

tilled spirits exclusively for fuel use and the production from which does not exceed 10,000 proof gallons per year.

(d) Withdrawal free of tax

Distilled spirits produced under this section may be withdrawn free of tax from the bonded premises (and any premises which are not bonded by reason of subsection (c)(3)) of a distilled spirits plant exclusively for fuel use as provided in section 5214(a)(12).

(e) Prohibited withdrawal, use, sale, or disposition

(1) In general

Distilled spirits produced under this section shall not be withdrawn, used, sold, or disposed of for other than fuel use.

(2) Rendering unfit for use

For protection of the revenue and under such regulations as the Secretary may prescribe, distilled spirits produced under this section shall, before withdrawal from the bonded premises of a distilled spirits plant, be rendered unfit for beverage use by the addition of substances which will impair the quality of the spirits for fuel use.

(f) Definition of distilled spirits

For purposes of this section, the term “distilled spirits” does not include distilled spirits produced from petroleum, natural gas, or coal.

(Added Pub. L. 96-223, title II, § 232(e)(1), Apr. 2, 1980, 94 Stat. 278.)

PRIOR PROVISIONS

A prior section 5181 was renumbered 5182 of this title.

EFFECTIVE DATE

Pub. L. 96-223, title II, § 232(h)(3), Apr. 2, 1980, 94 Stat. 281, provided that: “The amendments made by subsection (e) [enacting this section, amending sections 5004, 5005, 5214, and 5601, and repealing provisions set out as a note under section 4081 of this title] shall take effect on the first day of the first calendar month beginning more than 60 days after the date of the enactment of this Act [Apr. 2, 1980].”

§ 5182. Cross references

For provisions requiring recordkeeping by wholesale liquor dealers, see section 5112,¹ and by retail liquor dealers, see section 5122.

(Added Pub. L. 85-859, title II, § 201, Sept. 2, 1958, 72 Stat. 1356, § 5181; amended Pub. L. 96-39, title VIII, § 807(a)(20), July 26, 1979, 93 Stat. 283; renumbered § 5182, Pub. L. 96-223, title II, § 232(e)(1), Apr. 2, 1980, 94 Stat. 278; Pub. L. 109-59, title XI, § 11125(b)(16), Aug. 10, 2005, 119 Stat. 1956.)

PRIOR PROVISIONS

Provisions similar to those comprising this section were contained in a prior section 5275(3), act Aug. 16, 1954, ch. 736, 68A Stat. 651, prior to the general revision of this chapter by Pub. L. 85-859.

AMENDMENTS

2005—Pub. L. 109-59 amended text of section generally. Prior to amendment, text read as follows: “For provisions requiring payment of special (occupational

¹ So in original. Probably should be “5121.”

tax as wholesale liquor dealer, see section 5111, or as retail liquor dealer, see section 5121.”

1979—Pub. L. 96-39 struck out “as rectifier, see section 5081, or” after “(occupational) tax”.

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109-59 effective July 1, 2008, but inapplicable to taxes imposed for periods before such date, see section 11125(c) of Pub. L. 109-59, set out as a note under section 5002 of this title.

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-39 effective Jan. 1, 1980, see section 810 of Pub. L. 96-39, set out as a note under section 5001 of this title.

Subchapter C—Operation of Distilled Spirits Plants

Part

- I. General provisions.
- II. Operations on bonded premises.
- [III. Repealed.]

PRIOR PROVISIONS

A prior subchapter C, Internal Revenue Bonded Warehouses, consisted of part I, Establishment, and part II, Operation, and consisted of sections 5231 to 5233 and 5241 to 5252, respectively, prior to the general revision of this chapter by Pub. L. 85-859, title II, § 201, Sept. 2, 1958, 72 Stat. 1313.

AMENDMENTS

1979—Pub. L. 96-39, title VIII, § 807(b)(5), July 26, 1979, 93 Stat. 290, struck out item relating to Part III “Operations on bottling premises” in table of parts comprising subchapter C.

PART I—GENERAL PROVISIONS

Sec.

- 5201. Regulation of operations.
- 5202. Supervision of operations.
- 5203. Entry and examination of premises.
- 5204. Gauging.
- [5205. Repealed.]
- 5206. Containers.
- 5207. Records and reports.

PRIOR PROVISIONS

A prior part I, Establishment, consisted of sections 5231 to 5233, prior to the general revision of this chapter by Pub. L. 85-859, title II, § 201, Sept. 2, 1958, 72 Stat. 1313.

AMENDMENTS

1984—Pub. L. 98-369, div. A, title IV, § 454(c)(14), July 18, 1984, 98 Stat. 823, struck out item 5205 “Stamps”.

§ 5201. Regulation of operations

(a) General

Proprietors of distilled spirits plants shall conduct all operations authorized to be conducted on the premises of such plants under such regulations as the Secretary shall prescribe.

(b) Distilled spirits for industrial uses

The regulations of the Secretary under this chapter respecting the production, warehousing, denaturing, distribution, sale, export, and use of distilled spirits for industrial purposes shall be such as he deems necessary, advisable, or proper to secure the revenue, to prevent diversion to illegal uses, and to place the distilled spirits industry and other industries using such distilled

spirits as a chemical raw material or for other lawful industrial purposes on the highest possible plane of scientific and commercial efficiency and development consistent with the provisions of this chapter. Where nonpotable chemical mixtures containing distilled spirits are produced for transfer to the bonded premises of a distilled spirits plant for completion of processing, the Secretary may waive any provision of this chapter with respect to the production of such mixtures, and the processing of such mixtures on the bonded premises shall be deemed to be production of distilled spirits for purposes of this chapter.

(c) Hours of operations

The Secretary may prescribe regulations relating to hours for distillery operations and to hours for removal of distilled spirits from distilled spirits plants; however, such regulations shall not be more restrictive, as to any operation or function, than the provisions of internal revenue law and regulations relating to such operation or function in effect on the day preceding the effective date of this section.

(d) Identification of distilled spirits

The Secretary may provide by regulations for the addition of tracer elements to distilled spirits to facilitate the enforcement of this chapter. Tracer elements to be added to distilled spirits at any distilled spirits plant under provisions of this subsection shall be of such character and in such quantity as the Secretary may authorize or require, and such as will not impair the quality of the distilled spirits for their intended use.

(Added Pub. L. 85-859, title II, §201, Sept. 2, 1958, 72 Stat. 1357; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 96-39, title VIII, §807(a)(21), July 26, 1979, 93 Stat. 283.)

PRIOR PROVISIONS

Provisions similar to those comprising subsecs. (a) to (c) of this section were contained in prior sections of act Aug. 16, 1954, prior to the general revision of this chapter by Pub. L. 85-859, as follows:

<i>Present subsecs.:</i>	<i>Prior sections</i>
(a)	5193(a), 5194(g), 5241(a), 5281, 5282(a), 5302, 5305-5307, 5319(6).
(b)	5305.
(c)	5195, 5215, 5306.

The prior sections, act Aug. 16, 1954, ch. 736, are set out in 68A Stat. 633, 636, 640, 644, 651, 654, 657, 661.

AMENDMENTS

1979—Subsec. (a). Pub. L. 96-39 substituted “all operations authorized to be conducted” for “their operations relating to the production, storage, denaturing, rectification and bottling of distilled spirits, and all other operations authorized to be conducted”.

1976—Subsecs. (a) to (d). Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-39 effective Jan. 1, 1980, see section 810 of Pub. L. 96-39, set out as a note under section 5001 of this title.

EFFECTIVE DATE

Section effective July 1, 1959, see section 210(a)(1) of Pub. L. 85-859, set out as a note under section 5001 of this title.

§ 5202. Supervision of operations

All operations on the premises of a distilled spirits plant shall be conducted under such supervision and controls (including the use of Government locks and seals) as the Secretary shall by regulations prescribe.

(Added Pub. L. 85-859, title II, §201, Sept. 2, 1958, 72 Stat. 1357; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 96-39, title VIII, §806(a), July 26, 1979, 93 Stat. 279.)

PRIOR PROVISIONS

Provisions similar to those comprising this section were contained in prior sections of act Aug. 16, 1954, prior to the general revision of this chapter by Pub. L. 85-859, as follows:

<i>Present subsecs.:</i>	<i>Prior sections</i>
(a)	5192(a), (c), 5241(a), (b), 5282(b).
(b)	5173(b), 5192(b), (c).
(c)	5241(a), (b).
(d)	5241(b).
(e)	5331(a)(1).
(f)	5193(a), 5250(a), (b).
(g)	5243(b).

The prior sections, act Aug. 16, 1954, ch. 736, are set out in 68A Stat. 628, 633, 644, 646, 649, 652, 661.

AMENDMENTS

1979—Pub. L. 96-39 substituted provisions making on-site supervision and the use of government locks and seals optional at the discretion of the Secretary of the Treasury for provisions whereby bonded warehouses are required to be kept under government locks and certain activities are required to be conducted under government supervision.

1976—Subsecs. (a) to (g). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-39 effective Jan. 1, 1980, see section 810 of Pub. L. 96-39, set out as a note under section 5001 of this title.

§ 5203. Entry and examination of premises

(a) Keeping premises accessible

Every proprietor of a distilled spirits plant shall furnish the Secretary such keys as may be required for internal revenue officers to gain access to the premises and any structures thereon, and such premises shall always be kept accessible to any officer having such keys.

(b) Right of entry and examination

It shall be lawful for any internal revenue officer at all times, as well by night as by day, to enter any distilled spirits plant, or any other premises where distilled spirits operations are carried on, or structure or place used in connection therewith for storage or other purposes; to make examination of the materials, equipment, and facilities thereon; and make such gauges and inventories as he deems necessary. Whenever any officer, having demanded admittance, and having declared his name and office, is not admitted into such premises by the proprietor or other person having charge thereof, it shall be lawful for such officer, at all times, as well by night as by day, to use such force as is necessary for him to gain entry to such premises.

(c) Furnishing facilities and assistance

On the demand of any internal revenue officer or agent, every proprietor of a distilled spirits