



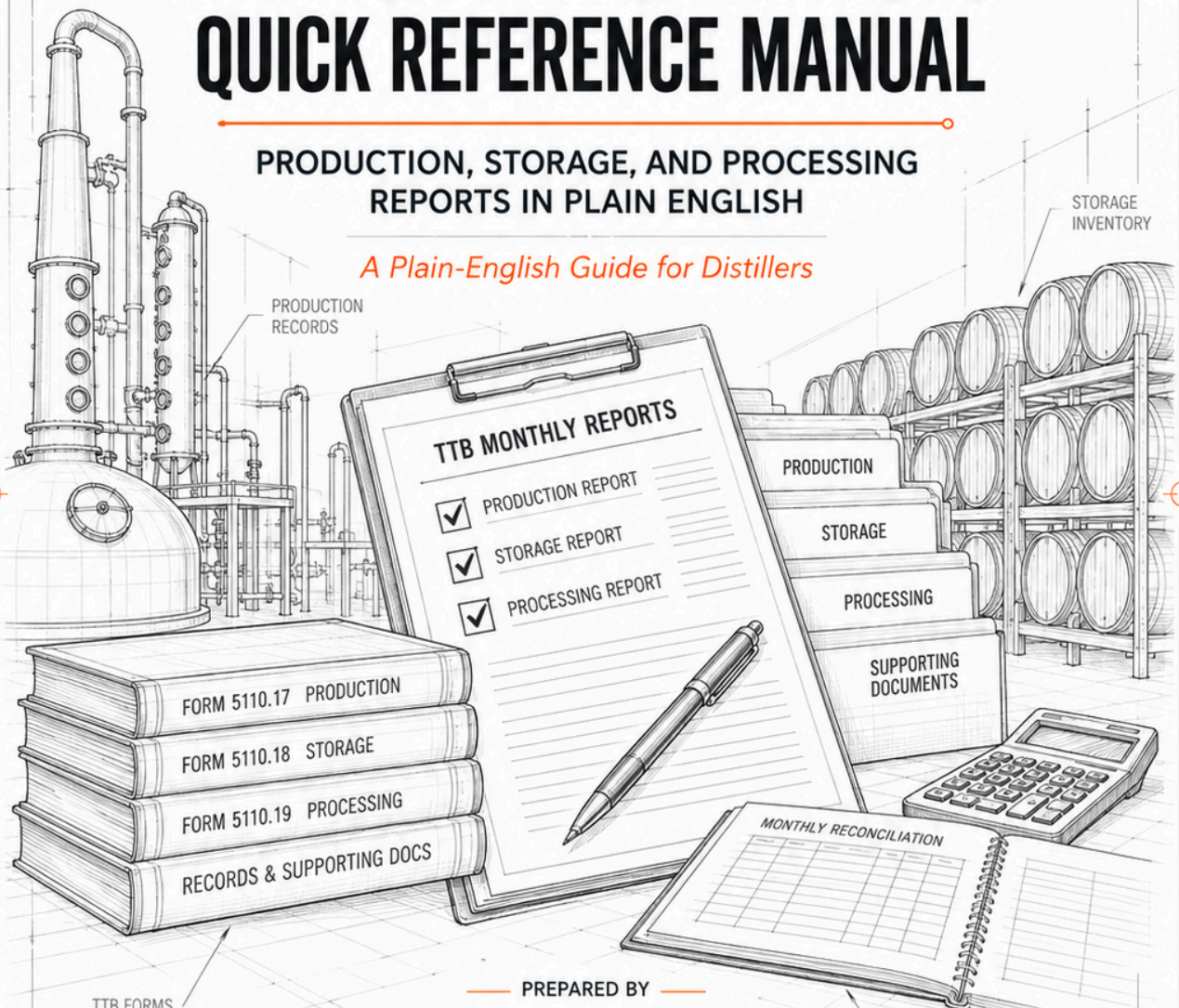
DISTILLERY RECORDKEEPING
AS REQUIRED BY TTB

TIED HOUSE TAX BUREAU
(TTB) COMPLIANCE

TTB MONTHLY OPERATIONS QUICK REFERENCE MANUAL

PRODUCTION, STORAGE, AND PROCESSING
REPORTS IN PLAIN ENGLISH

A Plain-English Guide for Distillers



TTB FORMS
AND INSTRUCTIONS

PREPARED BY

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ACCURATE RECORDS
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PRACTICAL GUIDANCE • MONTHLY REPORTING • TTB COMPLIANCE • PRODUCTION • STORAGE • PROCESSING • DISTILLERY OPERATIONS

HOW TO USE THIS BOOK

This is a field reference, not a textbook. Start with what actually happened to the alcohol. Then use the form and line that describe that event. The goal is to get you to the answer quickly without making you read material you do not need.

- 1. Start with the event.** What happened - produced, stored, transferred, redistilled, bottled, lost, destroyed, or withdrawn?
- 2. Pick the regulatory account.** Production, Storage, or Processing.
- 3. If alcohol moved between accounts, use the Master Movement Cross-Reference on the next page.** It shows the sending side and the receiving side together.
- 4. Use the Quick Index at the front of the chapter.** The index points to a Part and line, so it does not break when page numbers change.
- 5. Before filing, run the chapter balance or math check.** Do not invent a gain, loss, or adjustment just to make a form balance.

Which report do I use?

If this is what happened	Start here
The spirit is being made, remains unfinished, or comes back for redistillation.	Form 5110.40 - Production
Bulk spirits or wine are being held in the bonded Storage Account.	Form 5110.11 - Storage
Spirits are being blended, treated, proofed, rectified, bottled, packaged, denatured, or held as finished product.	Form 5110.28 - Processing

COMMON-SENSE RULE: Do not start by hunting for a box that looks close. Tell the alcohol story first. The correct form and line usually become obvious after that.

Regulatory wording in the printed forms is old in places. This edition follows the current TTB tutorial and current 27 CFR rule when the older form wording and current law do not line up.

MASTER MOVEMENT CROSS-REFERENCE

Use this page when alcohol moves from one regulatory account to another. It shows both sides of the same movement. This is the page to check before opening a chapter.

What happened	Sending side	Receiving side
Production -> Storage	5110.40 Line 11	5110.11 Line 2
Production -> Processing	5110.40 Line 9	5110.28 Part I Line 2(c)
Storage -> Processing	5110.11 Line 17	5110.28 Part I Line 2(c)
Storage -> Production for redistillation	5110.11 Line 18	5110.40 Line 15
Processing bulk -> Production for redistillation	5110.28 Part I Line 17	5110.40 Line 15
Processing finished product -> Production for redistillation	5110.28 Part II Line 37	5110.40 Line 15
Processing finished product -> bulk Processing	5110.28 Part II Line 40	5110.28 Part I Line 6
Processing bulk -> bottled / packaged finished product	5110.28 Part I Line 9	5110.28 Part II Line 28
Wine side -> spirits side inside Processing	5110.28 Part I Line 10(b)	5110.28 Part I Line 5(c)

TRANSFER IN BOND TO ANOTHER DSP: Use the sending line for the account the spirits actually leave. The receiving DSP reports the receipt in the account where the spirits actually enter - commonly Storage Line 2 or Processing Part I Line 2.

MASTER TABLE OF CONTENTS

Page numbers are book pages. Quick Index entries inside each chapter use form Parts and line numbers instead of page numbers.

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CHAPTER ONE

TTB FORM 5110.40

Monthly Report of Production Operations

Use this chapter for spirits while they are being produced, remain genuinely unfinished, or are received back into Production for redistillation.

KEY MATH: Part I Line 14 = total of Lines 1 through 13. Line 15 is RECEIVED for redistillation; Part V is ACTUALLY USED in redistillation.

FILING: File monthly when distilling/production operations are on the DSP permit and registration. Zero-activity months still require a report unless TTB has approved otherwise. Do not enter negative numbers.

Use the Quick Index on the next page before you start paging through the chapter. The locator points to the form, Part, and line - not a page number - so it will still work if this book is reformatted later.

QUICK INDEX

TTB FORM 5110.40. Look up the transaction or product, then go directly to the listed Part or line.

LOOK UP	GO TO	LOOK UP	GO TO
Alcohol / spirits - 190 proof or more	Part II	Production gauge	Production at a Glance
Barley	Part VI, Line 6	Quarter-end Production inventory	Part I, Line 17
Bourbon Whisky	Part III	Redistillation - actually used	Part V
Brandy	Part IV	Redistillation - received for	Part I, Line 15
Corn	Part VI, Line 1	Research / development / testing	Part I, Line 12
Export	Part I, Line 4	Rye	Part VI, Line 2
Gin	Part I, Gin column	Storage Account - entry into	Part I, Line 11
High-proof alcohol from redistillation	Part II, Line 7	Transfer in bond - direct from Production	Part I, Line 10
Malt	Part VI, Line 3	Vodka	Part I, Vodka column
Materials used	Part VI	Wheat	Part VI, Line 4
Molasses	Part VI, Line 15	Whisky kind / cooperage	Part III
Processing Account - entry into	Part I, Line 9	Wine production	Part I, Line 8

PRODUCTION REPORT AT A GLANCE

Part	What it answers
I - Transactions	What was produced, where completed production went, what came in for redistillation, and what unfinished Production inventory remains at quarter end.
II - 190 Proof or More	What the high-proof alcohol was produced from.
III - Whisky	What kind of whisky was produced and how the newly produced whisky was deposited.
IV - Brandy	What kind of brandy was produced.
V - Redistillation	What previously produced spirits were actually used in redistillation.
VI - Materials	What raw materials were actually used in production during the month.

Start with four ideas

Production Account: Spirits are actually being made or remain genuinely unfinished.

Production Gauge: The quantity and proof determination when production is complete.

Completed vs. Unfinished: Completed spirit has finished production and needs a disposition. Unfinished spirit is still part of the production process.

Proof Gallons: Most spirit quantities on Form 5110.40 are reported in proof gallons. Part VI reports materials in the appropriate material units.

PART I - PRODUCT COLUMNS

The column tells you what kind of spirit is involved. The line tells you what happened to it. Use the legal identity and the form's proof division; do not choose a column just because the name seems close.

Column	Plain-English use
Whisky - 160 Proof and Under	Traditional American whisky categories produced within the applicable 160-proof-and-under distillation classification. Examples include Bourbon, Rye, Wheat, Malt, and American Single Malt Whisky.
Whisky - Over 160 Proof	Whisky on the higher-proof side of the form division. Light Whisky is the familiar example identified in this guide.
Brandy - 170 Proof and Under	Traditional fruit brandies commonly fall here.
Brandy - Over 170 Proof	Higher-proof brandy category. Neutral Brandy is the key example identified in this guide.
Rum	Use for completed spirit legally produced as Rum.
Gin	Use for completed spirit legally produced as Gin. In a redistillation operation, identify the input separately from the newly produced Gin output.
Vodka	Use for completed spirit properly classified as Vodka.
Alcohol and Spirits - 190 Proof and Over	Use for applicable alcohol or spirits produced at 190 proof or more when not reported in another specifically named product column.
Alcohol and Spirits - Under 190 Proof	Use for applicable alcohol or spirits below 190 proof that do not belong in the named Whisky, Brandy, Rum, Gin, or Vodka columns.
Other - Identify	Use for a known regulatory identity that does not have a dedicated printed column. Other does not mean unknown.
Total	Arithmetic total across the product columns for the line. It is not another spirit classification.

PART I - TRANSACTION LINES 1 THROUGH 17

Form line	Use this line when...
Line 1 - Tax Payment	Completed spirit withdrawn directly from Production after tax determination.
Line 2 - Use of the United States	Qualifying free-of-tax withdrawal for U.S. Government use.
Line 3 - Hospital, Scientific, Educational	Qualifying free-of-tax withdrawal for authorized institutions.
Line 4 - Export	Completed spirits exported directly from Production. If exported later from Storage or Processing, report the export from that account.
Line 5 - Foreign-Trade Zone	Transfer from Production to a qualifying Foreign-Trade Zone.
Line 6 - CMBW	Transfer to a Customs Manufacturing Bonded Warehouse.

Form line	Use this line when...
Line 7 - Vessels or Aircraft	Qualifying withdrawal for use as supplies on vessels or aircraft.
Line 8 - Use in Wine Production	Spirits withdrawn directly from Production for authorized wine production.
Line 9 - Entered in Processing Account	Completed, production-gauged spirits move from Production into Processing.
Line 10 - Entered for Transfer in Bond	Newly produced spirits leave Production directly in bond to another bonded premises.
Line 11 - Entered in Storage Account	Completed, production-gauged spirits move from Production into your Storage Account.
Line 12 - Research, Development, Testing	Qualifying withdrawal for research, development, testing, or similar authorized purpose.
Line 13 - Specify	Unusual authorized Production disposition not covered by another line. Not a miscellaneous catch-all.
Line 14 - Produced	Total completed production. Line 14 = total of Lines 1 through 13.
Line 15 - Received for Redistillation	Previously produced spirits enter Production to be distilled again. This is RECEIVED, not necessarily USED.
Line 16 - Samples Returned	Qualifying Production samples returned to Production.
Line 17 - Physical Inventory	Quarter-end physical inventory actually remaining in Production; not a routine monthly ending inventory for completed spirits.

COMMON-SENSE CHECKS: Lines 9, 10, and 11 answer one question: where did completed production actually go? Line 14 totals completed production. Line 15 is a receipt for redistillation; Part V records actual use. Line 17 is a quarter-end snapshot, not a monthly finished-goods inventory.

PART II - ALCOHOL AND SPIRITS OF 190 PROOF OR MORE

Form line	Use this line when...
Line 1 - Grain	190-proof-or-more alcohol or spirits produced from grain.
Line 2 - Fruit	190-proof-or-more alcohol or spirits produced from fruit.
Line 3 - Molasses	190-proof-or-more alcohol or spirits produced from molasses.
Lines 4-6 - Industrial sources	Ethyl Sulfate, Ethylene Gas, and Sulphite Liquors. Most beverage DSPs will never use these lines.
Line 7 - From redistillation	190-proof-or-more alcohol produced by redistilling spirits that already existed.
Line 8 - Other, specify	A known legitimate source not otherwise listed. Identify the actual source.

PART III - WHISKY BY KIND AND COOPERAGE

Part III is additional detail about whisky already reported in Part I. Answer two questions: What kind of whisky did we make? Where was the newly produced whisky deposited?

Whisky row	Use
Bourbon Whisky	Use the Bourbon row for whisky properly classified as Bourbon.
Corn Whisky	Use the Corn Whisky row when the completed spirit is Corn Whisky. The row is based on legal identity, not merely the fact that corn was a major mash ingredient.
Rye Whisky	Use the Rye row for completed spirit properly classified as Rye Whisky.
Light Whisky	Use the Light Whisky row for this distinct higher-proof whisky type.
Other - Specify	Use for recognized whisky types not printed by name. Examples include Wheat Whisky, Malt Whisky, and American Single Malt Whisky. Specify the actual identity.

Deposit column	Use
New Cooperage	Use when the newly produced whisky was deposited into new wooden cooperage. For bourbon producers, this is a common entry when the whisky is filled into qualifying new cooperage.
Used Cooperage	Use when the applicable whisky type was deposited into used wooden cooperage. The form does not decide whether used cooperage is lawful for the whisky; the product standard does.
Deposited in Tanks	Use when qualifying newly produced whisky was lawfully deposited into tanks rather than immediately into wooden packages.

PART IV - BRANDY BY KIND

Form line	Use this line when...
Line 1 - Grape Brandy	Completed spirit properly classified as Grape Brandy.
Line 2 - All Other Brandy	Non-neutral brandies other than Grape Brandy, such as Apple, Pear, or Peach Brandy.
Line 3 - Neutral Grape Brandy	Qualifying Neutral Grape Brandy.
Line 4 - All Other Neutral Brandy	Qualifying neutral brandy other than Neutral Grape Brandy.
Lines 5-8 - Specify	Additional known brandy detail that needs to be identified.

PART V - USED IN REDISTILLATION

Part V reports previously produced spirits actually put through the still again during the month. Identify the input by what it actually was before redistillation, and report the proof gallons actually used.

DO NOT CONFUSE: Part I Line 15 = received into Production for redistillation. Part V = actually used in redistillation. Those numbers may match, but they do not have to match in the same month.

PART VI - MATERIALS USED

Part VI reports what was actually used in production - not what was purchased, ordered, received, or left in inventory.

Line	Material
1 Corn	Corn actually used
2 Rye	Rye actually used
3 Malt	Malt actually used
4 Wheat	Wheat actually used
5 Sorghum Grain	Sorghum grain actually used
6 Barley	Barley properly reported separately from malt
7-8 Other grain	Specify the actual grain or grain product
9 Grape	Grape or grape material actually used
10-14 Other fruit	Specify the actual fruit used
15 Molasses	Molasses actually used
16-18 Other cane	Specify the actual cane or cane-derived material
19-22 Industrial materials	Ethyl Sulfate, Ethylene Gas, Sulphite Liquors, and Butane Gas; uncommon for beverage DSPs
23 Other	Specify another known production material

TRACEABILITY: Part VI should tie back to daily production records. You should be able to add the daily material use forward to the monthly total, and trace the monthly total back to the actual runs.

Records behind the report

Keep the daily production, production gauge, redistillation, materials-used, prior-report, and transfer records that support the numbers on Form 5110.40.

Before you file

- Line 14 equals Lines 1 through 13.
- Completed spirits have a real disposition; they are not parked in Production as routine ending inventory.
- Line 15 and Part V are supported separately.
- Part VI comes from actual materials used, not purchases.
- The story on Production agrees with any receiving entry on Storage or Processing.

CHAPTER TWO

TTB FORM 5110.11

Monthly Report of Storage Operations

Use this chapter for bulk spirits or wine while they are in the bonded Storage Account. The form is an inventory reconciliation: what was on hand, what came in, what went out, and what remained.

KEY MATH: Line 6 = Line 24 in every product column. Line 23 becomes next month Line 1 for the same source report and product column.

FILING: File monthly when warehouseman operations are on the DSP permit and registration, including zero-activity months unless TTB has approved a filing deferral. Do not enter negative numbers.

Use the Quick Index on the next page before you start paging through the chapter. The locator points to the form, Part, and line - not a page number - so it will still work if this book is reformatted later.

QUICK INDEX

TTB FORM 5110.11. Look up the transaction or product, then go directly to the listed Part or line.

LOOK UP	GO TO
Beginning inventory	Line 1
Bonded winery	Line 14
CBW	Line 15
CMBW	Line 12
Customs custody	Line 3
Destroyed	Line 20
Ending inventory	Line 23
Export	Line 10
Foreign-Trade Zone	Line 11
Gains / special additions	Line 5
Hospital / scientific / educational	Line 9
Imported spirits report	Report Covers

LOOK UP	GO TO
Losses	Line 22
Processing Account transfer	Line 17
Production Account transfer	Line 18
Puerto Rican spirits report	Report Covers
Quarter-end inventory	Records / Line 23
Research / development / testing	Line 16; Line 21 for 26 U.S.C. 5312
Returned to bulk storage	Line 4
Storage deposits	Line 2
Taxpaid withdrawal	Line 7
Transfer in bond to other premises	Line 19
Virgin Islands spirits report	Report Covers
Wine column	Storage Columns

STORAGE REPORT AT A GLANCE

Lines	What they answer
Lines 1-5	Beginning inventory and additions to Storage.
Line 6	Total inventory available to account for.
Lines 7-16	Withdrawals from bonded Storage for taxpaid, tax-free, export, Customs, winery, or research purposes.
Lines 17-20	Transfers to another regulatory account or bonded premises, and voluntary destruction.
Lines 21-22	Special decreases and reportable Storage losses.
Line 23	On hand at the end of the month.
Line 24	Total dispositions plus ending inventory. Must equal Line 6.

REPORT COVERS - FOUR SOURCE REPORTS

Storage keeps source categories separate. If more than one source category applies during the month, prepare a separate Storage Report for each applicable source.

Report covers	What goes on it
Domestic Spirits and All Wines	Domestic spirits plus all wines held in Storage.
Imported Spirits	Imported distilled spirits other than Puerto Rican or Virgin Islands spirits.
Puerto Rican Spirits	Spirits brought into the United States from Puerto Rico.

Report covers	What goes on it
Virgin Islands Spirits	Spirits brought into the United States from the U.S. Virgin Islands.

REMEMBER: All wines are reported with Domestic Spirits and All Wines. Do not combine domestic, imported, Puerto Rican, and Virgin Islands spirits just because they are physically stored together.

STORAGE PRODUCT COLUMNS

The product column says what the spirit or wine is. The line says what happened to it. The Whisky and Brandy proof divisions are classification divisions, not simply the proof in the tank today.

Column	Plain-English use
Whisky - 160 Proof and Under	Use for domestic whisky distilled at 160 proof or less. The form footnote also directs all whisky other than domestic whisky distilled over 160 proof to this column.
Whisky - Over 160 Proof	Use for domestic whisky distilled over 160 proof. Light Whisky is the familiar current U.S. example.
Brandy - 170 Proof and Under	Use for brandy on the 170-proof-and-under side of the form division. Traditional fruit brandies commonly fall here.
Brandy - Over 170 Proof	Use for brandy distilled over 170 proof. Neutral Brandy is the principal current example and is distilled over 170 but below 190 proof.
Rum	Use for spirits properly classified as Rum.
Gin	Use for spirits properly classified as Gin.
Vodka	Use for spirits properly classified as Vodka.
Alcohol and Spirits - 190 Proof and Over	Use for applicable alcohol or spirits at 190 proof or more when not reported in another named column.
Alcohol and Spirits - Under 190 Proof	Use for applicable alcohol or spirits below 190 proof when not properly reported as Whisky, Brandy, Rum, Gin, Vodka, or another named class.
Other - Identify	Use for a known regulatory identity that does not fit a dedicated printed column. Identify the product; Other does not mean unknown.
Wine - Proof Gallons	Use for wine held in the Storage Account. The form reports this column in proof gallons.
Total	Arithmetic total across the product columns for that transaction line.

LINES 1 THROUGH 6 - INVENTORY AVAILABLE

Form line	Use this line when...
Line 1 - On hand first of month	Beginning Storage balance; must agree with prior month Line 23.
Line 2 - Deposited in bulk storage	Receipts from Production and receipts by transfer in bond.

Form line	Use this line when...
Line 3 - Received from Customs custody	Bulk spirits received from Customs custody without payment of tax.
Line 4 - Returned to bulk storage	Lawful spirits returned to bulk Storage or returned to bond in a transaction that properly belongs in Storage.
Line 5 - Blank line	Supported gain or special addition. Consult TTB before using the blank line for another purpose.
Line 6 - Total, Lines 1 through 5	Total available to account for. Line 6 must equal Line 24.

LINES 7 THROUGH 16 - WITHDRAWALS

Form line	Use this line when...
Line 7 - Taxpaid	Taxable quantity withdrawn from Storage when Federal excise tax is determined.
Line 8 - Use of the United States	Qualifying free-of-tax withdrawal for U.S. Government use.
Line 9 - Hospital, scientific, educational use	Qualifying tax-free nonbeverage withdrawal for authorized users. Experimental/research withdrawals under 26 U.S.C. 5312 belong on Line 21.
Line 10 - Export	Withdrawal without payment of tax for export.
Line 11 - Foreign-Trade Zone	Withdrawal without payment of tax to an FTZ.
Line 12 - CMBW	Withdrawal without payment of tax to a Customs Manufacturing Bonded Warehouse.
Line 13 - Vessels and aircraft	Qualifying withdrawal without payment of tax for supplies.
Line 14 - Bonded winery	Transfer of qualifying wine spirits or other authorized spirits to bonded winery premises.
Line 15 - CBW	Withdrawal without payment of tax to a Customs Bonded Warehouse.
Line 16 - Research, development, testing	Authorized research, development, or testing withdrawal; not ordinary consumer or market testing.

LINES 17 THROUGH 24 - TRANSFERS, LOSSES, AND ENDING INVENTORY

Form line	Use this line when...
Line 17 - Transferred to Processing Account	Same-plant movement from Storage into Processing. Receiving side: 5110.28 Part I Line 2(c).
Line 18 - Transferred to Production Account	Same-plant movement from Storage into Production, commonly for redistillation. Receiving side: 5110.40 Line 15.
Line 19 - Transferred to other bonded premises	Transfer in bond to another DSP or other bonded premises, except a winery movement that belongs on Line 14.
Line 20 - Destroyed	Authorized voluntary destruction in bond.
Line 21 - Blank line	Special decrease. The printed form specifically directs 26 U.S.C. 5312 experimental/research withdrawals here; consult TTB for other uses.

Form line	Use this line when...
Line 22 - Other Losses	Supported Storage loss in the circumstances described by the form. Never use it as a balancing plug.
Line 23 - On hand end of month	Ending Storage balance. Becomes next month Line 1.
Line 24 - Total, Lines 7 through 23	Total dispositions plus ending inventory. Must equal Line 6.

LOSS WARNING: TTB considers a Storage Account loss excessive when spirits lost during a calendar quarter from all storage tanks and stored bulk conveyances exceed 1.5% of the total quantity contained in those tanks and conveyances during the quarter. Tax is due unless allowable relief is claimed and approved.

Records behind the report

Keep the daily Storage, package or tank, gauge, transfer, destruction, loss, and physical-inventory records that support the monthly Storage account.

Before you file

- Line 1 agrees with prior month Line 23.
- Line 6 equals Line 24 in every product column.
- The correct source report is being used: Domestic/All Wines, Imported, Puerto Rican, or Virgin Islands.
- Transfers to Processing or Production agree with the receiving report.
- Line 22 losses are supported and are not being used to force a balance.

CHAPTER THREE

TTB FORM 5110.28

Monthly Report of Processing Operations

Use this chapter for bulk Processing activity, bottling and packaging, finished-product inventory, denaturing-related bulk use, and the additional product detail in Parts III and IV.

KEY MATH: Part I Line 8 = Line 26. Part II Line 31 = Line 47. Part IV Line 67 column (b) ties to Part I Line 2(c); Part IV bottling columns tie to Part II Line 28(b), subject to whole-unit rounding.

FILING: File monthly when the DSP conducts Processing operations covered by the form, including zero-activity months unless an approved variance applies. Do not enter negative numbers.

Use the Quick Index on the next page before you start paging through the chapter. The locator points to the form, Part, and line - not a page number - so it will still work if this book is reformatted later.

QUICK INDEX

TTB FORM 5110.28. Look up the transaction or product, then go directly to the listed Part or line.

LOOK UP	GO TO
Alcohol for fuel use from Customs	Part I, Line 3
Alcoholic flavors / materials dumped	Part I, Line 4
Bottled in bond	Part IV, Column (e)
Bottled or packaged	Part I, Line 9; Part II, Line 28
Bulk receipts	Part I, Line 2
Denaturation	Part I, Line 11
Destroyed - bulk	Part I, Line 19
Destroyed - finished	Part II, Line 39
Dumped for further processing	Part II, Line 40; Part I, Line 6
Export - bulk	Part I, Line 16
Export - finished	Part II, Line 36
Finished goods inventory	Part II
Gains	Part I, Line 7
Inventory overages	Part II, Line 30

LOOK UP	GO TO
Inventory shortages	Part II, Line 45
Losses - bulk	Part I, Line 24
Losses - finished / recorded	Part II, Line 44
Part IV product classification	Part IV, Lines 49-67
Proof gallons vs. wine gallons	Part IV Columns
Redistillation - moved to Production	Part I, Line 17; Part II, Line 37
Redistillation - used in Processing	Part I, Line 20
Rum source / tax detail	Part III, Line 48
Tax determined - bulk	Part I, Line 13
Tax determined - finished	Part II, Line 33
Transfer in bond - bulk	Part I, Line 12
Transfer in bond - finished	Part II, Line 32
Wine mixed with spirits	Part I, Lines 5 and 10

PROCESSING REPORT AT A GLANCE

Part	What it answers
Part I - Bulk Ingredients	Monthly inventory and movement of bulk wine and bulk spirits in Processing.
Part II - Finished Products	Monthly inventory and disposition of bottled and packaged finished spirits.
Part III - Rum Source / Tax Detail	Proof gallons of qualifying Puerto Rican, Virgin Islands, and other imported rum removed taxpaid or tax determined.
Part IV - Beverage Spirits Detail	Kind of beverage spirit dumped into Processing and bottled, with special columns for imported, bottled-in-bond, and export activity.

TWO INVENTORIES ON PAGE ONE: Part I follows bulk wine and spirits. Part II follows finished bottled and packaged spirits. Part IV is additional detail, not a third inventory account.

PART I - BULK INGREDIENTS

Column (b) is Wine in proof gallons. Column (c) is Spirits in proof gallons. Lines 1-7 are the available side; Lines 9-25 are the disposition side. Line 8 must equal Line 26 in each column.

Form line	Use this line when...
Line 1 - On hand first of month	Opening bulk wine and spirits; must carry from prior Line 25.
Line 2 - Received	Bulk wine and spirits received into Processing, except Line 3 fuel alcohol. Receipts from Production Line 9 and Storage Line 17 are included here.
Line 3 - Fuel alcohol from Customs	Imported alcohol for fuel use received from Customs custody.
Line 4 - Alcohol, flavor, materials dumped	Alcohol-bearing flavors and similar materials dumped into Processing.
Line 5 - Wine mixed with spirits	Alcohol from wine moved into the spirits side of Processing. This is the receiving side of the same internal move reported on Line 10(b).
Line 6 - Dumped for further processing	Finished bottled or packaged spirits dumped back to bulk Processing. Receiving side of Part II Line 40.
Line 7 - Gains	Supported gains resulting from Processing.
Line 8 - Total Lines 1-7	Total bulk inventory available to account for. Must equal Line 26.
Line 9 - Bottled or packaged	Bulk spirits converted to bottled or packaged finished product. Receiving side is Part II Line 28.
Line 10 - Wine mixed with spirits	Wine side of the same transfer reported on Line 5(c).
Line 11 - Used for denaturation	Bulk spirits used to make denatured alcohol.
Line 12 - Transferred in bond	Bulk wine or spirits transferred in bond to authorized premises.
Line 13 - Withdrawn tax determined	Bulk spirits removed tax determined or taxpaid.
Line 14 - Withdrawn free of tax	Qualifying U.S., hospital, scientific, or educational use.
Line 15 - Addition to wine	Wine spirits sent without payment of tax for authorized wine production.
Line 16 - Export / CBW	Bulk spirits withdrawn without payment of tax for export or Customs bonded warehouse.
Line 17 - To Production for redistillation	Bulk spirits move out of Processing and into Production for redistillation. Receiving side is 5110.40 Line 15.
Line 18 - Research / development / testing	Authorized bulk wine or spirits withdrawn for these purposes.
Line 19 - Destroyed	Bulk wine or spirits voluntarily destroyed under authority.
Line 20 - Used for redistillation	Bulk wine or spirits actually used in a redistillation operation while still accounted for in Processing. This is not the same as Line 17.
Line 21-23 - Blank special lines	Blank special lines. Explain the entry and consult TTB before use.
Line 24 - Losses	Supported bulk Processing losses. Do not use a loss to force the account to balance.
Line 25 - On hand end of month	Closing bulk wine and spirits inventory. Carries to next month Line 1.
Line 26 - Total Lines 9-25	Total dispositions plus ending inventory. Must equal Line 8.

COMMON-SENSE CHECK: Line 17 = moved to Production for redistillation. Line 20 = actually used in redistillation while still in Processing. They describe different events.

PART II - FINISHED PRODUCTS

Column (b) is Bottled spirits in proof gallons. Column (c) is Packaged spirits in proof gallons. Lines 27-30 are the available side; Lines 32-46 are the disposition side. Line 31 must equal Line 47.

Form line	Use this line when...
Line 27 - On hand first of month	Opening finished inventory; carry from prior Line 46.
Line 28 - Bottled or packaged	Finished product created from Part I bulk spirits. Combined bottled/packaged total ties to Part I Line 9.
Line 29 - Received	Bottled or packaged finished product received into Processing. Beverage bottled spirits generally cannot be received in bond except under authorized return-to-bond provisions.
Line 30 - Inventory overages	Supported overages found in finished inventory.
Line 31 - Total Lines 27-30	Finished inventory available to account for. Must equal Line 47.
Line 32 - Transferred in bond	Qualifying finished products transferred in bond. Beverage bottled spirits generally cannot be transferred in bond; packaged and certain industrial bottled products may qualify.
Line 33 - Withdrawn tax determined	Finished spirits removed tax determined or taxpaid.
Line 34 - Withdrawn free of tax	Qualifying U.S., hospital, scientific, or educational use.
Line 35 - Addition to wine	Finished spirits transferred without payment of tax for authorized addition to wine.
Line 36 - Export / vessels / aircraft / CBW	Finished spirits withdrawn without payment of tax for authorized export-type uses.
Line 37 - To Production for redistillation	Finished product moved to Production for redistillation. Receiving side is 5110.40 Line 15.
Line 38 - Research / development / testing	Finished product withdrawn for authorized R&D/testing.
Line 39 - Destroyed	Finished bottled or packaged spirits voluntarily destroyed.
Line 40 - Dumped for further processing	Finished product dumped back to bulk for reconditioning or further Processing. Receiving side is Part I Line 6.
Line 41-43 - Blank special lines	Blank special lines. Explain the entry and consult TTB before use.
Line 44 - Recorded losses	Known, recorded finished-product loss with a supported event or cause.
Line 45 - Inventory shortages	Inventory shortage discovered by comparing physical finished inventory to the records. Unexplained bottled-spirit shortages are taxable.
Line 46 - On hand end of month	Closing finished inventory. Carries to next month Line 27.
Line 47 - Total Lines 32-46	Dispositions plus ending finished inventory. Must equal Line 31.

DO NOT CONFUSE LINES 44 AND 45: Line 44 is a recorded loss with a known or supported cause. Line 45 is a shortage discovered when physical inventory is less than the book inventory.

PART III - RUM SOURCE / TAX DETAIL

Part III is not another inventory account. Line 48 reports proof gallons of qualifying Puerto Rican spirits, Virgin Islands spirits, and "Other" Imported Rum removed taxpaid or tax determined during the month.

92% RUM RULE: For the Puerto Rican and Virgin Islands categories, the product must derive at least 92% of its alcoholic content from the applicable rum source.

PART IV - BEVERAGE SPIRITS DETAIL

Part IV classifies beverage spirits by kind and reports selected dumping and bottling activity. This is where the form changes units, so slow down and read the column heading before entering a number.

Column	Printed heading	Unit	Plain-English meaning
(b)	Bulk spirits dumped into Processing	Whole proof gallons	First-time dump of beverage spirits into Processing by kind. Do not re-report spirits previously dumped and retained in Processing.
(c)	Bottled - Imported	Whole proof gallons	Imported spirits bottled during the month; includes Puerto Rican and Virgin Islands spirits as directed by the form footnote.
(d)	Bottled - excluding bottled in bond and export	Whole wine gallons	Ordinary beverage bottling other than bottled-in-bond and export bottling.
(e)	Bottled in Bond - exclude export	Whole wine gallons	Domestic bottled-in-bond bottling reported under the form's column rules.
(f)	Bottled for Export	Whole wine gallons	Beverage spirits bottled for export.

UNIT WARNING: Column (b) and column (c) use whole proof gallons. Columns (d), (e), and (f) use whole wine gallons. Do not add unlike units together without converting or reconciling from the underlying bottling records.

TTB's current tutorial also says Part IV Line 67 column (b) must equal Part I Line 2(c), and the total of Line 67 columns (c) through (f) must equal Part II Line 28(b), except for whole-unit rounding.

Lines 49 through 67 - product kind

Line / kind	Plain-English use
49 - Alcohol and Neutral Spirits - other than vodka	Neutral spirits/alcohol other than finished Vodka.
50 - Blended Straight Whiskey	Blends of straight whiskies meeting the current Part 5 standard.
51(a) - Blended Whiskey - with neutral spirits	Blended Whiskey containing the required straight-whisky component and neutral spirits as permitted by current Part 5.

Line / kind	Plain-English use
51(b) - Blended Whiskey - with light whiskey	Blended Whiskey using light whiskey as a component under the applicable current standard.
52 - Blended Light Whiskey	Use the current Part 5 definition; see regulatory note below.
53 - Any Other Blends of 100% Whiskey	Other blends made entirely from whiskey, with no neutral spirits.
54 - Imported Whiskey - Scotch / Canadian / Irish and Others	Imported whiskey, broken out by the listed origin/type groups.
55 - Domestic Whiskey Distilled at 160° and Under	Domestic whiskey produced on the 160-proof-and-under side of the form's classification.
56 - Domestic Whiskey Distilled at Over 160°	Domestic whiskey on the over-160-proof side, commonly including Light Whiskey.
57 - Brandy Distilled at 170° and Under	Brandy on the 170-proof-and-under side.
58 - Brandy Distilled at Over 170°	Higher-proof brandy category.
59 - Spirits (Rum) - Puerto Rican / Virgin Islands	Qualifying products meeting the form's 92-percent rum-source rule.
60 - Rum - Domestic / Other Imported	Domestic rum and imported rum other than the Puerto Rican/Virgin Islands category above.
61 - Gin	Gin under current Part 5 standards.
62 - Vodka	Vodka under current Part 5 standards.
63 - Cordials, Liqueurs, and Specialties	Cordials, liqueurs, distilled spirits specialties, and flavored whiskeys/gins/vodkas/brandies as applicable.
64 - Cocktails and Mixed Drinks	Finished distilled-spirits cocktails and mixed drinks.
65 - Tequila	Tequila as the distinctive agave spirit category printed on the form.
66 - Blank kind line	Identify another legitimate beverage spirits kind not otherwise listed when appropriate; do not use as "unknown."
67 - Total - Lines 49 through 66	Total each Part IV column.

Records behind the report

Keep daily Processing, manufacturing, dump/batch, bottling/packaging, finished-product, redistillation, physical-inventory, and formula records that support the monthly report.

BOTTLING TEST CHECK: At representative intervals during bottling, test alcohol content and fill. Current 27 CFR 19.356 limits alcohol-content variation to +/- 0.3% alcohol by volume and sets fill tolerances by container size. Record the test results.

Before you file

- Part I Line 8 equals Line 26 in each column.
- Part II Line 31 equals Line 47 in each column.
- Line 9 and Line 28 agree for product moved from bulk to finished inventory.
- Line 40 and Part I Line 6 agree when finished product is dumped back for further Processing.
- Part IV uses the correct unit in each column and ties back to Parts I and II.
- No gain, loss, or shortage was inserted merely to force a balance.