virgin Islands, who sells, or offers for sale, such liquors must file Form 11, with the district director of internal revenue and pay special (occupational) taxes as wholesale dealer in liquor or retail dealer in liquor or both, in accordance with the law and regulations governing the payment of such special taxes (Part 194 of this subchapter).

(68A Stat. 618, 620, 621; 26 U. S. C. 5111, 5112, 5121, 5122)

§ 250.211 *Warehouse receipts covering distilled spirits.* Since the sale of warehouse receipts for distilled spirits is equivalent to the sale of distilled spirits, every person bringing distilled spirits into the United States from the Virgin Islands, who sells, or offers for sale, warehouse receipts for distilled spirits stored in warehouses, or elsewhere, incurs liability to special tax as a dealer in liquors at the place where such warehouse receipts are sold, or offered for sale, and must file return and pay occupational tax as provided in § 250.210.

(68A Stat. 618, 620, 621; 26 U. S. C. 5111, 5112, 5121, 5122)

SUBPART K—FORMULAE AND PROCESSES FOR PRODUCTS FROM THE VIRGIN ISLANDS

§ 280.220 *Form 27-B Supplemental.* Every person who ships liquors or articles to the United States from the Virgin Islands except (a) alcohol denatured according to approved formula at denaturing plants established under the provisions of Part 182 of this subchapter; and (b) articles made with such denatured alcohol, in accordance with an approved formula, shall submit to the Director, Alcohol and Tobacco Tax Division, in advance of shipment, a formula and process on Form 27-B Supplemental covering the manufacture of such liquor or article. A separate Form 27-B Supplemental will be filed for each formula. Each formula submitted on Form 27-B Supplemental shall be dated and given a serial number beginning with the number 1 for the first and continuing in series thereafter: *Provided,* That the series in current use by persons who have filed formulae heretofore shall be continued. All of the information required by this part and called for by the form shall be furnished. Formulae for products manufactured with specially or completely denatured alcohol shall be submitted as provided in Part 182 of this subchapter.

§ 250.221 *Description of formula for liquors.* Formulae for liquors (except beer) must show on Form 27-B Supplemental the kind and brand name of the product, the proof thereof, and all ingredients composing the product. If wine only or wine and distilled spirits are used in any product, the quantity or percentage by volume of each and the percent of alcohol by volume of the wine must be shown. Where coloring, flavoring, sweetening, or blending materials of any kind are used, the percentage thereof by volume shall be shown. If any of the liquors named in the formula are made outside the Virgin Islands, the country of origin must be stated.

§ 250.222 *Description of formula for articles.* Formulae for articles made with distilled spirits must show the quantity and proof of the distilled spirits used, or the percentage of alcohol by volume contained in the finished product. Formulae for articles made with beer or wine must show the kind and quantity thereof (liquid measure) and the percent of alcohol by volume of such beer or wine.

§ 250.223 *Description of process.* The statement of process must set out in sequence each step used in the manufacture of the finished product. The statement of process must also show whether liquors distilled from different materials, or by different distillers, or from different combinations of the same materials at less than 190 degrees proof, or of different ages, or which differ in kind according to the standards of identity established under the Federal Alcohol Administration Act, or differ more than 10 degrees in proof, are to be blended together in the manufacture of the finished product. Likewise the statement of process must show whether spirits stored in charred new oak containers are to be mingled with spirits stored in plain, reused, or metal cooperage, or whether spirits which have been quick-aged or treated with wood chips are to be mingled with spirits not so processed, or whether spirits that have been subjected to any treatment which changes their character are to be mixed with spirits not so treated.

§ 250.224 *Changes of formulae and processes.* Any change in the ingredients composing a product covered by an approved formula or any change in the process of manufacture will necessitate the submission of a new Form 27-B Supplemental. Such formulae will be serially numbered and disposed of in the same manner as new formulae.

§ 250.225 *Filing.* Each formula and process shall be filed with the Director, Alcohol and Tobacco Tax Division, on Form 27-B Supplemental, in quadruplicate, properly modified: *Provided,* That, if the product is to be entered at more than one port, two additional copies of each formula and process shall be submitted for each such port. The port or ports of entry must be shown on the form.

§ 250.226 *Disposition.* When the formula and process have been examined, the rate of tax applicable thereto will be indicated on each copy of Form 27-B Supplemental, one copy will be forwarded to the collector of customs at each designated port of entry, one copy to the assistant regional commissioner of the region in which such port is located, one copy will be returned to the manufacturer, and one copy retained in the files of the Director, Alcohol and Tobacco Tax Division.

SUBPART L—RED STRIP STAMPS FOR DISTILLED SPIRITS FROM THE VIRGIN ISLANDS

GENERAL

§ 250.230 *Containers of distilled spirits to bear red strip stamps.* The immediate containers of distilled spirits coming into the United States from the Virgin Islands are required to bear red strip stamps indicating the payment of all internal revenue taxes thereon.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.231 *Persons authorized to affix red strip stamps.* Red strip stamps shall be affixed to containers of distilled spirits as follows: (a) By the bottler in the Virgin Islands; or (b) by the importer while the spirits are in customs custody.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.232 *Denominations of red strip stamps.* Red strip stamps will be provided in the following denominations only: 1 gallon, ½ gallon, 1 quart, ⅘ quart, ¾ quart, 1 pint, ⅘ pint, ¾ pint, ½ pint, and less than ½ pint. When containers for which standards of fill are not prescribed are of sizes for which no stamps are provided, the person required to affix the stamps shall use those of the denomination next under the actual quantity of spirits in the containers, as, for instance, a stamp of the ½ pint denomination for a container of more than ½ pint and less than ¾ pint, and shall block or strike out the original denomination and write or print on the stamps immediately above the blocked or stricken out denomination the exact quantity of spirits in the containers. Stamps of the denomination of "less than ½ pint" need not be changed to show the exact quantity in the containers.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.233 *Manner of affixing red strip stamps.* The red strip stamps must be securely affixed to the containers with the use of a good adhesive. The adhesive used must be in proper liquid condition. Care must be taken to insure secure adhesion of the stamp to the container. The stamp must be affixed in such manner that it will be broken when the container is first opened, but so placed that a portion of the stamp will remain attached to the opened container.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.234 *Concealing or obscuring red strip stamps.* No part of the red strip stamp shall be concealed or obscured by any label or other covering, except that a cup may be placed over the opening of the container or the container 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 containers 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 container and cover the stamp, unless such cup or cap is transparent or is so placed on the container 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 cup or cap is in place. Cartons or other coverings of containers of distilled spirits 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 part 175 of this subchapter on the container to be plainly seen and read.

(68A Stat. 602, 639; 26 U. S. C. 5008, 5214)

§ 250.235 *Affixing red strip stamp over cup or cap.* The red strip stamp may be affixed over a cup or cap placed over the opening of the container, provided the arrangement is such that the stamp will be broken when the cup or cap is unscrewed or removed. Where it is desired to affix the stamp over a removable cup or cap, the cup or cap must be securely screwed or fastened over the opening of the container. The stamp must be securely affixed, with a strong adhesive, to both the cup or cap and the container. 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 container as to be unremovable without being destroyed, it will not be necessary for the ends of the stamp to be affixed to the surface of the container, but the cap or seal and stamp must be so affixed that a portion of each will remain attached to the container when it is opened. In any case where there is doubt as to the propriety of the use of any cup or cap, the container and cup or cap should be submitted to the assistant regional commissioner for a ruling thereon.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.236 *Breach of regulations, or failure to use red strip stamps.* Any breach of the regulations in this part, or failure to use the red strip stamps for the purpose for which they were procured within a period of six months or within such additional extension of time as may be granted by the collector of customs not satisfactorily explained to the collector of customs, will be grounds for denial of approval of further requisitions for procurement of stamps.

(68A Stat. 602; 26 U. S. C. 5008)

RED STRIP STAMPS TO BE AFFIXED IN THE VIRGIN ISLANDS

§ 250.237 *Conditions.* Red strip stamps may be procured by importers and consignees to be affixed to containers of distilled spirits by the bottler in the Virgin Islands as provided in this subpart.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.238 *Requisition, Form 428.* Requisition for the procurement of red strip stamps shall be made by the importer, or his duly authorized agent, on Form 428, in triplicate. Where an importer has given a bottler or another agent power of attorney to sign Form 428, the importer's name must be given, followed by the signature of the person authorized and the words "Attorney in Fact." A copy of the power of attorney must be filed with the collector of customs. The local address of the importer, or his agent, must be given on Form 428 before approval by the collector of customs. All copies of Form 428 shall be submitted to the collector of customs of the district in which the place of business of the importer, or his duly authorized agent, is located.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.239 *Statement, Form 1627.* The importer, or his duly authorized agent, shall submit with Form 428 for stamps to be sent to the Virgin Islands a sworn statement on Form 1627 that the stamps requisitioned on Form 428 are required to supply existing orders and/or anticipated requirements within 90 days from the date of the requisition and will be used for the quantity of distilled spirits to be imported through the designated port or other port or ports to be designated subsequently on Form 1627A, as provided by §§ 250.245 and 250.246. Entries shall be made on Form 1627 as indicated by the headings of the various columns and lines of the form and in accordance with the instructions printed thereon, or issued in respect thereto, and as required by this part.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.240 *Approval of requisition.* The collector of customs will approve Form 428 if he is satisfied that the red strip stamps are required for distilled spirits to be brought into the United States from the Virgin Islands or removed from customs custody, as prescribed in this part. The collector of customs will retain Form 1627 and one copy of Form 428, and return the original and remaining copy of Form 428 to the applicant for submission to the proper district director of internal revenue.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.241 *Procurement of red strip stamps.* Red strip stamps shall be procured by the importer, or his duly authorized agent, from the district director of internal revenue of the district in which the place of business of such applicant or his agent is located. The applicant shall forward to the district director of internal revenue the original and copy of the approved Form 428. The district director of internal revenue may issue the exact number of stamps requisitioned thereon even though it is necessary to use portions of sheets. The district director of internal revenue will enter the serial numbers of the stamps issued and stamp the date of issue on both copies of Form 428. He will retain the original copy and send the remaining copy to the proper assistant regional commissioner.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.242 *Overprinting of red strip stamps.* The importer, or his duly authorized agent, shall have indelibly overprinted in plain and legible letters on each of the red strip stamps, at his expense, the name and address of the importer, which shall, for example, be as follows: "John Doe & Co., Baltimore, Md." He shall submit the stamps to the collector of customs, who will verify the overprinting and make an endorsement showing the verification on the retained original Form 1627 submitted with Form 428. The collector of customs will then (a) deliver the stamps to the importer, or his duly authorized agent, for transmission to the bottler in the Virgin Islands; or (b) deliver them to the importer, or his duly authorized agent, for affixing to the containers in customs custody.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.243 *Marking of cases.* Where red strip stamps are affixed in the Virgin Islands, the bottler will plainly and legibly mark the following legend on each case of distilled spirits so stamped:

The red strip stamps required by section 5008, I. R. C., are affixed to the containers of distilled spirits in this case, consisting of
---------------------- bearing the stamps
(Number of containers)
of ---------------------- denomination.

(Name of bottler)

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.244 *Endorsement of consumption entries.* Upon arrival of the distilled spirits in this country, consumption entries shall have endorsed thereon by the importer, or his duly authorized agent, the following legend:

Red strip stamps required by section 5008, I. R. C., were affixed abroad. These stamps were procured by ________________ upon a
(Name of importer)
requisition Form 428, Importer's No. _______, approved by the collector of customs at ____ on
(Port where Form 428 was approved)
____
(Date of approval of Form 428)

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.245 *Credit of red strip stamps against requisition on arrival of distilled spirits at specified port.* Where consumption entries are filed at the port where the requisition was approved, the collector of customs who approved the requisition will credit the Form 428 described in the endorsement on the entry referred to with the number and denomination of red strip stamps shown by the usual customs examination to have been attached to the containers.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.246 *Credit of red strip stamps against requisition where distilled spirits are diverted to other than specified port.* In the event of diversion of all or part of the spirits to a port or ports other than the port specified in Form 1627 filed with the Form 428, the importer shall submit a supplemental statement, in duplicate, on Form 1627A for each such port or ports. He shall submit them to the collector of customs who approved the Form 428, who will credit the Form 428, retain the original Form 1627A, and transmit the copy to the collector of customs at the designated port. Where a consumption entry is filed at a specified port other than the port where the requisition was approved, the collector of customs of the port at which consumption entry is filed will promptly notify, on Form 1627A, the collector of customs who approved the Form 428, of the number and denomination of stamps shown by the usual customs examination to have been attached to the containers. The collector of customs who approved the requisition will credit the Form 428 accordingly. Such distilled spirits may not be released from customs custody until Form 1627A has been received at the port of diversion or the collector of customs who approved Form 428 has authorized such release.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.247 *Irregularities or discrepancies in shipments.* In case any irregularities or discrepancies are found, the collector of customs at the port of entry will make demand for redelivery of unexamined packages, and will not release examined or redelivered packages until satisfactory explanation and/or proper corrections have been made.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.248 *Unused red strip stamps.* Unused red strip stamps returned to the importer by the bottler shall be submitted to the collector of customs who approved the original requisition, Form 428, for noting such fact on the requisition. After proper notation has been made, the collector of customs will return the stamps to the importer and notify the proper assistant regional commissioner. If subsequently the importer desires to send such stamps to a bottler or exporter abroad, he must submit them with Form 1627 properly modified, in duplicate, to a collector of customs, who will note approval on the copy of Form 1627 and return it with the stamps to the importer, who will acknowledge receipt thereof. The collector of customs will retain the original Form 1627. Where the distilled spirits are to be imported through more than one port, Form 1627A shall be submitted by the importer to such collector for each such port for certification and transmittal of a copy to the collector of customs at each of the ports at which consumption entries will be filed. The importer shall make appropriate entries on his monthly report, Form 96, of the receipt and disposition of unused stamps covered by this section.

(68A Stat. 602; 26 U. S. C. 5008)

RED STRIP STAMPS TO BE AFFIXED AT THE PORT OF ENTRY UNDER CUSTOMS SUPERVISION

§ 250.249 *Conditions.* Distilled spirits in containers coming into the United States from the Virgin Islands without having red strip stamps attached may not be released from customs custody until a stamp has been affixed to each container under the supervision of a customs officer.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.250 *Requisition, Form 428.* Requisition for red strip stamps shall be made by the importer, or his duly authorized agent, in the manner prescribed in § 250.238. Subsequent procedure shall conform to the applicable provisions of §§ 250.240 through 250.242.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.251 *Expense of affixing red strip stamps.* Expenses of cartage, storage, repacking, handling, or other labor connected with the opening of cases and affixing of red strip stamps to the containers, shall be borne by the importer.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.252 *Marking of cases.* There shall be indelibly stamped upon each case by the customs officer supervising the affixing of red strip stamps to containers the following legend:

PORT OF ________________________
________ __________, 19__.
(Month) (Day)

This is to certify that on this date the red strip stamps required by section 5008, I. R. C., were affixed, under my supervision, to the containers of distilled spirits in this case, consisting of ____________________, bearing
(Number of containers)
stamps of ________________ denomination.

____
(Name)
____
(Official designation)

(68A Stat. 602; 26 U. S. C. 5008)

SUBPART M—PROCEDURE AT PORT OF ENTRY FROM THE VIRGIN ISLANDS

§ 250.260 *Conditions.* The importer shall file the report of gauge provided for in § 250.204 and the certificate provided for in § 250.205 with the collector of customs at the port of entry in the United States.

§ 250.261 *Action by collector of customs.* The collector of customs will direct the proper customs gauger to determine the taxable quantity of liquors contained in the consignment by regauge or inspection and report the result thereof to the collector of customs. Upon receipt of such report the collector of customs will refer to the approved formula covering the product to determine the rate of internal revenue tax applicable thereto. When the rate of tax applicable to the product has been ascertained, the tax due on the consignment will be determined according to §§ 250.262 through 250.265.

§ 250.262 *Determination of tax on distilled spirits.* If the certificate is accompanied by a report of gauge made by an insular gauger in accordance with § 250.204 and bears the insular gauger's certification, as prescribed in § 250.205, showing that the spirits covered thereby were 100 degrees or more in proof at the time of withdrawal from the insular bonded warehouse, the internal revenue tax at the distilled spirits rate will be collected on the proof-gallon contents of the packages, or cases, regardless of the proof of the spirits at the time of their entry into the United States. If the certification of the insular gauger and the accompanying report of gauge show that the spirits were less than 100 degrees in proof at the time of withdrawal thereof from the insular bonded warehouse, the internal revenue tax at the distilled spirits rate will be collected on the wine-gallon contents of the packages or cases as determined by the customs gauger. If the certificate does not bear the certification of the insular gauger and is not accompanied by a report of gauge made by an insular gauger showing the proof of the spirits at the time of their withdrawal from the insular bonded warehouse, the proof of the spirits at the time of regauge or inspection at the port of entry in the United States will be the basis for determining the internal revenue tax due thereon, i. e., if the spirits are less than 100 degrees in proof, the distilled spirits tax will be collected on the wine gallons, whereas if the spirits are 100 degrees or more in proof, the distilled spirits tax will be collected on the proof gallons. The rectification tax on taxable rectified spirits will be collected on the proof gallons contained in the consignment regardless of the proof of the spirits at the time of their withdrawal from the insular bonded warehouse or at the time of their entry into the United States.

(68A Stat. 595, 606; 26 U. S. C. 5001, 5021, 5022)

§ 250.263 *Determination of tax on beer.* If the certificate prescribed in § 250.205 covers beer, the beer tax will be collected on the basis of the number of barrels of 31 gallons each, or fractional parts thereof, contained in the shipment.

(68A Stat. 611; 26 U. S. C. 5051)

§ 250.264 *Determination of tax on wine.* If the certificate prescribed in

§ 250.205 covers wine, the wine tax will be collected at the rates imposed by section 5041, Internal Revenue Code, as amended.

(68A Stat. 609; 26 U. S. C. 5041)

§ 250.265 *Determination of tax on articles.* Where articles contain liquors, the tax will be collected at the rates prescribed by law on the liquor contained therein as shown by the certificate prescribed in § 250.205.

(68A Stat. 595, 600; 26 U. S. C. 5001, 5007)

§ 250.266 *Taxpayment.* The internal revenue tax on liquors and articles coming into the United States from the Virgin Islands shall be paid to the collector of customs at the port of entry, as provided by customs regulations. (19 CFR Ch. I)

SUBPART N—RECORDS AND REPORTS OF DISTILLED SPIRITS FROM THE VIRGIN ISLANDS

§ 250.270 *Monthly record and report, Form 96.* Importers or consignees of distilled spirits procuring red strip stamps for affixing to containers of distilled spirits shall keep a record and render report thereof on Form 96.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.271 *Monthly record, part I, Form 96.* Every person who procures red strip stamps for bottled liquors coming into the United States from the Virgin Islands shall keep a record of red strip stamps procured and used on part I of Form 96. A separate page in single copy is required for each denomination of stamps. Entries shall be made on Form 96 daily, as indicated by the headings of the various columns and lines of the form and in accordance with the instructions printed thereon, or issued in respect thereto, and as required by this part. The record shall be kept in bound form for a period of two years, and during such period shall be available during business hours for inspection by internal revenue officers.

(68A Stat. 602, 619; 26 U. S. C. 5008, 5114)

§ 250.272 *Monthly report, parts II and III, Form 96.* At the close of the month, parts II and III of Form 96 shall be prepared in triplicate. The red strip stamps procured, used, and sent to the Virgin Islands during the month will be reported on part II, and the stamps sent to the Virgin Islands and used on liquors coming into the United States therefrom will be reported on part III. On or before the 10th day of the succeeding month, one copy shall be forwarded to the assistant regional commissioner of the region in which the importer's place of business is located, and one copy to the collector of customs who approved the importer's requisition. The remaining copy shall be retained in bound form with the copies of part I, Form 96, for the same month, available for inspection by internal revenue officers.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.273 *Semiannual reports of collectors of customs.* Collectors of customs will furnish the assistant regional commissioner as of June 30 and December 31 of each year a consolidated report showing the name of the importer, number and denomination of red strip stamps procured on requisitions, Form 428, approved by them, and not credited against such requisitions.

(68A Stat. 602; 26 U. S. C. 5008)

§ 250.274 *Record and report, Form 52E.* Every person, except a tourist, bringing distilled spirits into the United States from the Virgin Islands in bulk and in bottles shall keep Form 52E. The distilled spirits shall be entered on part 1 of Form 52E as of the time of notice of arrival of the liquors in customs custody. The disposition of such distilled spirits shall be entered on part 2 of Form 52E as of the time of their sale or their taxpayment and release from customs custody. However, if desired, such person may keep Form 52E for bulk spirits only, and Record 52 for bottled spirits.

(68A Stat. 619; 26 U. S. C. 5114)

§ 250.275 *Record 52.* Every person bringing distilled spirits into the United States from the Virgin Islands, who maintains wholesale liquor dealer premises where bottled distilled spirits are received and stored, shall keep Record 52 of all bottled distilled spirits received and disposed of thereat (including bottled spirits transferred from customs custody) in accordance with Part 194 of this subchapter, in addition to a record on Form 52E or Record 52, as the case may be, as prescribed by § 250.274.

(68A Stat. 618, 619, 681; 26 U. S. C. 5112, 5114, 5555)

§ 250.276 *Record of warehouse receipts, Form 52F.* Every person bringing distilled spirits into the United States from the Virgin Islands, who sells, or offers for sale, distilled spirits by warehouse receipts shall keep a separate record, and render a monthly transcript, of all purchases and sales of warehouse receipts, on Form 52F. There need not be entered on Form 52F transactions in warehouse receipts not involving the purchase or sale of distilled spirits, such as the receipt from a warehouseman of warehouse receipts covering the deposit or bottling of spirits in his warehouse or the surrender of warehouse receipts for the bottling of the spirits in bond or their transfer in bond to another warehouse. Entries on Form 52F shall be made as indicated by the headings of the columns and lines of the form and in accordance with the instructions printed thereon or issued in respect thereto, and as required by this part. The provisions of § 250.278 with respect to the time of making entries, and of § 250.284 with respect to forms to be provided by users, are hereby made applicable to Form 52F. The provisions of § 250.279 with respect to a separate record of serial numbers of cases are hereby made applicable to Form 52F with respect to serial numbers of packages and cases purchased or sold by warehouse receipts. The monthly transcript on Form 52F shall be forwarded to the assistant regional commissioner on or before the tenth day of the succeeding month. The arrival of distilled spirits in customs custody, and the disposition of such distilled spirits from customs custody at the time of their sale or withdrawal therefrom, shall continue to be reported on Form 52E or Record 52, as the case may be, in accordance with the provisions of § 250.274. The physical receipt and disposition of distilled spirits at the wholesale liquor dealer premises of the person bringing distilled spirits into the United States from the Virgin Islands shall continue to be reported on Record 52 in accordance with the provisions of § 250.275.

(68A Stat. 618, 619, 681; 26 U. S. C. 5112, 5114, 5555)

§ 250.277 *Place where Form 52F shall be kept.* Every person bringing distilled spirits into the United States from the Virgin Islands shall keep Form 52F at the place of business where warehouse receipts are sold, or offered for sale.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.278 *Time of making entries.* Daily entries shall be made on Record 52 and Form 52E, as indicated by the headings of the various columns, and in accordance with instructions printed thereon, before the close of the business day next succeeding the day on which the transactions occur. Where the making of the entries is deferred to the next business day, as authorized herein, a separate record, such as invoices, shall be kept, of the removals of distilled spirits, showing the removal data required to be entered on Record 52 and Form 52E, and appropriate memoranda of other transactions required to be entered on such records for the purpose of making the entries correctly.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.279 *Separate record of serial numbers of cases.* Serial numbers of cases of distilled spirits disposed of need not be entered on Form 52E or Record 52, provided the respective proprietor keeps in his place of business a separate record, approved by the assistant regional commissioner 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, and bills shall be preserved for a period of two 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 internal revenue officers. Entries shall be made on such separate approved record before the close of the business day next succeeding the day on which the transactions occur. Where the making of the entries is deferred to the next business day, as authorized in this section, appropriate memoranda shall be maintained for the purpose of making the entries correctly. Where a separate record has been approved by the assistant regional commissioner, notation shall be made in the column for reporting serial numbers that "Serial numbers shown on commercial records per authority, dated ____________________."

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.280 *Reports.* Except as otherwise provided herein, every person required to keep the prescribed records shall file, daily, full and complete transcripts of Form 52E (parts 1 and 2) and Record 52 on Forms 52E (parts 1 and 2), 52A and 52B with the assistant regional commissioner, by delivering or mailing them to such officer on the date the transactions entered therein occurred: *Provided*, That in any case in which the assistant regional commissioner shall direct, the transcripts shall be so filed with the supervisor in charge instead of with the assistant regional commissioner. The transcripts shall bear the following certification signed by the person or officer authorized to execute Form 52E or 338:

I hereby certify that these transcripts, consisting of __ pages, disclose all the transactions which occurred during the period covered thereby, and that each entry is correct.

If in any case the assistant regional commissioner shall so authorize, the transcripts, in lieu of being filed daily, may be filed with him on or before the 10th day of the month succeeding the month in which the transactions in distilled spirits occurred. In such event, transactions will be entered on Form 52E and Record 52 in accordance with the provisions of § 250.278. Monthly summary reports on Form 52E (part 3) and Form 338 (where Record 52 is kept) shall be prepared in duplicate, one copy of which will be retained on file and the original forwarded to the assistant regional commissioner on or before the 10th day of the month succeeding the month in which the transactions in distilled spirits occurred. Records kept on Form 52E and Record 52 shall be preserved for a period of two years, and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by any internal revenue officer.

(68A Stat. 619; 26 U. S. C. 5114)

REPORT OF THIRD PARTY TRANSACTIONS

§ 250.281 *Additional requirements.* Every person bringing distilled spirits into the United States from the Virgin Islands shall report, on Form 52E, part 2, and when Record 52 is kept, on part 2 and on transcript, Form 52B, the name and address of each consignee, in the column now designated "Name." In the column now designated "Address", there will be reported the name and address of the person, firm or corporation paying (by advancement or reimbursement) either tax, bottling charge, brokerage fee, handling charge, or clearance fee, indicating which are included. The heading of both columns will be amended accordingly.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.282 *Reporting of shipment or delivery of distilled spirits to third party.* Where a person bringing distilled spirits into the United States from the Virgin Islands ships or delivers distilled spirits to a consignee on the order of another wholesale liquor dealer, detailed records of the transactions shall be kept on Form 52E by the person bringing the distilled spirits into the United States from the Virgin Islands; on Record 52 by the wholesale liquor dealer giving the order; and on Record 52 by the consignee if he is a wholesale liquor dealer. For example, assuming that wholesale dealer (A) ships or delivers the distilled spirits to consignee (C) on the order of wholesale dealer (B), entries will be made on the prescribed forms as follows:

(a) Wholesale dealer (A) will show in his Form 52E the name and address of wholesale dealer (B) who ordered the distilled spirits, as well as the name and address of consignee (C), the person to whom the distilled spirits are actually shipped or delivered;

(b) Wholesale dealer (B) will show in his Record 52 that the distilled spirits were purchased from wholesale dealer (A) giving both the name and address of (A), and will at the same time make an entry showing that the distilled spirits were shipped or delivered by (A) to consignee (C) giving the name and address of (C); and

(c) Consignee (C), if a wholesale liquor dealer, will show in his Record 52 that the distilled spirits were purchased from wholesale dealer (B) and received by him from wholesale dealer (A), giving name and address of both. A copy of Form 52E and transcripts of Record 52 on Forms 52A and 52B, required to be filed with the assistant regional commissioner, will similarly show the details of such transactions.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

§ 250.283 *Similar third party transactions.* Where a person bringing distilled spirits into the United States from the Virgin Islands keeps Record 52 and is a party to transactions similar to those described in § 250.282, he shall make similar entries of such transactions in Record 52; and the transcripts on Forms 52A and 52B required to be filed with the assistant regional commissioner, will likewise show the details of the transactions.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

PROCUREMENT OF FORMS

§ 250.284 *Forms to be provided by users at own expense.* Form 52E, Record 52, and Forms 52A, 52B, and 338 shall be purchased by users from commercial printers and must be in the form prescribed: *Provided*, That with the approval of the Director, Alcohol and Tobacco Tax Division, 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.

(68A Stat. 619, 681; 26 U. S. C. 5114, 5555)

[F. R. Doc. 55-6722; Filed, Aug. 19, 1955; 8:45 a. m.]

Chapter II—The Tax Court of the United States

PART 701—RULES OF PRACTICE

PART 702—FORMS

MISCELLANEOUS AMENDMENTS

1. The Introduction is amended to read:

Introduction. These revised rules are promulgated pursuant to authority of section 7453, Internal Revenue Code of 1954, which provides that "The proceedings of the Tax Court and its divisions shall be conducted in accordance with such rules of practice and procedure (other than rules of evidence) as the Tax Court may prescribe and in accordance with the rules of evidence applicable in trials without jury in the District Court of the District of Columbia."

Congress in the revenue acts has enacted provisions relating to the organization, jurisdiction, and procedure of the Tax Court of the United States, and to the action of the Internal Revenue Service with respect to the assessment and collection of deficiencies when a petition has been filed with the Court. Reference is made to those statutory provisions in the revenue acts for procedural requirements other than those relating to the conduct of proceedings before the Court and its divisions to which these Rules of Practice are limited. Refer to the Internal Revenue Code of 1954, and particularly to sections 6211 through 6215, 7441, and 7483.

2. Section 701.1 is amended to read:

§ 701.1 *Location, address, telephone number, and business hours of the court, fees, and definitions*—(a) *Office of the Court.* The office of The Tax Court of the United States is located on the second floor of the building on the northeast corner of 12th Street and Constitution Avenue NW., Washington, D. C. The office of the Clerk of the Court is in Room 2006.

(b) *Mailing address.* All mail sent to the Court should be addressed to:

The Tax Court of the United States, Box 70, Washington 4, D. C.

Other addresses where the Court may be in session should never be used in addressing mail to the Court or to its Clerk.

(c) *Telephone number.* The telephone number of The Tax Court of the United States at its office in Washington is NAtional 8-5771.

(d) *Business hours.* The Office of the Clerk of the Court at Washington, D. C., shall be open during business hours on all days, except Saturdays, Sundays, and legal holidays, for the purpose of receiving petitions, pleadings, motions, and the like. "Business hours" are from 8:45 o'clock a. m. to 5:15 o'clock p. m. (For legal holidays in Washington, D. C. see § 701.61 (b).)

(e) *Fees; method of payment.* Checks, money orders, etc., for fees or charges of the Court should be made payable to The Treasurer of the United States and mailed or delivered to the Clerk of the Court. (See §§ 701.2, 701.7 (b), 701.52 and 701.53.)

(f) *Definitions*—(1) *Time.* Time, as provided in the rules in this part and in orders and notices of the Court, means standard time in the city mentioned except when advanced time is substituted therefor by law. (See § 701.61.)

(2) *Commissioner.* Where in the rules in this part (except in § 701.48) the word "Commissioner" is used, it refers to the Commissioner of Internal Revenue.

(3) *Code of 1954.* The designation "Code of 1954" as used in these sections