§§ 197.44, 197.45 [Deletion]

1. Sections 197.44 and 197.45 are deleted.

2. The undesignated center heading immediately following § 197.54 is revised to read: "Adjustment or Refund of Special Tax".

§ 197.55 [Amendment]

3. Section 197.55 is amended:

(A) By striking the second sentence and inserting in lieu thereof a new sentence which reads: "On payment of the special tax at the higher rate, the manufacturer may surrender the special tax stamp showing payment of $25, to the district director to whom such tax was paid, with a claim on Form 843 for refund."; and

(B) By revising the citation of authority at the end of the section to read: "(68A Stat. 791; 26 U.S.C. 6402)".

§ 197.56 [Amendment]

4. Section 197.56 is amended:

(A) By striking, in the first sentence, the phrase, "for redemption of the stamp", and inserting in lieu thereof the phrase, "for refund"; and

(B) By revising the citation of authority at the end of the section to read: "(68A Stat. 791; 26 U.S.C. 6402)".

5. Section 197.57 is revised to read as follows:

§ 197.57 Absence of liability, refund of special tax.

The special tax paid may be refunded if it is established that the taxpayer did not file a claim for drawback for the period covered by the special tax stamp. Where claim for drawback was filed, the special tax may be refunded if it is established that no drawback was paid or allowed for the period covered by the stamp.

6. The undersignated center heading immediately following § 197.57 is deleted.

§ 197.58 [Amendment]

7. Section 197.58 is amended:

(A) By changing the section heading to read: "Filing of claims.";

(B) By striking from the first sentence the phrase "for redemption of a special tax stamp", and inserting in lieu thereof the phrase "for refund of special tax"; and

(C) By revising the citation of authority at the end of the section to read: "(68A Stat. 791; U.S.C. 6402)".

8. Section 197.59 is revised to read as follows:

§ 197.59 Time limit for filing claim.

No claim for refund of special tax shall be allowed unless presented within three years next after the payment of the tax.

(68A Stat. 808; 26 U.S.C. 6511)

§ 197.66 [Amendment]

9. Section 197.66 is amended:

(A) By striking from the first sentence the last part thereof which begins "in Treasury Department Form 356," and inserting in lieu thereof "as set forth in the current revision of Treasury Department Circular 570." and

(B) By striking from the second sentence "Form 356" and inserting in lieu thereof "Circular 570".

§ 197.75 [Amendment]

10. Section 197.75 is amended by striking from the last sentence the words ", Form 1490, or a notice of release, Form 1491" and inserting in lieu thereof the words "or release on Form 1490".

§ 197.79 [Amendment]

11. Section 197.79 is amended:

(A) By striking the first sentence and inserting in lieu thereof "Upon determination that the bond on Form 1730 may be terminated (a) where a superseding bond has been approved, (b) where the principal has discontinued filing monthly claims, or (c) where the surety has made application for release from bond as provided in § 197.76, the assistant regional commissioner will execute, on Form 1490, a notice of termination or release of bond." and

(B) By striking from the second sentence, immediately following the words "termination or", the words "the notice of".

§ 197.80 [Amendment]

12. Section 197.80 is amended by striking from the first sentence the words "Forms 1490 and 1491 of the termination of such bonds" and inserting in lieu thereof the words "Form 1490 of the termination or release of such bonds".

13. Section 197.112 is revised to read as follows:

§ 197.112 Distilled spirits received in tank cars or tank trucks.

Each claim covering distilled spirits received in tank cars or tank trucks will be accompanied by a statement showing in respect of each shipment received: The date of receipt; the name and address of the vendor; the number or other identification mark of the tank car or tank truck; the serial number of the distilled spirits stamp and the date it was affixed to the tank car or tank truck; the name of the producer; and the kind, quantity, and proof of the spirits. If the tank car or tank truck is received without the stamp affixed thereto, the vendee shall note such fact on the bill of lading, if any, or on Form 179, and immediately notify the assistant regional commissioner who will cause such inquiry to be made respecting the shipment and receipt of the conveyance as he may deem appropriate. (The distilled spirits stamp shall be completely destroyed when the distilled spirits have been removed from the tank car or tank truck.)

14. Section 197.113 is revised to read as follows:

§ 197.113 Distilled spirits received in barrels, drums, or other portable containers.

Each claim covering distilled spirits received in barrels, drums, or other portable containers bearing distilled spirits stamps shall be accompanied by a statement showing: The date of receipt; the name and address of the vendor; the kind and serial number of the stamp affixed to the container and the date the stamp was issued or affixed as stated on the stamp; the serial number, if any, of the container; the name of the producer; and the kind, quantity, and proof of the spirits. (When the container is emptied, the stamp shall be completely destroyed.)

§ 197.117 [Amendment]

15. Section 197.117 is amended by adding immediately after the last sentence the following parenthetical sentence, "(For additional provisions respecting the recovery of distilled spirits and the records relating thereto, see Subpart U of 26 CFR Part 170.)"

§ 197.130 [Amendment]

16. Section 197.130 is amended by changing paragraph (c) to read:

(c) Kind of container (such as tank car, drum, case of bottles) and serial number thereof, and the kind and serial number of the stamp affixed to the container (serial numbers of strip stamps if spirits are in bottles).

§ 197.132 [Amendment]

17. Section 197.132 is amended by striking the last sentence thereof.

18. A new § 197.133, as follows, is added:

§ 197.133 Retention of records.

Each manufacturer shall retain for a period of not less than two years all records required by this part, all Forms 179 received by him evidencing tax determination of the spirits, and all bills of lading received by him in respect of shipment of the spirits. In addition, a copy of each approved formula returned to the manufacturer shall be retained by him for not less than two years from the date he files his last claim for drawback under such formula. Such records, forms, and formulas shall be readily available during the manufacturer's regular business hours for examination and taking abstracts therefrom by internal revenue officers.

(Sec. 7805, Internal Revenue Code of 1954; 68A Stat. 917; 26 U.S.C. 7805)

[F.R. Doc. 61-1565; Filed, Feb. 21, 1961; 8:48 a.m.]

[T.D. 6551]

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

Return System for Payment of Taxes in Puerto Rico

On December 7, 1960, a notice of proposed rule making with respect to the amendment of 26 CFR Part 250 was published in the FEDERAL REGISTER (25 F.R. 12511).

In accordance with the notice interested parties were afforded an opportunity to submit written comments or suggestions or to request a public hearing. No comments or suggestions or requests for a public hearing were received within the 30 days prescribed in the notice. However, it has been administratively determined to make certain changes which are clarifying and editorial in nature. Accordingly, the amendments as published in the FEDERAL REGISTER are hereby adopted, subject to the following changes:

1. Section 250.11a is changed.
2. Section 250.76 is changed.
3. The amendment to § 250.146 is changed.

(C) By striking, where it appears twice in the last sentence, the word "treasurer" and inserting in lieu thereof the word "Secretary".

This Treasury decision shall be effective on the first day of the first month which begins not less than 30 days after date of publication in the FEDERAL REGISTER.

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

D. B. STRUBINGER,
Acting Commissioner of Customs.

Approved: February 16, 1961.

HENRY H. FOWLER,
Acting Secretary of the Treasury.

In order to (1) establish a return system for the payment of internal revenue taxes in Puerto Rico on liquors and articles of Puerto Rican manufacture which are to be withdrawn from insular bond for shipment to the United States, and (2) conform to administrative organizational changes, the regulations in 26 CFR Part 250, "Liquors and Articles From Puerto Rico and the Virgin Islands," are amended as follows:

A new section, reading as follows, is inserted immediately following § 250.11.

§ 250.11a Delegate.

The term "Secretary, or his delegate," means the Secretary, or any officer or employee of the Department of the Treasury of Puerto Rico duly authorized by the Secretary to perform the function mentioned or described in this part.

§ 250.20 [Deletion]

Section 250.20 is deleted.

A new section, reading as follows, is inserted immediately following § 250.21.

§ 250.21a Officer-in-Charge.

"Officer-in-Charge" shall mean the principal revenue officer in Puerto Rico charged with the duty of collecting internal revenue taxes, in Puerto Rico, under the jurisdiction of the Director of the Office of International Operations, Internal Revenue Service, Treasury Department, Washington, D.C.

Three new sections, reading as follows, are inserted immediately following § 250.26.

§ 250.26a Revenue agent.

"Revenue agent" shall mean any duly authorized Commonwealth Internal Revenue Agent of the Department of the Treasury of Puerto Rico.

§ 250.26b Secretary.

"Secretary" shall mean the Secretary of the Treasury of Puerto Rico.

§ 250.26c Taxpaid.

"Taxpaid", as used in this part with respect to liquors or articles of Puerto Rican manufacture, shall include liquors or articles on which the tax was computed but with respect to which payment was deferred under the provisions of Subpart E of this part.

§ 250.27 [Deletion]

Section 250.27 is deleted.

Section 250.30 is amended to read:

§ 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 operating under the direction of the Director of the Office of International Operations, Internal Revenue Service, Treasury Department, Washington, D.C.

§ 250.38 [Amendment]

Section 250.38 is amended as follows:

(A) By striking, in the third sentence, the reference to "§ 250.77", and inserting in lieu thereof "§ 250.86".

(B) By striking the statutory citation at the end of the section and inserting in lieu thereof "(72 Stat. 1374; 26 U.S.C. 5301)."

Section 250.42 is amended to read:

§ 250.42 Destruction of stamps.

All stamps must remain on packages until the contents are emptied. When a package of distilled spirits is emptied, the internal revenue stamp thereon must be completely effaced and obliterated.

(68A Stat. 830, 72 Stat. 1358; 26 U.S.C. 6804, 5205)

§ 250.55 [Amendment]

Section 250.55 is amended by striking the word "treasurer" and inserting in lieu thereof the word "Secretary".

Subpart E is amended to read:

Subpart E—Taxpayment in Puerto Rico of Liquors Withdrawn Before Rectification or Bottling

Subpart E—Taxpayment in Puerto Rico of Liquors Withdrawn Before Rectification or Bottling

BONDS

§ 250.61 General.

Every person filing a bond under this subpart, or a consent of surety on such bond, shall file it with the Officer-in-Charge.

§ 250.62 Corporate surety.

Surety bonds may be given only with corporate sureties holding certificates of authority from, and subject to the limitations prescribed by, the Secretary of the Treasury of the United States, as set forth in United States Treasury Department Circular 570. Powers of attorney and other evidence of appointment of agents and officers to execute bonds or to consent to changes in the terms of bonds on behalf of corporate sureties are required to be filed with, and passed on by, the Commissioner of Accounts, Surety Bonds Branch, United States

Treasury Department, Washington 25, D.C.

(61 Stat. 648; 6 U.S.C. 6, 7)

§ 250.63 Deposit of securities in lieu of corporate surety.

In lieu of corporate surety, the principal may pledge and deposit, as surety for his bond, securities which are transferable and are guaranteed as to both interest and principal by the United States, in accordance with the provisions of 31 CFR Part 225.

(61 Stat. 650; 6 U.S.C. 15)

§ 250.64 Consents of surety.

Consents of surety to changes in the terms of bonds shall be executed on Form 1533 by the principal and by the surety with the same formality and proof of authority as is required for the execution of bonds.

§ 250.65 Authority to approve bonds and consents of surety.

The Officer-in-Charge is authorized to approve all bonds and consents of surety filed under this part.

§ 250.66 Bond, Form 2896—Distilled spirits and rectification.

(a) *Withdrawal of distilled spirits from bonded storage in Puerto Rico.* Where the proprietor of a bonded warehouse or a bonded processing room intends to withdraw, for purpose of shipment to the United States, distilled spirits of Puerto Rican manufacture from bonded storage in Puerto Rico on computation, but before payment, of the tax imposed by section 7652(a), I.R.C., equal to the tax imposed in the United States by section 5001(a)(1), I.R.C., he shall, before making any such withdrawal, furnish a bond, Form 2896, to secure payment of such tax, at the time and in the manner prescribed in this subpart, on all distilled spirits so withdrawn. The bond shall be executed in a penal sum not less than the amount of unpaid tax which, at any one time, is chargeable against the bond: *Provided*, That the penal sum of such bond shall not exceed $1,000,000, but in no case shall the penal sum be less than $1,000.

(b) *Rectification in Puerto Rico.* Where the proprietor of a rectifying plant in Puerto Rico intends to ship rectified products to the United States and desires that the tax imposed by section 7652(a), I.R.C., equal to the tax imposed in the United States by section 5021 and/or section 5022, I.R.C., be computed at the time the bottling and casing is completed, but payment thereof be deferred, he shall furnish a bond, Form 2896, to secure payment of such tax, at the time and in the manner prescribed in this subpart, on all rectified spirits and wines so bottled and cased. The bond shall be executed in a penal sum not less than the amount of unpaid tax which, at any one time, is chargeable against the bond: *Provided*, That the penal sum of such bond shall not exceed $100,000, but in no case shall the penal sum be less than $1,000.

(c) *Blanket bond.* Any person who is the proprietor of more than one bonded warehouse, bonded processing room, or rectifying plant in Puerto Rico, may, in lieu of furnishing two or more separate bonds on Form 2896, as required by paragraphs (a) and/or (b) of this section, furnish a blanket bond on Form 2896. The penal sum of such blanket bond shall be equal to the sum of the penal sums of all the bonds in lieu of which it is given. Such blanket bond on Form 2896 shall show each bonded warehouse and/or bonded processing room and/or rectifying plant to be covered by the bond, and the part of the total penal sum (computed in accordance with paragraphs (a) and/or (b) of this section) to be allocated to each of the designated premises. If the penal sum of the bond allocated to a designated premises is in an amount less than the maximum prescribed in paragraphs (a) and/or (b) of this section, transactions at such premises shall not exceed the quantity permissible, as reflected by the penal sum allocated in the bond to such premises. Such blanket bond shall contain the terms and conditions of the bonds in lieu of which it is given and shall be conditioned that the total amount of the bond shall be available for satisfaction of any liability incurred under the terms and conditions of such bond.

(68A Stat. 775, 847, 906, 907; 26 U.S.C. 6302(b), 7101, 7102, 7651(2)(B), 7652(a))

§ 250.67 Bond, Form 2897—Wine.

Where a proprietor intends to withdraw, for purpose of shipment to the United States, wine of Puerto Rican manufacture from bonded storage in Puerto Rico on computation, but before payment, of the tax imposed by section 7652(a), I.R.C., equal to the tax imposed in the United States by section 5041, I.R.C., he shall, before making any such withdrawal, furnish a bond, Form 2897, to secure payment of such tax, at the time and in the manner prescribed in this subpart, on all wine so withdrawn. The bond shall be executed in a penal sum not less than the amount of unpaid tax which, at any one time, is chargeable against the bond: *Provided*, That the penal sum of such bond shall not exceed $250,000, but in no case shall the penal sum be less than $500.

(68A Stat. 775, 847, 906, 907; 26 U.S.C. 6302(b), 7101, 7102, 7651(2)(B), 7652(a))

§ 250.68 Bond, Form 2898—Beer.

Where a brewer intends to withdraw, for purpose of shipment to the United States, beer of Puerto Rican manufacture from bonded storage in Puerto Rico on computation, but before payment, of the tax imposed by section 7652(a), I.R.C., equal to the tax imposed in the United States by section 5051, I.R.C., he shall, before making any such withdrawal, furnish a bond, Form 2898, to secure payment of such tax, at the time and in the manner prescribed in this subpart, on all beer so withdrawn. The bond shall be executed in a penal sum not less than the amount of unpaid tax which, at any one time, is chargeable against the bond: *Provided*, That the penal sum of such bond shall not exceed $500,000, but in no case shall the penal sum be less than $1,000.

(68A Stat. 775, 847, 906, 907; 26 U.S.C. 6302(b), 7101, 7102, 7651(2)(B), 7652(a))

§ 250.69 Strengthening bonds.

In all cases where the penal sum of any bond becomes insufficient, the principal shall either give a strengthening bond with the same surety to attain a sufficient penal sum, or give a new bond to cover the entire liability. Strengthening bonds will not be approved where any notation is made thereon which is intended, or which may be construed, as a release of any former bond, or as limiting the amount of any bond to less than its full penal sum. Strengthening bonds shall show the current date of execution and the effective date.

§ 250.70 New or superseding bonds.

New bonds shall be required in case of insolvency or removal of any surety, and may, at the discretion of the Officer-in-Charge, be required in any other contingency affecting the validity or impairing the efficiency of an existing bond. Executors, administrators, assignees, receivers, trustees, or other persons acting in a fiduciary capacity, continuing or liquidating the business of the principal, shall execute and file a new bond or obtain the consent of the surety or sureties on the existing bond or bonds. Where, under the provisions of § 250.72, the surety on any bond given under this subpart has filed an application to be relieved of liability under said bond and the principal desires or intends to continue the operations to which such bond relates, he shall file a valid superseding bond to be effective on or before the date specified in the surety's notice. New or superseding bonds shall show the current date of execution and the effective date.

TERMINATION OF BONDS

§ 250.71 Termination of bonds.

Any bond given under the provisions of this subpart may be terminated as to future transactions—

(a) Pursuant to application of surety as provided in § 250.72;

(b) On approval of a superseding bond;

(c) On notification by the principal to the Officer-in-Charge that he has discontinued transactions under the bond; or

(d) On notification by the principal to the Officer-in-Charge that he has discontinued business.

§ 250.72 Application of surety for relief from bond.

A surety on any bond given under the provisions of this subpart may at any time in writing notify the principal and the Officer-in-Charge that he desires, after a date named, to be relieved of liability under said bond. Such date shall be not less than 10 days after the date the notice is received by the Officer-in-Charge. The surety shall also file with the Officer-in-Charge an acknowledgment or other proof of service on the principal. If such notice is not thereafter in writing withdrawn, the rights of the principal as supported by said bond shall be terminated on the date named in the notice, and the surety shall be relieved from liability to the extent set forth in § 250.73.

§ 250.73 Relief of surety from bond.

Where the surety on a bond given under the provisions of this subpart has filed application for relief from liability, as provided in § 250.72, the surety shall be relieved from liability for transactions occurring wholly subsequent to the date specified in the notice, or the effective date of a new bond, if one is given.

§ 250.74 Release of pledged securities.

Securities of the United States pledged and deposited as provided in § 250.63, shall be released only in accordance with the provisions of 31 CFR Part 225. Such securities will not be released by the Officer-in-Charge until the liability under the bond for which they were pledged has been terminated. When the Officer-in-Charge is satisfied that they may be released, he shall fix the date or dates on which a part or all of such securities may be released. At any time prior to the release of such securities, the Officer-in-Charge may extend the date of release for such additional length of time as he deems necessary.

(61 Stat. 650; 6 U.S.C. 15)

§ 250.75 Form 1490, Notice of Termination or Release of Bond.

When the Officer-in-Charge is satisfied that any bond given under the provisions of this subpart may be terminated or released, he shall issue Form 1490, Notice of Termination or Release of Bond, and shall forward copies to the principal and to the surety. The Officer-in-Charge shall appropriately modify Form 1490 to show his title in lieu of that of the "Assistant Regional Commissioner, Alcohol and Tobacco Tax."

PERMITS REQUIRED

§ 250.76 Insular permits.

Before liquors or articles of Puerto Rican manufacture may be shipped to the United States, an insular permit, Form 2899 (for distilled spirits) or Form 2900 (for wine or beer), to compute the taxes imposed by section 7652(a), I.R.C., and to withdraw the products from the bonded establishment where they may be deposited, must be obtained from the Secretary, and such products may not be shipped to the United States until a permit to ship, on Form 487B, is applied for and obtained from the Secretary.

DISTILLED SPIRITS

§ 250.77 Subject to tax.

Distilled spirits of Puerto Rican manufacture, and any products containing such spirits, coming into the United States and withdrawn for consumption or sale are subject to a tax equal to the internal revenue tax imposed in the United States by sections 5001(a)(1), 5021, and 5022, I.R.C.

(68A Stat. 907; 26 U.S.C. 7652)

§ 250.78 Application and permit, Form 2899.

Application for permit to compute the tax on, and to withdraw, distilled spirits shall be made on Form 2899, in quintuplicate, by the proprietor of the bonded warehouse or bonded processing room. The applicant shall forward all copies of the form to the Secretary. If the application is properly prepared and is otherwise in order, the Secretary, or his delegate, shall execute his permit, retain one copy for his files, and forward the original and remaining copies of the form to the revenue agent at the bonded warehouse or bonded processing room where the spirits are stored. The revenue agent shall gauge the spirits, make a report of his gauge on Form 2630, in quadruplicate, and deliver all copies of Forms 2899 and 2630 to the applicant.

§ 250.79 Computation and payment of tax.

(a) *Deferred payment.* Where the distilled spirits are to be withdrawn from bonded storage on computation of tax, payment of which is to be deferred under bond, Form 2896, given by the proprietor of such bonded storage, such proprietor shall compute the tax, enter the amount of such computed tax on all copies of Form 2899, and execute the agreement to pay the amount of tax which has been computed and entered. He shall also certify under the penalties of perjury that he is not in default of any payment of tax chargeable against his bond, and that his bond is in the maximum penal sum or that it is sufficient to cover the amount of tax on the distilled spirits described on the form in addition to all other amounts chargeable against his bond. The proprietor shall forward the original and two copies of Forms 2899 and 2630 to the Officer-in-Charge, and shall retain a copy of each form for his files. Where the penal sum of his bond is less than the maximum prescribed in § 250.66(a) or where the penal sum allocated to his premises under § 250.66(c) is less than the prescribed maximum, the proprietor shall maintain an account of his bond. He shall charge the bond with the amount of liability he accepts at the time he executes Form 2899, and shall credit the bond for the same amount at the time he files his return, Form 2901, and remittance to cover payment of the tax on the distilled spirits covered by such Form 2899.

(b) *Withdrawal after payment.* Where the distilled spirits are to be withdrawn from bonded storage after payment of the computed tax, the proprietor shall enter the amount of such computed tax on all copies of Form 2899, and execute the statement that such tax is being prepaid. He shall then prepare Form 2925, in quadruplicate, and send the original and two copies of Forms 2899, 2925, and 2630, together with his remittance in full for such tax, to the Officer-in-Charge, and retain a copy of each form for his files.

§ 250.80 Action by Officer-in-Charge.

(a) *Deferred payment.* On receipt of Forms 2899 and 2630, covering application to withdraw distilled spirits from bonded storage, on computation, but before payment, of the tax, the Officer-in-Charge shall, if the proprietor has on file a good and sufficient bond, Form 2896, execute his certificate of approval on all copies of Form 2899, and forward two copies of Forms 2899 and 2630 to the Secretary, retaining the originals of each form for his records. Where the Officer-in-Charge finds that the proprietor does not have proper and sufficient coverage on bond, Form 2896, or where the Officer-in-Charge finds that the proprietor is in default of payment of any taxes previously charged to his bond, he shall, without approval, return all copies of Forms 2899 and 2630 to the proprietor, giving his reasons for withholding approval.

(b) *Prepayment.* On receipt of Forms 2899, 2925, and 2630, with remittance, covering prepayment of tax on distilled spirits to be withdrawn from bonded storage, the Officer-in-Charge shall execute his certificate of receipt on all copies of Form 2925, and his certificate of approval on all copies of Form 2899. He shall then forward two copies of Forms 2899, 2925, and 2630 to the Secretary and retain the originals of each form for his files.

§ 250.81 Action by the Secretary.

On receipt of Forms 2899 and 2630, and Form 2925 where required, from the Officer-in-Charge, the Secretary, or his delegate, shall authorize the release of the spirits on both copies of Form 2899, retain a copy of each form for his files, and forward a copy of each form to the proper revenue agent.

§ 250.82 Release of spirits.

On receipt of Form 2899 from the Secretary, authorizing the release of the distilled spirits, the revenue agent will release the spirits for bottling or withdrawal in accordance with procedures prescribed in this part for bottling and shipment. Distilled spirits released from bonded storage under this section may not be shipped to the United States until permit for such shipment has been obtained from the Secretary as provided in §§ 250.114 through 250.116.

§ 250.83 Bottling of distilled spirits.

On receipt of Form 2899 from the Secretary authorizing the release of distilled spirits for bottling, the revenue agent will so release the spirits. 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 revenue agent.

§ 250.84 Stamping bottles.

Every bottle of distilled spirits of Puerto Rican manufacture to be shipped to the United States must have affixed thereto a red strip stamp of proper size bearing the name of the distiller, rectifier, or bottler. Red strip stamps will be procured, overprinted, and used as provided in Subpart G of this part.

(72 Stat. 1358; 26 U.S.C. 5205)

§ 250.85 Rectification tax.

(a) *Computation.* When rectified spirits on which distilled spirits tax equal to the tax imposed in the United States by section 5001(a)(1), I.R.C., has been paid or deferred (as prescribed in § 250.79) have been bottled and cased, the rectifier shall prepare Form 2926, in quadruplicate. He shall compute on Form 2926 the rectification tax (equal to the tax imposed in the United States by section 5021 and/or section 5022, I.R.C.) incurred on the spirits so rectified and bottled and cased. He shall then submit all copies of the form to the revenue agent who, after verifying the computation of the tax, will return all copies to the rectifier.

(b) *Deferred payment.* When payment of the rectification tax is to be deferred under bond, Form 2896, given by the rectifier, he shall execute, on Form 2926, the agreement to pay the amount of tax which has been computed and entered. He shall also certify under penalties of perjury that he is not in default of any payment of tax chargeable against his bond, and that his bond is in the maximum penal sum or that it is sufficient to cover the amount of the rectification tax entered on the form in addition to all other amounts chargeable against his bond. The rectifier shall forward the original and two copies of Form 2926 to the Officer-in-Charge and retain a copy for his files. The provisions of § 250.79(a) shall be applicable with respect to keeping an account of the bond.

(c) *Prepayment.* When the rectification tax is to be prepaid on completion of bottling and casing, the rectifier shall execute the statement on Form 2926 that such tax is being prepaid. He shall then prepare Form 2925, in quadruplicate, and send the original and two copies of Forms 2925 and 2926, together with his remittance in full for such tax, to the Officer-in-Charge and retain a copy of each form for his files.

(d) *Procedures applicable.* The applicable provisions of §§ 250.80 and 250.81 shall govern the processing of Forms 2925 and 2926 by the Officer-in-Charge and the Secretary.

PACKAGES OF DISTILLED SPIRITS

§ 250.86 Authority for shipment.

The laws of Puerto Rico provide that distilled spirits of Puerto Rican manufacture 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 a sworn application, in duplicate, stating that he wishes to withdraw from business and to liquidate his stock of rum, the Secretary, or his delegate, may authorize the sale of such stock in barrels of forty gallons or more for shipment to the United States. Therefore, subject to the approval of such application by the Secretary, or his delegate, and pursuant to the provisions of this part, rum of Puerto Rican manufacture may be shipped to the United States in such bulk containers.

§ 250.87 Evidence of taxpayment.

Where, under the provisions of § 250.86, a rectifier has made application to the Secretary for authority to ship packages of Puerto Rican rum to the United States, he shall, at the same time, submit sworn evidence to the Secretary that the distilled spirits tax has been paid or will be paid, as provided in § 250.79, and that all rectification taxes incurred have been paid or will be paid in the same manner as provided in § 250.85 for rectified spirits bottled and cased, or he shall submit application, Form 2899, for permit to pay such taxes, as provided in this subpart. When satisfied that the rectifier has complied with all provisions of this part relating to the payment of taxes on such distilled spirits, the Secretary, or his delegate, shall note his approval on both copies of the sworn application, and return one copy to the applicant. On receipt of the approved application, the rectifier shall submit application for permit to ship, Form 487B, as prescribed in §§ 250.114 through 250.116.

§ 250.88 Application for distilled spirits stamps.

On receipt of approved Form 487B from the Secretary, the rectifier shall make written request in triplicate to the Officer-in-Charge for issuance of distilled spirits stamps for the packages. Such requests shall show the name and address of the packer, the serial number of each package and the proof gallon contents thereof, the serial number of the Form 2901 and/or Form 2925 pursuant to which tax was paid, and shall identify the permit, Form 487B, pursuant to which the packages are to be shipped. The request and the permit, Form 487B, shall be submitted to the revenue agent who, if satisfied that the request has been correctly prepared and that the requirements of this subpart relating to the payment of taxes have been met, will note his approval on all copies of the request and return them and Form 487B to the proprietor. The proprietor shall forward all copies of the approved request and Form 487B to the Officer-in-Charge.

§ 250.89 Issuance of distilled spirits stamps.

On receipt of the approved request therefor, and permit Form 487B, the Officer-in-Charge shall issue the required number of distilled spirits stamps. He shall enter, on each stamp, the name of the proprietor removing the spirits, the serial number of the container for which the stamp is issued and, where rectification tax has been paid (as provided in this subpart), the words "Rectified Product." When the stamps have been issued, the issuing officer shall enter the serial numbers thereof, preceded by the symbols "DS" on each copy of the request; return Form 487B and one copy of the request, with the stamps, to the applicant; forward one copy of the request to the Secretary; and retain the original for his files.

§ 250.90 Affixing stamps to packages.

At the time the proprietor affixes the stamp to the package he shall enter on the stamp the date the stamp is affixed. The stamps shall be securely affixed by the proprietor, under supervision of a revenue agent, to the heads of the packages. The revenue agent shall then cancel the stamps by drawing or otherwise imprinting a line (not less than one-eighth inch wide) in durable red ink diagonally across the stamp. When the stamps have been affixed and canceled, the proprietor shall immediately cover them with a transparent coat of shellac, lacquer, varnish, or other equally suitable material, to protect the markings on the stamps.

§ 250.91 Release of packages.

On stamping of packages of spirits authorized for shipment to the United States as provided in § 250.86, the revenue agent shall release the packages for shipment.

WINE

§ 250.92 Subject to tax.

Wine of Puerto Rican manufacture coming into the United States and withdrawn for consumption or sale is subject to a tax equal to the internal revenue tax imposed in the United States on wine by section 5041, I.R.C.

(68 Stat. 907; 26 U.S.C. 7652)

§ 250.93 Application and permit, Form 2900.

When wine of Puerto Rican manufacture is to be withdrawn for shipment to the United States, or for use in making any rectified product or article for shipment to the United States, application for permit to compute the tax on, and to withdraw, the wine shall be made on Form 2900, in quintuplicate, by the proprietor of the bonded premises where the wine is stored. If the withdrawal is to be made in casks, barrels, kegs, or similar containers, the applicant shall enter 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 but 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 covers more than one taxable grade of wine, the quantity in each taxable grade shall be reported separately. If the withdrawal is to consist of bottled wine, the applicant shall show the number of cases, size of the bottles, the number of bottles per case, the total quantity in wine gallons, and the taxable grade of the wine in the manner stated above. The applicant shall forward all copies of the form to the Secretary. If the application is properly prepared and is otherwise in order, the Secretary, or his delegate, shall execute his permit, retain one copy for his files, and return the original and three copies to the applicant.

§ 250.94 Computation and payment of tax.

(a) *Deferred payment.* When wine is to be withdrawn from bonded storage on computation of tax, payment of which is to be deferred under bond, Form 2897, given by the proprietor of such bonded storage, such proprietor shall compute the tax, enter the amount of the computed tax on all copies of Form 2900, and execute the agreement to pay the amount of tax which has been computed and entered. He shall also certify under the penalties of perjury that he is not in default of any payment of tax chargeable against his bond, and that his bond is in the maximum penal sum or that it is sufficient to cover the amount of tax described on the form in addition to all other amounts chargeable against his bond. The proprietor shall forward the original and two copies of Form 2900 to the Officer-in-Charge, and shall retain one copy for his files. Where the penal sum of his bond is less than the maximum prescribed in § 250.67, the proprietor shall maintain an account of his bond. He shall charge the bond with the amount of liability he accepts at the time he executes Form 2900, and shall credit the bond for the same amount at the time he files his return, Form 2927, and remittance to cover payment of the tax on the wine covered by such Form 2900.

(b) *Withdrawal after payment.* Where the wine is to be withdrawn from bonded storage after payment of the computed tax, the proprietor shall enter such computed tax on all copies of Form 2900, and execute the statement that such tax is being prepaid. He shall then prepare Form 2928, in quadruplicate, and send the original and two copies of Forms 2900 and 2928, together with his remittance in full for such tax, to the Officer-in-Charge, and retain a copy of each form for his files.

§ 250.95 Action by Officer-in-Charge and by the Secretary.

The procedures prescribed in §§ 250.80 and 250.81 with respect to the processing of Forms 2899 and 2925 by the Officer-in-Charge and by the Secretary, shall be applicable to the processing, by such persons, of Forms 2900 and 2928.

§ 250.96 Release of wine.

On receipt of Form 2900 from the Secretary authorizing the release of the wine, the revenue agent shall release the wine. Wine may not be shipped to the United States until a permit to ship, Form 487B, has been obtained as provided in §§ 250.114 through 250.116.

§ 250.97 Marking containers of wine.

Containers of wine of Puerto Rican manufacture which are to be shipped to the United States must be marked with the name of the winemaker, the serial number of the container, the kind and taxable grade of the wine, the gallon content, and the serial number of the withdrawal permit, Form 487B, prefixed by the number of such form, e.g. "487B–61–3."

LIQUEURS, CORDIALS, OR SIMILAR COMPOUNDS CONTAINING WINE

§ 250.98 Insular permits required.

(a) *Distilled spirits.* When distilled spirits of Puerto Rican manufacture are to be withdrawn for use in the manufacture of liqueurs, cordials, or similar compounds containing wine which are to be shipped to the United States, an insular permit, Form 2899, must first be obtained from the Secretary, in the manner prescribed in § 250.78.

(b) *Wine.* When wine of Puerto Rican manufacture is to be used in the manufacture of liqueurs, cordials, or similar compounds which are to be shipped to the United States, an insular permit, Form 2900, must first be obtained from the Secretary, in the manner prescribed in § 250.93.

§ 250.99 Taxpayment.

(a) *Distilled spirits.* Gauge of distilled spirits withdrawn for use in the manufacture of liqueurs, cordials, or similar compounds containing wine shall be made and reported by the revenue agent in the manner prescribed in § 250.78, and the tax on such spirits, equal to the tax imposed in the United States by section 5001(a)(1), I.R.C., will be computed and paid in accordance with the provisions of § 250.79.

(b) *Wine.* The tax on the wine withdrawn for use in the manufacture of liqueurs, cordials, and similar compounds, equal to the tax imposed in the United States by section 5041, I.R.C., will be computed and paid in accordance with the provisions of § 250.94.

(c) *Finished product.* If the finished product is subject to rectification tax equal to that imposed in the United States by section 5021 or section 5022, I.R.C., such tax will be computed and paid in accordance with the applicable provisions of § 250.85. Containers of liqueurs, cordials, or similar compounds shall bear red strip stamps as provided in Subpart G of this part.

§ 250.100 Permit to ship required.

Before liqueurs, cordials, or similar compounds may be shipped from Puerto Rico to the United States, a permit to ship must be obtained as provided in §§ 250.114 through 250.116.

BEER

§ 250.101 Subject to tax.

Beer of Puerto Rican manufacture coming into the United States and withdrawn for consumption or sale is subject to a tax equal to the internal revenue tax imposed on beer in the United States by section 5051, I.R.C.

(68A Stat. 907; 26 U.S.C. 7652)

§ 250.102 Application and permit, Form 2900.

When beer of Puerto Rican manufacture is to be withdrawn for shipment to the United States, or for use in making an article for shipment to the United States, application for permit to compute the tax on, and to withdraw, the beer shall be made by the brewer on Form 2900, in quintuplicate. If the withdrawal is to be made in hogsheads, barrels, or kegs, the brewer shall enter the total number of each size, according to capacity, of containers which it is desired to withdraw. If the withdrawal is to be made in bottles, the brewer shall enter 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. The brewer shall forward all copies of the form to the Secretary. If the application is properly prepared and is otherwise in order, the Secretary, or his delegate, shall execute his permit, retain one copy for his files, and return the original and three copies to the brewer.

§ 250.103 Computation and payment of tax.

(a) *Deferred payment.* When beer is to be withdrawn from bonded storage on computation of tax, payment of which is to be deferred under bond, Form 2898, given by the brewer, such brewer shall compute the tax, enter the amount of the computed tax on all copies of Form 2900, and execute the agreement to pay the amount of tax which has been computed and entered. He shall also certify under the penalties of perjury that he is not in default of any payment of tax chargeable against his bond, and that his bond is in the maximum penal sum or that it is sufficient to cover the amount of tax described on the form in addition to all other amounts chargeable against his bond. The brewer shall forward the original and two copies of Form 2900 to the Officer-in-Charge, and shall retain one copy for his files. Where the penal sum of his bond is less than the maximum prescribed in § 250.68, the brewer shall maintain an account of his bond. He shall charge the bond with the amount of liability he accepts at the time he executes Form 2900, and shall credit the bond for the same amount at the time he files his return, Form 2929, and remittance to cover payment of the tax on the beer covered by such Form 2900.

(b) *Withdrawal after payment.* Where the beer is to be withdrawn from bonded storage after payment of the computed tax, the brewer shall enter such computed tax on all copies of Form 2900, and execute the statement that such tax is being prepaid. He shall then prepare Form 2930, in quadruplicate, and send the original and two copies of Forms 2900 and 2930, together with his remittance in full for such tax, to the Officer-in-Charge, and retain a copy of each form for his files.

§ 250.104 Action by Officer-in-Charge and by the Secretary.

The procedures prescribed in §§ 250.80 and 250.81 with respect to the processing of Forms 2899 and 2925 by the Officer-in-Charge and by the Secretary, shall be applicable to the processing, by such persons, of Forms 2900 and 2930.

§ 250.105 Release of beer.

On receipt of Form 2900 from the Secretary authorizing the release of the beer, the revenue agent shall release the beer. Beer may not be shipped to the United States until a permit to ship, Form 487B, has been obtained as provided in §§ 250.114 through 250.116.

§ 250.106 Marking containers of beer.

Containers of beer of Puerto Rican manufacture 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, e.g. "487B–61–3."

ARTICLES

§ 250.107 Taxable status.

Articles of Puerto Rican manufacture which are to be shipped to the United States and which are not exempt from tax under the provisions of § 250.36 are subject, under section 7652(a), I.R.C., to a tax equal to the tax imposed by the internal revenue laws of the United States on the distilled spirits, wine, or beer contained therein. A formula and process covering the manufacture of each such product shall be filed by the manufacturer in accordance with Subpart D of this part.

§ 250.108 Application for permit, Form 2899 and/or Form 2900.

(a) *Distilled spirits.* Where distilled spirits of Puerto Rican manufacture are to be used in the manufacture of the articles to be shipped to the United States, the manufacturer shall make application on Form 2899, in accordance with the applicable provisions of § 250.78.

(b) *Wine and/or beer.* Where wine and/or beer of Puerto Rican manufacture is to be used in the manufacture of the articles to be shipped to the United States, the manufacturer shall make application on Form 2900, in accordance with the applicable provisions of §§ 250.93 and/or 250.102. Wine and beer may be included in the same application.

(c) *Approval of applications.* The Secretary, or his delegate, shall approve and dispose of the applications in the manner prescribed in §§ 250.78, 250.93, and/or 250.102, as the case may be.

§ 250.109 Taxpayment.

(a) *Distilled spirits.* The tax on distilled spirits used in the manufacture of the articles to be shipped to the United States, equal to the tax imposed in the United States by section 5001(a)(1), I.R.C., shall be computed and paid as prescribed in § 250.79.

(b) *Wine.* The tax on wine used in the manufacture of the articles to be shipped to the United States, equal to the tax imposed in the United States by section 5041, I.R.C., shall be computed and paid as prescribed in § 250.94.

(c) *Beer.* The tax on beer used in the manufacture of articles to be shipped to the United States, equal to the tax imposed in the United States by section 5051, I.R.C., shall be computed and paid as prescribed in § 250.103.

§ 250.110 Release of liquors.

On receipt of authorization from the Secretary, the revenue agent shall release the liquors. A permit must be obtained as provided in §§ 250.114 through 250.116 before the articles manufactured from such liquors may be shipped to the United States.

PAYMENT OF TAX BY RETURN

§ 250.111 General.

All taxes imposed by section 7652(a), I.R.C., and which, under the provisions of this part, are paid in Puerto Rico, shall be paid and collected on the basis of a semimonthly or prepayment return as provided in this subpart. Any tax which has been paid in accordance with the provisions of this part in effect at the time of such payment, and before provision was made in the part for payment of such tax by return, shall be deemed to have been prepaid as prescribed in this part.

§ 250.112 Taxes to be collected by returns for semimonthly periods.

(a) *Distilled spirits.* The taxes imposed by section 7652(a), I.R.C. (equal to the taxes imposed in the United States by sections 5001(a)(1), 5021, and 5022, I.R.C.), the payment of which has been deferred under the provisions of §§ 250.79 (a) and 250.85(b), shall be paid pursuant to a return on Form 2901 prepared in quadruplicate. The proprietor shall list on his return the serial numbers of all Forms 2899 and 2926 covered by the return.

(b) *Wine.* The taxes imposed by section 7652(a), I.R.C. (equal to the taxes imposed in the United States by section 5041, I.R.C.), the payment of which has been deferred under the provisions of § 250.94(a), shall be paid pursuant to a return on Form 2927 prepared in quadruplicate. The proprietor shall list on his return the serial numbers of all Forms 2900 covered by the return.

(c) *Beer.* The taxes imposed by section 7652(a), I.R.C. (equal to the taxes imposed in the United States by section 5051, I.R.C.), the payment of which has been deferred under the provisions of § 250.103(a), shall be paid pursuant to a return on Form 2929 prepared in quadruplicate. The brewer shall list on his return the serial numbers of all Forms 2900 covered by the return.

(d) *Periods.* The periods to be covered by returns on Forms 2901, 2927, and 2929, shall be semimonthly; such periods to run from the 1st day through the 15th day of each month and from the 16th day through the last day of each month.

(e) *Filing.* The original and two copies of returns on Forms 2901, 2927, and 2929, with remittance covering the full amount of the tax, shall be filed with the Officer-in-Charge not later than the 3d business day next succeeding the last day of the return period. Where the return and remittance are delivered by United States mail to the office of the Officer-in-Charge, the date of the official postmark of the United States Post Office stamped on the cover in which the return and remittance were mailed shall be deemed to be the date of delivery.

(f) *Default.* Where a taxpayer has defaulted in any payment of tax under this section, during the period of such default and until the Officer-in-Charge finds that the revenue will not be jeopardized by deferred payment of tax under this section, the tax shall be prepaid by such taxpayer in accordance with the provisions of § 250.113.

§ 250.113 Returns for prepayment of taxes.

(a) *General.* If a proprietor does not have on file with the Officer-in-Charge an approved bond covering the deferred payment of taxes, or if such bond is in an insufficient penal sum, or if there is default by him in any payment of tax under this subpart, liquors shall not be released from bonded storage before the proprietor has paid the tax thereon.

(b) *Remittances.* Remittances submitted to cover prepayment of taxes under this subpart shall be in cash, United States postal money orders, certified checks, or cashier's checks.

(c) *Distilled spirits.* In all cases where taxes equal to the taxes imposed in the United States by sections 5001(a)(1), 5021, and 5022, I.R.C., are to be paid before distilled spirits may be withdrawn from bonded storage, the proprietor shall pay such taxes pursuant to a return on Form 2925, and as prescribed in § 250.79(b) and/or § 250.85(c).

(d) *Wine.* In all cases where taxes equal to the taxes imposed in the United States by section 5041, I.R.C., are to be paid before wine may be withdrawn from bonded storage, the proprietor shall pay such taxes pursuant to a return on Form 2928, and as prescribed in § 250.94(b).

(e) *Beer.* In all cases where taxes equal to the taxes imposed in the United States by section 5051, I.R.C., are to be paid before beer may be withdrawn from bonded storage, the brewer shall pay such taxes pursuant to a return on Form 2930, and as prescribed in § 250.103(b).

(f) *Applicable procedures.* The procedures of § 250.112(e) with respect to returns delivered by United States mail shall apply to returns and remittances filed under the provisions of this section.

PERMIT TO SHIP LIQUORS AND ARTICLES

§ 250.114 Permit to ship required.

Before liquors and articles of Puerto Rican manufacture, upon which all internal revenue taxes have been paid or deferred as prescribed in this subpart, may be shipped to the United States, a permit to ship, Form 487B, must be obtained from the Secretary as provided in §§ 250.115 and 250.116.

§ 250.115 Application, Form 487B.

Application for permit to ship to the United States liquors and articles of Puerto Rican manufacture on which all taxes have been paid or deferred as prescribed in this subpart shall be made by the shipper on Form 487B, in sextuple. 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. "61–1." All copies of the form shall be delivered to the revenue agent for execution of his certification thereon and forwarding of all copies to the Secretary within sufficient time to allow for the issuance of the permit and customs inspection as provided in § 250.116.

§ 250.116 Issuance of permit, Form 487B, and customs inspection.

If the application has been properly executed and the Secretary, or his delegate, finds that all internal revenue taxes imposed under section 7652(a), I.R.C., have been computed under the provisions of this part and have been paid or, pursuant to a sufficient bond, have been deferred under the applicable provisions of this part, he will execute his permit on all copies thereof, retain one copy of the form, return two copies to the shipper, and send three 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 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 Secretary 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 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

§ 250.117 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.

§ 250.118 Inspection by collector of customs at port of arrival.

On receipt of properly executed Form 487B from the shipper and the copies of Form 487B from the collector of customs in Puerto Rico, the collector of customs at the port of arrival shall inspect the merchandise to determine whether the quantity specified on the Form 487B is contained in the shipment. He will then execute his certificate on 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.

§ 250.119 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 Officer-in-Charge 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.

§§ 250.127, 250.142 [Amendments]

Sections 250.127 and 250.142 are amended by striking, wherever it appears, the phrase "insular internal revenue agent" and inserting in lieu thereof the words "revenue agent".

§§ 250.143, 250.144 [Amendments]

Sections 250.143 and 250.144 are amended as follows:

(A) By striking, wherever it appears, the phrase "insular internal revenue agent" and inserting in lieu thereof the words "revenue agent".

(B) By changing the statutory citations to read "(72 Stat. 1358; 26 U.S.C. 5205)".

§ 250.146 [Amendment]

Section 250.146 is amended as follows:

(A) By striking, in the first sentence, the phrase "Insular internal revenue agents" and inserting in lieu thereof the words "Revenue agents".

(B) By striking, in the fourth sentence, the words "insular internal".

(C) By striking, where it appears twice in the last sentence, the word "treasurer" and inserting in lieu thereof the word "Secretary".

Section 250.180 is amended to read:

§ 250.180 Applicable procedure.

Distilled spirits of less than 190 degrees of proof, wines, and beer of Puerto Rican manufacture (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 provisions of this subpart, and §§ 250.1 through 250.165, in so far as such sections may be applicable.

Section 250.182 is amended to read:

§ 250.182 Alcoholic constituents.

The alcoholic constituents of all liquors constituting a specific bottling lot shall be ascertained from records maintained in accordance with insular requirements. The revenue agent will verify the accuracy of the amount of tax entered on Form 2899 and/or Form 2900, as the case may be. The formula number under which the liquors were produced or manufactured for shipment to the United States will also be shown on the Form 2899 and/or Form 2900.

Section 250.183 is amended to read:

§ 250.183 Basis for computing tax on distilled spirits.

The taxes on distilled spirits to be withdrawn under this subpart shall be computed 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 revenue agent 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. 907, 72 Stat. 1314; 26 U.S.C. 7652(a), 5001)

Section 250.184 is amended to read:

§ 250.184 Procedural requirements.

Taxes shall be computed and paid at the rate(s) prescribed by law. The provisions of Subpart E of this part relative to bonds shall be applicable to liquors withdrawn under this subpart and for which payment of tax is to be deferred. The provisions of Subpart E of this part relative to the procurement of permits on Form 2899 and/or Form 2900, computation and payment of tax, release of liquors, procurement of permit to ship to the United States, and release for shipment, action by carrier, inspection by customs, and disposition of forms shall be applicable to liquors on which the tax is computed and paid on withdrawal after rectification or bottling.

Section 250.186 is amended to read:

§ 250.186 Withdrawal for shipment to United States.

Withdrawal of liquors for shipment to the United States may be made only after all taxes have been paid or deferred as prescribed in this part.

(Sec. 7805, Internal Revenue Code of 1954; 68A Stat. 917; 26 U.S.C. 7805)

[F.R. Doc. 61-1567; Filed, Feb. 21, 1961; 8:48 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of the Treasury

SUBCHAPTER A—GENERAL

[CGFR 61-2]

PART 1—GENERAL PROVISIONS

Subpart 1.25—Fees and Charges for Copying, Certifying, or Searching Records and for Duplicate Documents and Certificates

MISCELLANEOUS AMENDMENTS

By virtue of the authority described with the regulations below, the following amendments in this document are prescribed and shall become effective 30 days after the date of publication of this document in the FEDERAL REGISTER:

1. Section 1.25–10 is amended to read as follows:

§ 1.25–10 Authority.

(a) The regulations in this subpart are issued pursuant to Title V of the Independent Offices Appropriation Act of 1952 (sec. 501, 65 Stat. 290, 5 U.S.C. 140). The act of June 25, 1936, as amended (secs. 3, 7, 49 Stat. 1934, 1936; 46 U.S.C. 643(h), 689) provides fees shall be charged for duplicate continuous discharge books, merchant mariner's documents, and certificates of discharge. The act of August 1, 1939, as amended (sec. 7, 53 Stat. 1147; 46 U.S.C. 247) authorizes regulations to be prescribed establishing the fees to be charged for duplicate certificates of registry as staff officers.

(b) The regulations in this subpart are also in accordance with the general policies and instructions of the Bureau of the Budget. (See Bureau of the Budget Circular No. A–25, dated September 23, 1959, on subject "User Charges.")

(Sec. 501, 65 Stat. 290; 5 U.S.C. 140)

2. Section 1.25–25(b) is amended to read as follows:

§ 1.25–25 Fees for services.

* * * * *

(b) The fee of $2.25 shall be charged for the services necessary in searching Coast Guard records for the information desired when such information cannot be found.

(Sec. 501, 65 Stat. 290, 5 U.S.C. 140)

3. Section 1.25–35 is amended to read as follows:

§ 1.25–35 Fees when work is not performed by the Coast Guard.

(a) If for any reason the Coast Guard is unable to furnish a copy of the records requested, the person submitting the request will be so informed. If permitted by law or regulation, the record will be made available to the requester for reading purposes during office hours and the Coast Guard may permit the copying or reproduction of the record or document by a private individual or concern authorized by the Coast Guard.

(b) When the copying or reproduction of a record or document by a private individual or concern is authorized, the Coast Guard fees charged shall consist of the cost of the actual time of the Coast Guard employee or employees involved in supervising the performance of such work. The minimum fee charged shall be $1.25.

(c) In this copying or reproduction work the fees of the private individual or concern actually performing the work shall be paid directly by the person requesting the information.

(Sec. 501, 65 Stat. 290, 5 U.S.C. 140)

4. Section 1.25–40 is amended to read as follows:

§ 1.25–40 Excerpts from official documents or records.

(a) The fees for photostatic copies of excerpts from official documents or records, such as logs of Coast Guard units, sketches, charts, course recorder graphs, assistance reports, weather data reports, etc., shall be $0.60 for each sheet 18″ x 24″ or smaller that is used, and $1.25 for each sheet larger than 18″ x 24″ that is used. The minimum fee charged shall be $1.25.

(b) The fees for copies of excerpts from official documents or records by any other method shall be $0.60 for each copy of a page 8″ x 10½″ or smaller or $1.25 for each copy of a page larger than 8″ x 10½″ in size, plus the costs of charts, graphs, etc., which may be used. The minimum fee charged shall be $1.25.

(Sec. 501, 65 Stat. 290, 5 U.S.C. 140)

5. Section 1.25–45 is amended to read as follows:

§ 1.25–45 Marine casualty or accident record.

(a) The fees for the transcript of the record of a marine casualty or accident, including exhibits, charts, etc., conducted under 46 CFR Part 136 shall be $0.60 for each page of typewritten copy, 8″ x 10½″ or smaller (which may be an original or carbon copy), and $0.25 for each additional copy furnished at the same time to the same person; $0.60 for each sheet of photostat or other copy process 18″ x 24″ or smaller that may be used; and $1.25 for each sheet of photostat or other copy process larger than 18″ x 24″ which may be used. The minimum fee charged shall be $1.25.

(Sec. 501, 65 Stat. 290, 5 U.S.C. 140)

6. Section 1.25–50 is amended to read as follows:

§ 1.25–50 Suspension and revocation proceeding record.

(a) The fees for the transcript of the record of a suspension or revocation proceeding, including exhibits, charts, etc., conducted under 46 CFR Part 137, shall be $0.60 for the first copy of each page of typewritten copy (8″ x 10½″ or smaller), which may be an original or carbon copy, and $0.25 for each page of additional copy furnished at the same time to the same person; $0.60 for each sheet of photostat or other copy process 18″ x 24″ or smaller which may be used, and $1.25 for each sheet of photostat or other copy process larger than 18″ x 24″ which may be used. The minimum fee charged shall be $1.25.

(Sec. 501, 65 Stat. 290, 5 U.S.C. 140)

7. Section 1.25–55 is amended to read as follows:

§ 1.25–55 Excerpts from certain merchant marine records.

(a) The fees for certain types of excerpts from merchant marine records are as follows:

(1) For each copy of an entry or excerpt from merchant vessel log book, the fee shall be $1.25 for each entry or excerpt with a minimum fee of $3.25.

(2) For each transcript of service of a merchant seaman prepared in letter form for some one other than the merchant seaman whose service is described therein, the fee shall be $0.30 for each entry with a minimum fee of $3.25.

(3) For a transcript of service of a merchant seaman which is furnished to the seaman on Form CG–723, the fee is $0.50 for the first entry and $0.10 for each additional entry requested at the same time.

(Sec. 501, 65 Stat. 290, 5 U.S.C. 140)

8. Section 1.25–60 is amended to read as follows:

§ 1.25–60 Shipping articles.

(a) For a photostat copy of a shipping article the fee shall be $1.25 for each sheet of photostat used, with a minimum fee of $3.25 for each request.

(b) For each excerpt from a shipping article, the fee shall be $0.30 for each excerpt, with a minimum fee of $3.25 for each request.

(Sec. 501, 65 Stat. 290, 5 U.S.C. 140)

9. Section 1.25–65 is amended to read as follows:

§ 1.25–65 Duplicate merchant marine documents or certificates.

(a) The fees to obtain certain duplicate merchant marine documents or certificates are as follows:

(1) *Certificate of registry as staff officer (Form CG–887).* The fee for a duplicate certificate of registry as staff officer is $1.75. (See 46 CFR 10.25–7(1).)

(2) *Continuous discharge book (Form CG–719A).* The fee for a duplicate continuous discharge book is $1.75. (See 46 CFR 12.02–23.)

(3) *Merchant Mariner's document (Form CG–2838).* The fee for a duplicate merchant mariner's document is $1.75. (See 46 CFR 12.02–23.)

(4) *Certificate of discharge to merchant seaman (Form CG–718A).* The fee for a duplicate certificate of discharge is $0.50. (See 46 CFR 12.02–23(b).)

(5) *Certificate of seaman's service (Form CG–723).* The fee for furnishing a merchant seaman with a chronological record of service on Form CG–723, in lieu of issuing individual certificates of discharge on Form CG–718A or in lieu of making duplicate service entries in a seaman's continuous discharge book, as authorized by 46 CFR 154.07, is $0.50 for the first entry and $0.10 for each additional entry requested at the same time. (See 46 CFR 12.02–23(b).)

(Sec. 501, 65 Stat. 290, 5 U.S.C. 140. Interpret or apply R.S. 4551, as amended, sec. 7, 49 Stat. 1936, as amended, sec. 7, 53 Stat. 1147, as amended; 46 U.S.C. 643, 689, 247)

10. Section 1.25–70 is amended by revising paragraphs (b), (c), and (d) to read as follows:

§ 1.25–70 Certification or validation of records or documents.

* * * * *

(b) The fee for certification or validation with appropriate Treasury Department seal shall be $5.50.

(c) The fee for certification or validation with appropriate Coast Guard seal, when performed at Headquarters in Washington, D.C., shall be $3.25. The fee for other certification or validation with appropriate Coast Guard seal shall be $2.75. The fee for certification or validation without a Coast Guard seal shall be $1.25.

(d) When the record or document is copied or duplicated by some one other than the Coast Guard and it is requested that such record or document be certified as a true copy of the Coast Guard record or document, the fee for such certification, without Coast Guard seal, shall be $1.25 for each page or less. If the certification includes the appropriate Treasury Department or Coast Guard seal, the fees in paragraphs (b) and (c) of this section will also apply.

(Sec. 501, 65 Stat. 290, 5 U.S.C. 140)

Dated: January 31, 1961.

[SEAL] A. C. RICHMOND,
Admiral,
U.S. Coast Guard, Commandant.

Approved: February 15, 1961.

A. GILMORE FLUES,
Acting Secretary of the Treasury.

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