

(ii) such determination shall not prejudice any further application for such operating permit.

**(3) Bond**

No bond shall be required for an eligible distilled spirits plant. For purposes of section 5212 and subsection (e)(2) of this section, the premises of an eligible distilled spirits plant shall be treated as bonded premises.

**(4) Eligible distilled spirits plant**

The term “eligible distilled spirits plant” means a plant which is used to produce distilled 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Distilled spirits produced under this section may be withdrawn free of tax from the bonded premises (and any premises which are not bonded by reason of subsection (c)(3)) of a distilled spirits plant exclusively for fuel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Distilled spirits produced under this section shall not be withdrawn, used, sold, or disposed of for other than fuel use.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 not 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,<sup>1</sup> 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,

<sup>1</sup> So in original. Probably should be “5121.”

§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) 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 con-