

extending from the 6.3-mile radius to 10.6 miles northeast of the airport, and within 4 miles each side of the 001° bearing from Bridgeport Municipal Airport extending from the 6.3-mile radius to 10.7 miles north of the airport, and within a 6.3-mile radius of Decatur Municipal Airport, and within 1.5 miles each side of the 263° bearing from Decatur Municipal Airport extending from the 6.3-mile radius to 9.2 miles west of the airport.

Issued in Fort Worth, Texas, on November 30, 2021.

**Martin A. Skinner,**

*Acting Manager, Operations Support Group,  
ATO Central Service Center.*

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## DEPARTMENT OF THE TREASURY

### Alcohol and Tobacco Tax and Trade Bureau

#### 27 CFR Parts 1, 17, 19, 20, 22, 26, 27, 28, and 31

[Docket No. TTB-2021-0010; Notice No. 207]

RIN 1513-AC46

#### Modernization of Permit and Registration Application Requirements for Distilled Spirits Plants

**AGENCY:** Alcohol and Tobacco Tax and Trade Bureau, Treasury.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** In this notice of proposed rulemaking, the Alcohol and Tobacco Tax and Trade Bureau (TTB) proposes deregulatory amendments to the regulations to modernize and streamline the permit application for distilled spirits plants and for users and dealers of specially denatured alcohol and tax-free alcohol. The proposed amendments also relax some reporting requirements associated with changes to the business of those holding such permits and registrations. Some of these proposed liberalizing amendments would also apply to all Federal Alcohol Administration Act basic permit holders (including wineries, and importers and wholesalers of distilled spirits, wine, and malt beverages) and to alcohol beverage dealers. The proposed amendments are a result of TTB's evaluation of its permit and registration application requirements and consideration of relevant public comments submitted to the Treasury Department in response to its request for recommendations concerning regulations that can be eliminated, modified, or streamlined in order to reduce burdens. TTB believes the

amendments proposed in this document will significantly reduce the time needed to complete an application for a permit or registration.

**DATES:** Comments must be received on or before February 1, 2022.

**ADDRESSES:** You may electronically submit comments to TTB on this proposal, and view copies of this document, its supporting materials, and any comments TTB receives on it within Docket No. TTB-2021-0010 as posted at <https://www.regulations.gov>. A direct link to that docket is available on the TTB website at <https://www.ttb.gov/distilled-spirits/notices-of-proposed-rulemaking> under Notice No. 207.

Alternatively, you may submit comments via postal mail to the Director, Regulations and Ruling Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW, Box 12, Washington, DC 20005. Please see the Public Participation section of this document for further information on the comments requested regarding this proposal and on the submission, confidentiality, and public disclosure of comments.

#### FOR FURTHER INFORMATION CONTACT:

Jesse Longbrake, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW, Box 12, Washington, DC 20005; telephone (202) 453-1039, extension 066.

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#### I. Background

##### A. TTB Evaluation of Permit and Registration Application Requirements

In fiscal year 2017, the Alcohol and Tobacco Tax and Trade Bureau (TTB) began an evaluation of the information

collected during the course of TTB's permit and registration applications. The purpose was to identify ways to streamline the application and registration process, reduce burden on the regulated industry, and ensure that the process collects, where possible, only information that is necessary to meet the agency's statutory obligations. TTB's general approach was to identify information being collected that could be eliminated without hindering TTB's ability to evaluate an applicant's qualifications and to more narrowly focus the application questions to capture only the information that is needed. In addition, TTB also considered whether there were any requests made in the application process that were so commonly approved that the regulations themselves could be amended to accommodate them without the need to submit the request.

Similarly, on June 14, 2017, the Treasury Department (Treasury) published in the **Federal Register** (82 FR 27217) a Request for Information inviting members of the public to submit views and recommendations for Treasury regulations that can be eliminated, modified, or streamlined in order to reduce burdens. TTB reviewed comments received in response to this request and identified proposals that related to the permit application process or, more generally, to beginning business in a TTB-regulated industry.

Through TTB's internal evaluation and consideration of the public input, TTB has identified deregulatory actions that TTB can take by amending regulations and also, where rulemaking is not required, by amending guidance and forms. While this document addresses distilled spirits plants, users and dealers of specially denatured alcohol and tax-free alcohol, and Federal Alcohol Administration Act basic permit holders, TTB intends to engage in further rulemaking to address other regulated industries within the context of their respective statutory eligibility requirements. Specifically, TTB will address in separate rulemakings the Internal Revenue Code (IRC) registration and notice requirements for wine and beer producers, respectively, as well as IRC requirements for TTB-regulated tobacco businesses.

With respect to distilled spirits plants (DSPs), this document proposes to amend the regulations to eliminate or narrow the range of information that must be submitted with applications for permits or registrations to more directly respond to TTB's statutory obligations

and permit or registration eligibility criteria. Proposed amendments include:

- Eliminating various requirements to submit operational information.

Specifically, TTB proposes eliminating eight (8) regulatory provisions requiring submission of information including, but not limited to, descriptions of production procedures and storage systems.

- Tailoring requirements to describe the DSP premises more narrowly to specifically correspond with statutory requirements, and consolidating requirements to provide descriptions of alternation operations with the general DSP premises description.

- Replacing requirements to submit narrative descriptions of DSP security with certifications that the applicant's security measures will comply with enumerated regulatory requirements.

- Eliminating requirements to provide serial numbers of DSP equipment in the application, thereby allowing equipment to be reported in the aggregate where applicable and allowing a DSP application to be submitted prior to physical receipt of the equipment.

TTB is also proposing to amend the regulations to increase industry flexibility without imposing regulatory burden. These amendments benefit DSPs, users and dealers of specially denatured alcohol and tax-free alcohol, and, where appropriate under statute, Federal Alcohol Administration Act basic permit holders. Proposed amendments include:

- Extending deadlines for reporting certain changes in the business from 30 days to 60 days.

- Allowing regulated businesses to add or remove trade names by submitting a notification to TTB rather than applying for TTB approval.

- Allowing regulated businesses to maintain required records at a location other than the permitted premises without first obtaining TTB approval.

Section II of this document includes more in-depth discussion of the proposed amendments.

As noted above, TTB's deregulatory strategy also includes streamlining longstanding policies and practices implementing existing regulations. TTB has already begun deploying such streamlining efforts in response to both TTB's internal evaluation of application processes and to comments received from the public.

For instance, TTB has implemented significant reductions in the information collected on form TTB F 5000.9, Personnel Questionnaire—Alcohol and Tobacco (the Personnel Questionnaire) and its electronic equivalent in response

to comments submitted to Treasury through the Request for Information.

TTB collects the Personnel Questionnaire as part of the application process for most types of permits or registrations. The Personnel Questionnaire collects information about individuals involved in an applicant's business (such as a business's officers, directors, or principal investors), including information about such individuals' identity, employment and residence history, investment in the business, prior involvement in TTB-regulated businesses, and criminal record, if any. The collection of this information has been approved by the Office of Management and Budget under Information Collection number 1513–0002.

TTB uses this information to determine whether the applicant, including the individuals involved in the applicant business, meet the statutory eligibility criteria for obtaining a permit or registration. These criteria are set forth in detail in section 1(B) of this document. Upon careful review, TTB recognized that it could reduce the information collected through the Personnel Questionnaire. TTB has revised form TTB F 5000.9 and its electronic equivalent in Permits Online to substantially reduce the number of required fields and to eliminate some of the most time-consuming fields (such as general employment history and residence history). TTB also has stopped collecting supporting documentation for certain types of investment in an applicant business (*e.g.*, bank statements, loan documentation, promissory notes, etc.).

#### B. TTB Authority

The Federal Alcohol Administration Act (FAA Act, 27 U.S.C. 201, *et seq.*) and chapter 51 of the IRC, 26 U.S.C. chapter 51, require persons intending to engage in certain distilled spirits-related businesses to obtain a permit, or approval of a registration, from the Secretary of the Treasury (Secretary) before beginning operations. Many distillers engage in operations that require both a permit under the FAA Act and a registration under the IRC. The amendments proposed in this document generally relate to the application requirements for such permits and registrations, including requirements to report certain changes in the regulated businesses.

Additionally, amendments proposed in this document address application requirements for permits under the FAA Act for operations as importers or

wholesalers of distilled spirits, wine, and/or malt beverages.

The FAA Act requires that persons seeking to engage in business as producers of distilled spirits, or as importers or wholesalers of distilled spirits, wine, and malt beverages, obtain a permit before beginning operations. See 27 U.S.C. 203. The term “distilled spirits,” when used in the context of the FAA Act, applies only to distilled spirits for nonindustrial use. The TTB regulations at 27 CFR 1.60 set out uses of spirits that are regarded as “industrial.” The FAA Act at 27 U.S.C. 204(c) provides that the Secretary will prescribe the manner and form of all applications for basic permits. Note that the FAA Act also requires permits for producing, rectifying, or blending wine and that these activities also require qualification under the IRC; TTB plans to modernize wine-specific permit requirements in a separate rulemaking document.

Chapter 51 of the IRC contains excise tax and related provisions concerning distilled spirits, wines, and beer. This includes requirements that persons intending to engage in certain activities related to producing, using, or dealing in distilled spirits obtain a registration and/or permit from the Secretary before beginning operations. As noted above, TTB will address in a separate rulemaking the application requirements under the IRC for bonded wine cellars, bonded wineries, taxpaid wine bottling houses, and brewer's notices.

The IRC requires each person seeking to establish a distilled spirits plant, before commencing operations, to apply for and receive notice of registration of the plant. See 26 U.S.C. 5171(c). Those persons whose distilled spirits plant operations are not required to obtain a basic permit under the FAA Act are required to obtain an IRC operating permit. See 26 U.S.C. 5171(d). The applications for registrations and permits are to be in such manner and form as the Secretary prescribes by regulation. See 26 U.S.C. 5172 (registrations); 5171(d)(1) and 5271(b)(1) (operating permits).

The IRC provides for the issuance of permits to establish plants for the purpose of producing, processing, storing, using, and/or distributing distilled spirits that are exclusively for fuel use (“alcohol fuel plants”). While alcohol fuel plants, as a type of distilled spirits plant, are generally subject to the registration and permitting requirements of sections 5171(c) and (d), and any associated qualification requirements, the IRC at 26 U.S.C. 5181 provides authority to prescribe by regulation a

streamlined application process for such plants, see 26 U.S.C. 5181, which TTB has done.

The IRC also governs permits relating to the procurement and use of denatured distilled spirits, and the use of non-beverage spirits for certain tax-free purposes. See 26 U.S.C. 5271. Section 5271 provides that no person may procure or use distilled spirits free of tax under the provisions of 26 U.S.C. 5214(a)(2) or (3); or procure, deal in, or use specifically denatured distilled spirits; or recover specifically or completely denatured distilled spirits, until he or she has applied for and received a permit to do so from the Secretary. The application for such permit is to be as prescribed by regulation. See 26 U.S.C. 5271(b)(1).

The IRC requires persons seeking to engage in the business of manufacturing vinegar by the vaporizing process to first apply for and receive approval of a registration from the Secretary, the application for which is to be as prescribed by regulation. See 26 U.S.C. 5502.

Finally, the IRC requires all wholesale dealers and retail dealers of distilled spirits, wine, and beer to register with the Secretary. See 26 U.S.C. 5124.

The FAA Act and IRC set forth eligibility criteria (including criteria rendering an applicant ineligible) for many of the above permits and registrations. The FAA Act provides that an applicant is not entitled to a basic permit—including those applying as producers of distilled spirits and those applying as importers or wholesalers of distilled spirits, wine, and beer—if the applicant has been convicted of a felony within the previous 5 years or a misdemeanor under any Federal law relating to liquor within the previous 3 years. See 27 U.S.C. 204(a)(2). Under this statutory provision, the “applicant” includes, in the case of a corporation, any of its officers, directors, or principal stockholders. Section 204(a)(2) also provides that an applicant is not entitled to a basic permit if the applicant is, by reason of his or her business experience, financial standing, or trade connections, not likely to maintain operations in conformity with Federal law.

The IRC similarly provides that an application for a distilled spirits operating permit may be denied if—among other reasons—the applicant (including the principal stockholders of a corporation) is, by reason of his or her financial standing or trade connections, not likely to maintain operations in compliance with chapter 51 of the IRC. See 26 U.S.C. 5271(c), 5171(d). Specifically, these eligibility criteria

apply to permits required for distilled spirits plants that are not otherwise required to obtain an FAA Act basic permit, such as distilled spirits plants that distill for industrial use. These eligibility criteria also apply to permits for alcohol fuel plants under 26 U.S.C. 5181. See 27 CFR 19.678. A permit to use tax-free alcohol, to use or deal in specially denatured distilled spirits, or to recover specially or completely denatured distilled spirits may also be denied for the same reasons. See 26 U.S.C. 5271(c).

TTB administers chapter 51 (distilled spirits, wine, and beer) of the IRC, as well as the FAA Act, pursuant to Treasury Order 120–01, dated December 10, 2013, through which the Secretary has delegated to TTB certain IRC and FAA Act administrative and enforcement authorities, including those related to the issuance of the permits and registrations covered under this rulemaking.

Section 2(d) of the FAA Act, Public Law 74–401 (1935) authorizes the Secretary “to prescribe such rules and regulations as may be necessary to carry out [its] powers and duties” under the FAA Act. Section 7805(a) of the IRC (26 U.S.C. 7805(a)) provides the general authority to the Secretary to issue regulations to carry out the provisions of the IRC.

Pursuant to its delegated authorities described above, TTB has promulgated regulations setting forth the application requirements for permits or registrations related to distilled spirits operations in title 27 of the Code of Federal Regulations (CFR), at the following parts:

- 27 CFR part 1, FAA Act basic permits (*i.e.*, distillers, rectifiers, and blenders of distilled spirits; distilled spirits warehousemen; and alcohol importers and wholesalers);
- 27 CFR part 19, IRC registrations and operating permits for distilled spirits plants, vinegar plant permits, and alcohol fuel plant permits (categorized as small, medium, and large alcohol fuel plants);
- 27 CFR part 20, IRC permits for denatured spirits dealers and users;
- 27 CFR part 22, IRC permits for tax-free alcohol users; and
- 27 CFR part 31, IRC registrations for alcohol beverage dealers.

The following TTB forms and their electronic equivalents collect much of the information required to be submitted when applying for the above permits and/or registrations:

- TTB F 5100.24, Application for Basic Permit Under the Federal Alcohol Administration Act, approved by the Office of Management and Budget

(OMB) under Information Collection number 1513–0018;

- TTB F 5100.18, Application for Amended Basic Permit Under the Federal Alcohol Administration Act, approved by OMB under Information collection number 1513–0019;
- TTB F 5110.25, Application for Operating Permit Under 26 U.S.C. 5171(d), approved by OMB under Information Collection number 1513–0040;
- TTB F 5110.41, Registration of Distilled Spirits Plant, approved by OMB under Information Collection number 1513–0048;
- TTB F 5110.74, Application for an Alcohol Fuel Producer Under 26 U.S.C. 5181, approved by OMB under Information Collection number 1513–0051;
- TTB F 5150.22, Application for an Industrial Alcohol User Permit, approved by OMB under Information Collection number 1513–0028; and
- TTB F 5000.9, Personnel Questionnaire—Alcohol and Tobacco Products, approved by OMB under Information Collection number 1513–0002.

Pursuant to TTB’s IRC and FAA Act authorities described above, TTB has also promulgated regulations imposing procedural and substantive requirements on these regulated businesses. These include requirements to report certain changes in the business affecting the permit or registration (*e.g.*, changes in address or location, changes in stockholders or officers, directors, managers, etc.). These also include recordkeeping requirements that are generally set forth pursuant to other authority in the IRC. See, *e.g.*, 26 U.S.C. 5207 (records of distilled spirits plant proprietors), 26 U.S.C. 5275 (records of dealers and users of denatured spirits and/or industrial alcohol), and 26 U.S.C. 5121–5122 (records of wholesale and retail dealers of distilled spirits).

This notice of proposed rulemaking includes proposed amendments to these reporting and recordkeeping requirements. The regulations implementing such requirements are set forth in title 27 of the CFR, at the following parts:

- 27 CFR part 1, reporting of business changes for FAA Act basic permits;
- 27 CFR part 17, recordkeeping requirements for manufacturers of nonbeverage products claiming drawback on taxpaid distilled spirits used in the manufacturing process;
- 27 CFR part 19, recordkeeping and inventory requirements, and reporting of business changes, for distilled spirits plants, vinegar plants, and alcohol fuel plants;

- 27 CFR part 20, recordkeeping requirements, and reporting of business changes, for denatured spirits dealers and users;
- 27 CFR part 22, recordkeeping requirements, and reporting of business changes, for tax-free alcohol users;
- 27 CFR part 26, recordkeeping requirements concerning liquors and articles brought in from Puerto Rico and the Virgin Islands;
- 27 CFR part 27, recordkeeping requirements for importers of distilled spirits, wine, and beer;
- 27 CFR part 28, recordkeeping requirements concerning exportation of distilled spirits, wine, and beer; and
- 27 CFR part 31, recordkeeping requirements and reporting of business changes for alcohol beverage dealers (including wholesalers).

The electronic equivalent of each application form set forth above is available through the TTB Permits Online system. The Permits Online system eliminates redundancy by allowing the filer to input information only once, instead of repeating information on multiple paper application forms. Similarly, with respect to the reporting requirements described above, in instances where TTB's regulations refer to submitting a "letterhead notice" (as defined in 27 CFR 19.1), industry members may provide such notices electronically in Permits Online. Unlike applications, these types of notices do not require TTB approval.

### C. Relationship to Other Notices of Proposed Rulemaking

TTB plans to publish notices of proposed rulemaking to propose generally similar amendments to regulations governing wine, beer, tobacco products, and processed tobacco-related applications and operations, set forth in 27 CFR parts 24, 25, 40, 41, and 44. Liberalizing amendments related to FAA Act basic permits as importers and wholesalers (including as importers or wholesalers of wine and/or malt beverages) and as wine producers are included in this document and will not be included in the notices of proposed rulemaking relating to wine or beer.

## II. Proposed Changes to the Regulations

The amendments proposed in this document are intended to modernize and streamline the applications and application processes for distilled spirits-related permits and registrations under the IRC and FAA Act, and for FAA Act basic permits required for importers and wholesalers of alcohol beverages. As noted above, TTB's

general approach was to identify information currently being collected that TTB no longer needs in order to evaluate an applicant's qualifications and to provide more clarity and specificity in the application questions and instructions. The proposed amendments also relax reporting requirements on certain changes to the business.

### A. Operational Information Required for Distilled Spirits Plant Application

TTB is proposing to eliminate requirements to provide certain operational information when applying for a DSP registration. The TTB regulations at 27 CFR 19.73 prescribe, in general, information that must be included in an application for registration under the IRC as a DSP. Paragraphs (a)(13) through (15) of § 19.73 prescribe the operational information that must be submitted if the DSP applicant intends to operate as a distiller, warehouseman, or processor, respectively. (A "warehouseman" is a proprietor of a DSP who stores bulk distilled spirits.) TTB has determined that much of the information currently required by § 19.73(a)(13) through (15) is no longer needed for TTB to evaluate whether an applicant qualifies for a registration. As a result, TTB proposes to eliminate the following regulatory sections:

a. 27 CFR 19.73(a)(13)(ii), 19.77(a), and 19.121, requiring that an applicant intending to operate as a distiller submit a statement of production procedures, setting forth the contents of the statement, and requiring that a DSP proprietor report changes to its production procedures.

b. 27 CFR 19.73(a)(13)(iii) and 19.77(b), requiring that an applicant intending to operate as a distiller submit a statement as to whether spirits will be redistilled and referencing formula requirements associated with such redistillation.<sup>1</sup>

c. 27 CFR 19.73(a)(14)(i), requiring that an applicant intending to operate as a warehouseman submit a narrative description of its storage system.

d. 27 CFR 19.73(a)(14)(ii), requiring that an applicant intending to operate as a warehouseman submit a statement of the total amount of bulk wine gallons that can be stored.

e. 27 CFR 19.73(a)(15)(ii), requiring that an applicant intending to operate as a processor submit a narrative description of the storage system for

<sup>1</sup> Generally, applicable formula requirements prescribed under 27 CFR part 5 require DSPs to obtain formulas in connection with certain redistillation operations.

spirits bottled and cased or otherwise packaged and placed in approved containers for removal from the bonded premises.

TTB is also proposing to amend 27 CFR 19.75 to eliminate the requirement to provide in the application for registration the serial number of each tank, still, and condenser to be used by the DSP. While such equipment must continue to be physically marked with a serial number on the DSP premises pursuant to 27 CFR 19.189, removing the requirement to provide serial numbers in the application will provide applicants greater flexibility to report their equipment in the aggregate. For instance, ten (10) of the same type of tank will not need to be listed separately to account for the different serial numbers. Additionally, allowing equipment to be reported on the application without serial numbers allows applicants to submit an application before equipment that has been ordered is physically received. TTB proposes similar amendments at 27 CFR 20.42 and 22.42 to remove requirements to provide serial numbers of equipment to be used by applicants for permits as users of denatured alcohol and of tax-free alcohol.

### B. Premises Description and Security

TTB is proposing to relax or eliminate requirements to submit certain information describing the DSP premises and its security with an application for registration. As stated above, the TTB regulations at 27 CFR 19.73 prescribe, in general, information that must be included in an application for registration as a DSP. Among the information required to be submitted with such application are descriptions of the DSP premises and the security measures to be employed at the DSP. Much of this information is currently collected in an open-ended narrative format. TTB believes that, in general, more direct questions and certifications would enable applicants to better understand what information must be submitted, reduce the need for additional submissions and follow-up communication between TTB and applicants, and speed up the application review process. Further, TTB has determined that some of the information currently required in these areas is unnecessary or overly specific for the purpose of evaluating a registration application. As a result, TTB also proposes to relax or eliminate certain requirements to submit such information.

Therefore, TTB proposes to amend the following regulatory sections:

a. 27 CFR 19.74. Section 19.73(a)(8) requires that an application for registration as a DSP include a description of the plant in accordance with § 19.74. Section 19.74 sets forth the specific information to be included in the description, which includes: (1) A description of each tract of land covered by the plant; (2) identification of the bonded and any general premises; (3) descriptions of each building and outside tank that will be used for production, storage, and processing of spirits and for denaturing spirits, articles, or wines; and (4) identification of the room(s) or floor(s) of a building that will be used for plant operations, if the plant consists of less than the entire building in which it is situated. TTB proposes to amend § 19.74 to remove the requirement to provide a description of the tract of land and to further clarify the specific information to be submitted as follows: (1) Overall dimensions of the building(s) housing the DSP; (2) the dimensions of the bonded premises and any general premises; (3) any internal walls establishing the boundaries of the bonded premises and general premises; (4) the external doors of the DSP premises; (5) any portions of the plant premises that are outdoors, including the location of any outdoor tanks; and (6) any adjacent retail premises that are to be operated by the applicant. TTB believes that these descriptive elements are the minimum necessary to allow TTB to evaluate whether the premises is adequate to protect the revenue and otherwise complies with the statutory restrictions on DSP locations set forth at 26 U.S.C. 5178. The proposed amendments provide flexibility to submit this information in narrative form or diagram form, whichever is better suited to the applicant's circumstances. The proposed amendments also provide that photographs of any of the required elements must be submitted upon request of the appropriate TTB officer.

b. 27 CFR 19.119 and 19.122. Under current § 19.119, a DSP proprietor is required to amend his or her registration prior to extending or curtailing any part of the plant premises, except for certain operations described in §§ 19.142 (alternation for customs purposes) and 19.143 (alternation for other purposes). Section 19.122 currently requires that a DSP proprietor file a letterhead notice prior to making any material changes to the construction or use of the buildings or equipment at the DSP, other than changes covered by §§ 19.119, 19.142, and 19.143. TTB proposes to consolidate these requirements into a single § 19.119, and to further amend

that section consistent with the proposed amendments to § 19.74. Specifically, in the revised § 19.119, the current text of § 19.119 regarding extension or curtailment of the premises would be maintained, but TTB proposes to incorporate as a new paragraph the provisions of the current § 19.122 relating to changes in construction or use of buildings. TTB further proposes to amend this new paragraph to no longer require the proprietor to describe in detail "any material change in the construction or use of buildings or equipment" but instead require the reporting of changes to the premises (other than those covered by current § 19.119, § 19.142, or § 19.143) that would render inaccurate the description submitted with the registration or submitted separately or previously by the proprietor with another amendment. TTB is also proposing to remove the requirement that the change described in the letterhead notice also be subsequently incorporated into the next submission of an application for amended registration on TTB F 5110.41 where such amendment would not otherwise require submission of a premises description. However, to the extent that subsequent applications for an amended registration make any further reportable changes to the premises, an up-to-date description must be submitted.

c. 27 CFR 19.673(b)(2), 19.675(b)(2), and 19.676(b)(2). TTB proposes amendments similar to those described above in point (a) to the requirements associated with applications for alcohol fuel plant permits, at §§ 19.673(b)(2), 19.675(b)(2), and 19.676(b)(2). Note that the illustration of adjacent retail premises is not applicable to alcohol fuel plants.

d. 27 CFR 19.643(b). TTB proposes amendments similar to those discussed in point (a) above to the requirement that applicants for a vinegar plant registration provide a "description of the plant premises," at § 19.643(b). Note that the illustration of adjacent retail premises is not applicable to vinegar plants.

e. 27 CFR 19.141(a), 19.142(b), and 19.143(b). Sections 19.141 through 19.143 each provide procedures for alternation of the DSP premises. Specifically, § 19.141 prescribes procedures related to alternation of proprietors, § 19.142 prescribes procedures related to alternation for customs purposes, and § 19.143 prescribes procedures related to alternation for other purposes (such as use of the premises as a bonded wine cellar or brewery). One of the prescribed procedures to engage in each type of

alternation is that the proprietor must submit with his or her application for registration as a DSP a diagram of the part of the plant that will be alternated, as well as a description of the areas, rooms or buildings, or combination of rooms or buildings that will be alternated. In the case of §§ 19.141(a) and 19.142(b), the applicant must also provide a description of the method that the applicant will use to separate the alternated premises from any premises not subject to alternation. TTB believes that the information collected under these sections can be consolidated into the premises description(s) required under § 19.73(a)(8). Accordingly, TTB proposes to amend these sections to require that such information be included in the description(s) submitted under § 19.73(a)(8). TTB also proposes conforming amendments to §§ 19.141(b) and 19.142(c).

f. 27 CFR 19.692(b)(2). TTB proposes amendments similar to those described in the previous paragraph to the qualification requirements for an alternating proprietorship as an alcohol fuel plant, at § 19.692(b)(2).

g. 27 CFR 19.73(a)(12), 19.76, and 19.192. Section 19.73(a)(12) requires that an application for registration as a DSP include a statement of plant security measures in accordance with § 19.76. Under § 19.76, the plant security statement must include a "general description of plant security," a "statement regarding the use of guard personnel," and other similar statements regarding the use of alarm systems and locks. Plant security as a continuing requirement for a permit is also addressed at § 19.192, which generally requires that a DSP proprietor provide adequate security to protect the revenue, and specifies requirements relating to building construction and the locking mechanisms to be used on storage tanks and points of entry to the DSP premises. Section 19.192(f) also sets forth specifications for locks to be used in DSPs. TTB believes that the narrative statements concerning plant security required under §§ 19.73(a)(12) and 19.76 are overly broad and should be more consistent with the ongoing requirements of the permit set forth in § 19.192. Accordingly, TTB proposes to eliminate § 19.76 and to amend § 19.73(a)(12) to instead require that an application for registration as a DSP include a certification that the plant's security will be compliant with the requirements of § 19.192. TTB also believes that the specifications for locks set forth in § 19.192(f) are unnecessarily specific, and proposes to replace those specifications with a requirement that the locks used to secure the plant be of

a class and construction that is usual and customary in the industry to secure commercial property.

h. 27 CFR 19.673(b)(6), 19.675(b)(6), and 19.676(b)(6). TTB proposes to amend the application requirements for alcohol fuel plant permits consistent with those described in the previous paragraph. The proposed amendments require, instead of narrative descriptions of the plant's security measures, a certification that plant security will be in accordance with the requirements of 27 CFR 19.703 and 19.704.

### C. Statements of Interest

TTB proposes amendments to standardize and clarify the scope of the collection of information related to persons holding certain levels of ownership interest in an applicant business. These "statements of interest" are collected in accordance with statutory provisions setting forth eligibility criteria for obtaining such permits and/or registrations. Information about persons with ownership interests in applicant businesses also assists TTB in the protection and collection of the revenue.

The FAA Act at 27 U.S.C. 204(a)(2) provides that an applicant will not be entitled to a basic permit if—among other reasons—the applicant (including the principal stockholders of a corporate applicant) is, by reason of his or her business experience, financial standing, or trade connections, not likely to maintain operations in conformance with Federal law. Currently, TTB practice has been to interpret a "principal stockholder" to be any person holding ten (10) percent or more of any class of stock in a corporation or of any class of ownership in any other limited liability entity.<sup>2</sup>

The IRC at 26 U.S.C. 5271(c)(2) similarly provides that an application for a permit to use tax-free alcohol, or to use or deal in specially denatured distilled spirits, may be denied if—among other reasons—the applicant (including any "principal stockholders") is, by reason of his or her business experience, financial standing, or trade connections, not likely to maintain operations in compliance with chapter 51 of the IRC. Pursuant to 26 U.S.C. 5171(d), the eligibility criteria of section 5271(c) also apply to operating permit applications for DSPs that are not required to obtain an FAA Act basic permit, such as DSPs that produce distilled spirits for industrial use and alcohol fuel plants.

Further, the IRC at 26 U.S.C. 5172 requires that an application for a DSP registration identify the applicant and persons interested in the business. This provision applies to DSPs whether or not they are required to obtain an FAA Act basic permit. Note that, while alcohol fuel plants have separate application processes pursuant to 26 U.S.C. 5181, those application processes fulfill the qualification requirements of 26 U.S.C. 5171. Accordingly, TTB has implemented through regulation the requirement that alcohol fuel plant applicants report the principal persons involved in the business and/or the persons having an ownership interest in the business at 27 CFR 19.675 (for medium plant permit applications) and at 19.676 and 19.677 (for large plant permit applications).<sup>3</sup>

TTB has promulgated regulations under the above IRC authorities requiring statements of interest at: (1) 27 CFR 19.73, 19.92, and 19.93, for DSP registrations and operating permits; (2) 27 CFR 19.677, for large alcohol fuel plant permits; (3) 27 CFR 20.42 and 20.45, for specially denatured spirits dealer and user permits; and (4) 27 CFR 22.42 and 22.45, for tax-free alcohol user permits. Additionally, the application for an FAA Act basic permit requires a listing of the owners and principal stockholders of an applicant business, as well as details concerning their investment in the business. See 27 CFR 1.25, TTB F 5100.24 (approved by the Office of Management and Budget under Information Collection number 1513-0018).

TTB proposes amendments to §§ 19.93, 19.677, 20.45, and 22.45 to standardize the collection of the basic identifying information of persons with an interest in the applicant's business. The amendments provide that (1) the requirement to disclose basic identifying information (*i.e.*, names and addresses) of persons with an ownership interest applies to persons with an ownership interest of 10 percent or greater; and (2) where a "person" holding such an interest is a legal entity other than an individual, the applicant must provide the name, title, and place of residence (city and state) of a representative individual for that entity. The representative individual generally will be the individual designated by the entity to represent the entity's interest

<sup>3</sup> In addition to the proposed amendments concerning statements of interest, TTB proposes to eliminate requirements at §§ 19.675(b)(8) and 19.676(b)(8) to provide the Social Security Number and date and place of birth of each principal person involved in the alcohol fuel plant business. Names and addresses of such persons, as well as their titles with the applicant business, must still be reported.

in the applicant business or, in the absence of a designated individual, an owner, chief officer or manager, or person with similar authority within the entity. TTB believes that this is the minimum amount of information required to allow TTB to identify the individuals with an interest in the applicant business and to evaluate the applicant as to its trade connections and financial standing, including in circumstances where business entities have substantial ownership interests in the applicant.

TTB proposes minor conforming amendments to 27 CFR 1.27, 1.42, 1.44, 19.114, 19.127, 19.130, 19.684, and 19.687 to incorporate the description of ownership interests set forth above into requirements for reporting changes in ownership interests. TTB also proposes conforming amendments to 27 CFR 1.24, 19.96, 19.678, and 31.114 to incorporate this description of ownership interests into regulations describing criteria for qualification or denial of permits.

### D. 30-Day Filing Requirements for Certain Changes in the Business

TTB proposes to extend the deadline for reporting certain changes in a permitted business to 60 days. The TTB regulations generally require that when there is a change in the information filed with TTB as part of an application for a permit or registration under the FAA Act or IRC, the proprietor of the business must notify TTB of the change. The timing and form of this notification differs depending on the type of permit or registration, and the type of business change that has occurred or will occur.

Some business changes must be reported to TTB within a certain amount of time following the change, generally within 30 days. For example, the TTB regulations at 27 CFR 19.687 require that the proprietor of a medium or large alcohol fuel plant submit a letterhead notice to TTB within 30 days of any change to the list of officers, directors, members, managers, or other principal persons provided with the application for the permit.

In the case of a change in control of the business, a permit or registration may automatically terminate and/or become invalid following the change in control unless a new application is filed within 30 days of the change in control. The TTB regulations generally provide for the outstanding permit to remain in effect pending a final decision on the new application, as long as that application is timely filed.

Comments received in response to Treasury's request for information, described above in section I(A), suggest

<sup>2</sup> See TTB G 2018-6, "Permits Online Tutorial" at Owner/Officer Information, available at <https://www.ttb.gov/ponl/ponl-tutorial-part-2-page-11>.

that 30 days is too short a time for regulated entities to assemble the information that is required to be filed in connection with various changes in the business. These comments suggested that such filing deadlines should be extended to 60 days.

TTB reviewed these proposals and concluded that extending existing deadlines for reporting certain changes in the business (including in some cases by applying for a new or amended permit or registration) from 30 to 60 days would not, in general, pose risk to the revenue or raise other concerns with regard to permits and/or registrations issued under the authority of the IRC. Accordingly, TTB proposes to extend such deadlines as described immediately below. Requirements and timeframes related to FAA Act permits are discussed separately at the end of this section. FAA Act permits have a different statutory basis, which sets forth certain reporting timeframes that TTB is unable to modify by regulation. In some circumstances, industry members holding both an FAA Act permit and an IRC registration (such as DSPs producing nonindustrial spirits) will be limited by the shorter statutory reporting period of the FAA Act.

In 27 CFR part 19, TTB proposes to amend the following sections to extend reporting deadlines for changes in the permitted business to 60 days: §§ 19.112, 19.114, and 19.123 relating to DSP registrations; §§ 19.126, 19.127, and 19.130 relating to DSP operating permits; § 19.644 relating to vinegar plants; and §§ 19.683, 19.684, 19.686, 19.687, and 19.691 relating to alcohol fuel plants.

Concerning DSP registrations, 27 CFR 19.112 provides the general rules for amending a registration, and requires that, “if there is a change in any of the information in the proprietor’s current, approved notice of registration, the proprietor must amend the registration” within 30 days of the change unless another time period is specified by another, more specific regulation. Section 19.114 requires that a DSP proprietor “notify TTB of any changes in the list of stockholders or persons with interest that was filed with TTB” as part of the registration application and provides that, “if the change results in a change of control, the proprietor must file form TTB F 5110.41, Registration of Distilled Spirits Plant, within 30 days of the change.” TTB proposes to extend each of these deadlines from 30 days to 60 days. Section 19.123 requires that a DSP proprietor notify TTB if any change is made to the statement of plant security filed under 27 CFR 19.76. TTB proposes

in this document (as discussed above) to remove § 19.76 entirely, and accordingly proposes to remove § 19.123.

TTB also proposes conforming amendments in 27 CFR 19.80 to clarify that, when an IRC operating permit or an FAA Act permit remains in effect pending final TTB action on a new application for such a permit necessitated by a business change, the approved notice of registration associated with that permit also remains valid during that time.

Concerning DSP operating permits, which apply to industrial alcohol operations, § 19.126 provides the general rules for amending a permit and requires that, “if there is a change in any of the information that the proprietor provided as part of the current approved application for an operating permit, the proprietor must amend the operating permit” within 30 days of the change unless another time period is specified by another, more specific regulation. Section 19.127 provides for the automatic termination of a DSP operating permit under certain circumstances. In the case of a corporation, § 19.127 provides that the operating permit will terminate 30 days following a change in actual or legal control of the corporation, but if an application for a new permit is submitted within that 30 days, the outstanding permit may remain in effect until TTB takes final action on the new application. Section 19.130 requires that the proprietor notify TTB of any changes in the list of stockholders or persons with interest that was filed in connection with the operating permit application. If such a change results in a change in actual or legal control of the business, the proprietor must file an application for a new permit within 30 days. TTB proposes to extend each of these deadlines from 30 to 60 days. With respect to the automatic termination provisions of § 19.127, the proposed amendments also necessarily extend the timeframe for termination to 60 days.

Concerning vinegar plants, § 19.644 provides that the proprietor of a vinegar plant must “immediately” notify TTB in writing of “any change in the information that was provided in an approved application.” TTB proposes to amend this section to require the notification be made within 60 days of the change.

Concerning alcohol fuel plants, § 19.683 provides the general rules for amending a permit and requires that, “if there is a change relating to any of the information contained in, or considered a part of, the application” for an alcohol fuel plant permit, “the proprietor must

amend the information previously submitted within 30 days of the change” unless another time period is specified by another, more specific regulation. Section 19.684 provides for the automatic termination of an alcohol fuel plant permit under certain circumstances. In the case of a corporation, the permit will terminate 30 days following a change in actual or legal control of the corporation, but if an application for a new permit is submitted within those 30 days, the outstanding permit may remain in effect until TTB takes final action on the new application. Section 19.686 provides that, “When there is a change in the name of the individual, firm, corporation, or other entity holding the permit, the proprietor must file an application to amend the permit . . . within 30 days of the change.” Section 19.687 requires that the proprietor provide TTB with letterhead notice within 30 days of any change to the list of officers, directors, members, managers, or other principal persons provided with the application for a permit as a medium or large alcohol fuel plant. Section 19.691 states that, “if there is a change in the address of an alcohol fuel plant that does not involve a change in the location or area of the plant itself, the proprietor must submit a letterhead notice to the appropriate TTB officer within 30 days of the change.” TTB proposes to extend each of these deadlines from 30 to 60 days. With respect to the automatic termination provisions of § 19.684, the proposed amendments also necessarily extend the timeframe for termination to 60 days.

Concerning permits for dealers or users of denatured alcohol and rum, TTB proposes to amend provisions in 27 CFR part 20 to extend a similar 30-day requirement to 60 days, and to remove one notification requirement. Section 20.56 requires that a permittee submit a written notification to TTB within 30 days of certain changes “relating to any of the information contained in, or considered a part of[,] the application” for a permit. Section 20.57 requires that the permit holder provide written notice to TTB within 10 days of a change in proprietorship or a change in actual or legal control of the business. Section 20.57 further provides that the permit will terminate 30 days following a change in proprietorship or control, unless the permit holder submits an application for a new permit within 30 days of the change, in which case the outstanding permit may remain in effect until TTB takes final action on the new application. TTB proposes to extend the

filing deadline of § 20.56 from 30 to 60 days, and to remove the 10-day notification requirement of § 20.57. With respect to the automatic termination provisions of § 20.57, the proposed amendments extend the timeframe for termination to 60 days.

Concerning permits for users of tax-free (industrial) alcohol, TTB proposes to amend §§ 22.57 and 22.58. Section 22.57 requires that such a permittee submit a written notification to TTB within 30 days of certain changes “relating to any of the information contained in, or considered a part of[,] the application” for a permit. Section 22.58 requires that the permit holder provide written notice to TTB within 10 days of a change in proprietorship or a change in actual or legal control of the business. Section 22.58 further provides that the permit will terminate 30 days following a change in proprietorship or control, unless the permit holder submits an application for a new permit within 30 days of the change, in which case the outstanding permit may remain in effect until TTB takes final action on the new application. TTB proposes to remove the 10-day notification requirement of § 22.58. TTB proposes to extend the filing deadline of § 22.57 from 30 to 60 days. With respect to the automatic termination provisions of § 22.58, the proposed amendments also extend the timeframe for termination to 60 days.

In 27 CFR part 31, concerning alcohol beverage dealers, TTB proposes to amend § 31.138 to provide 60 days for an alcohol beverage dealer to notify TTB of the discontinuance of their business, rather than the current 30 days.

As noted above, FAA Act basic permits are subject to certain reporting timeframes, similar to some of those IRC timeframes discussed above, that TTB is unable to extend by regulation because they are statutory. Specifically, the FAA Act at 27 U.S.C. 204(g) provides that FAA Act permits cannot be sold or transferred, and will automatically terminate 30 days after a transfer by operation of law or a change in actual or legal control of the permitted business. However, section 204(g)(2) also provides that if an application for a new permit is submitted within 30 days of such a change, the outstanding permit remains in effect until TTB takes final action on the new application. These provisions are implemented in TTB regulations at 27 CFR 1.44. TTB cannot extend the § 1.44 deadline for filing a new permit application from 30 to 60 days, because the 30-day provision is in the statute (cited above). However, TTB is proposing to amend 27 CFR 1.42 to clarify that any changes in the

ownership, management, or control of the business, including changes that fall under § 1.44, must be reported to TTB within 30 days rather than “immediately,” as currently required. If the change requires the filing of a new application under § 1.44, a timely application will also satisfy the notification requirement of § 1.42.

Industry members who hold both a basic permit under the authority of the FAA Act and a registration under the authority of the IRC (such as DSPs producing nonindustrial spirits) should be aware that an extension of the timeframes applicable to the registration issued under the IRC does not apply in any way to the basic permit under the FAA Act. As a result, such DSPs must still report changes in the ownership or management of their business within 30 days (and submit any required applications within 30 days) to comply with the requirements of their FAA Act basic permit.

#### *E. Changes in Trade Names*

TTB proposes amendments to the regulations at 27 CFR 1.40, 19.129, 20.61, 22.62, and 31.132 to allow changes to, or additions of, trade names through a notification to TTB rather than through an amended permit or registration. These regulations apply to holders of FAA Act basic permits, DSP operating permits, specially denatured spirits user and dealer permits, tax-free alcohol user permits, and alcohol beverage dealer registrations, respectively. The regulations currently require that holders of such permits or registrations apply for and obtain an amended permit or submit an amended registration before engaging in operations under a new trade name (see, e.g., 27 CFR 19.129) or requesting FAA Act label approval reflecting a new trade name (see 27 CFR 5.36(f)). Currently, TTB automatically approves trade name amendments. Consistent with this policy, TTB is also proposing to amend 27 CFR 19.94 to remove the requirement that an applicant for an original DSP operating permit submit supporting documentation for the trade names identified in the application. TTB’s proposed amendments generally would update regulations to reflect that industry members may begin operations under the new name immediately after notifying TTB.

TTB notes that, while this amendment would allow industry members to immediately begin operations under a new trade name upon notifying TTB, it remains the responsibility of the permit holder or registered alcohol dealer to ensure that any trade name is properly registered with the applicable state or

local government. Industry members should further note that the FAA Act prohibits false or misleading statements on alcohol beverage labels, and TTB will not approve an application for label approval proposing to use a trade name on a label that gives a misleading impression as to the age, origin, or identity of the product. The FAA Act also prohibits the use of misleading trade names when advertising distilled spirits for beverage purposes.

#### *F. Retention of Records Off-Premises*

As part of its evaluation of permit and registration applications, TTB sought to identify types of requests to vary from the regulations that were commonly submitted along with a permit or registration application. One common request relevant to distilled spirits is to retain required records at a location other than the premises covered under the permit or registration. TTB is proposing amendments to recordkeeping requirements in parts 17, 20, 22, 26, 27, 28, and 31 to allow records to be stored at a location other than the permitted premises, and allow applicants to notify TTB of their intention to store records at an off-premises location as part of the application process. The amendments provide that required records must still be made available at the permitted premises upon request, but that copies (including electronic copies) will generally satisfy this requirement.

The TTB regulations at 27 CFR 19.573 provide that a DSP’s records may be maintained at the DSP or at a central recordkeeping location maintained by the DSP proprietor. In the latter case, the proprietor must submit a letterhead notice to TTB informing TTB of the location where the records are kept. Section 19.574, concerning availability of records, further provides that if records are kept at a location other than the DSP premises, they must nonetheless be made available at the DSP premises upon request, generally within two days of the request.

The current recordkeeping requirements applicable to TTB-regulated manufacturers of nonbeverage products, specially denatured spirits dealers and users, tax-free alcohol users, importers, wholesalers, and alcohol beverage dealers do not similarly allow records to be maintained at a location other than the premises covered by the permit or registration. As a result, such proprietors generally must submit a request for specific authorization to retain records at a central recordkeeping location rather than at the premises covered by the permit or registration. TTB proposes to amend the record

retention requirements applicable to such entities (*i.e.*, record retention requirements in 27 CFR parts 17, 20, 22, 26, 27, 28, and 31) to reflect those set forth in §§ 19.573 and 19.574, described above. TTB also proposes amendments to § 19.574, as well as other record retention provisions in part 19, intended to clarify that an industry member generally may satisfy a request for documents by providing copies of such documents, including electronic copies.

### III. Public Participation

#### A. Comments Invited

TTB invites comments from interested members of the public on this proposed rulemaking. TTB also invites comments on any additional means to streamline application processes within the parameters of TTB's statutory obligations.

#### B. Submitting Comments

You may submit comments on this proposal as an individual or on behalf of a business or other organization via the *Regulations.gov* website or via postal mail, as described in the **ADDRESSES** section of this document. Your comment must reference Notice No. 207 and must be submitted or postmarked by the closing date shown in the **DATES** section of this document. You may upload or include attachments with your comment. You also may submit a comment requesting a public hearing on this proposal. The TTB Administrator reserves the right to determine whether to hold a public hearing. If TTB schedules a public hearing, it will publish notification of the date, time, and place for the hearing in the **Federal Register**.

#### C. Confidentiality and Disclosure of Comments

All submitted comments and attachments are part of the rulemaking record and are subject to public disclosure. Do not enclose any material in your comments that you consider confidential or that is inappropriate for disclosure.

TTB will post, and you may view, copies of this document, its supporting materials, and any comments TTB receives about this proposal within the related *Regulations.gov* docket. In general, TTB will post comments as submitted, and it will not redact any identifying or contact information from the body of a comment or attachment.

Please contact TTB's Regulations and Rulings division by email using the web form available at <https://www.ttb.gov/contact-rrd>, or by telephone at 202-453-2265, if you have any questions

regarding comments on this proposal or to request copies of this document, its supporting materials, or the comments received in response.

### IV. Regulatory Analysis and Notices

#### A. Executive Order 12866

It has been determined that this proposed rule is not a significant regulatory action as defined by Executive Order 12866. Therefore, a regulatory impact assessment is not required.

#### B. Regulatory Flexibility Act

In accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), TTB has analyzed the potential economic effects of this action on small entities. In lieu of the initial regulatory flexibility analysis required to accompany proposed rules under 5 U.S.C. 603, section 605 allows the head of an agency to certify that a rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. The following analysis provides the factual basis for TTB's certification under section 605.

#### Impact on Small Entities

While TTB believes the majority of businesses subject to this proposed rule are small businesses, the changes proposed in this document will not have a significant impact on those small entities. The proposed amendments are generally aimed at reducing burden on regulated entities of all sizes by: (1) Eliminating the collection of certain information from applications for permits or registrations; (2) replacing required narrative descriptions of an applicant's premises with more specific description requirements; (3) extending deadlines for reporting certain changes in a permitted or registered business; (4) relaxing the requirements associated with amending the trade names available for use by a permitted or registered business; (5) allowing the maintenance of required records at locations other than the permitted or registered premises; and (6) clarifying and limiting which individuals are required to submit certain background information in connection with an application for permit or registration. Many of the proposed changes are consistent with recommendations submitted by industry in response to Treasury's request for recommendations for Treasury regulations that can be eliminated, modified, or streamlined in order to reduce burdens.

Examples of eliminating the collection of information from applications for permits or registrations

are the proposed amendments to §§ 19.73(a)(12), 19.76, and 19.123, which eliminate a requirement that an applicant for a DSP registration submit a statement of plant security measures and replace it with a requirement that the applicant certify its premises is in compliance with the security specifications already established at § 19.192. Additionally, proposed amendments to § 19.75 eliminate the requirement to provide in the application for registration the serial numbers of the tanks, stills, and condensers to be used on the DSP premises, allowing an application to be filed when equipment is on order but not yet received.

The proposed amendments to §§ 19.73, 19.74, 19.141, 19.142, 19.143, 19.643, 19.673, 19.675, 19.676, and 19.692 replace requirements for narrative descriptions of an applicant's DSP premises with requirements to submit more specific information regarding the premises. For example, in connection with an application for registration as a DSP, § 19.74 currently requires a detailed narrative description of the DSP premises, including each tract of land covered by the DSP, featuring "directions and distances in enough detail to enable the appropriate TTB officer to readily determine the boundaries of the plant." The proposed amendments to § 19.74 remove the narrative description requirements and instead require the submission of more limited information illustrating certain specified attributes.

An example of extending deadlines for reporting changes in a permitted or registered business is the proposed amendment to § 19.112, which provides the general rules for notifying TTB of any changes in the information included in a DSP's notice of registration. Section 19.112 generally requires that when such changes occur, the proprietor must file specified documentation with TTB to amend the registration within 30 days. The proposed amendments to § 19.112 extend this deadline to 60 days. TTB proposes similar amendments at §§ 19.114, 19.126, 19.127, 19.130, 19.644, 19.683, 19.684, 19.686, 19.687, 19.691, 20.56, 20.57, 22.57, 22.58, and 31.138.

An example of relaxing the reporting requirements associated with changes in the trade names available for use by a permitted or registered business is the proposed amendment to § 19.129. Section 19.129 currently requires that a proprietor of a DSP apply for, and receive approval of, an amended operating permit prior to operating under a new trade name. The proposed amendment to § 19.129 allows the

addition of a new trade name through a letterhead notice that does not require TTB approval. TTB proposes similar amendments at §§ 1.40, 20.61, 22.62, and 31.132.

Concerning records maintenance, current recordkeeping requirements applicable to manufacturers of nonbeverage products, specially denatured spirits dealers and users, tax-free alcohol users, importers, wholesalers, and alcohol beverage dealers do not allow records to be maintained at a location other than the premises covered by the permit or registration. The proposed amendments to §§ 17.161, 17.171, 20.267, 22.164, 26.174, 26.275, 26.310, 27.136, 28.45, 31.152, 31.172, and 31.181 generally allow for the maintenance of required records at locations other than the permitted or registered premises upon letterhead notice to TTB.

With respect to the collection of applicant background information, TTB proposes amendments to 27 CFR 19.93, 19.677, 20.45, and 22.45 to clarify the individuals who are required to submit statements of financial interest in a business applying for a distilled spirits-related permit or registration. The proposed amendments clarify that: (1) Such statements of interest are required only from persons with an ownership interest in the applicant of 10 percent or greater; and (2) where a "person" holding such an interest is a legal entity other than an individual, an applicant must submit basic identifying information about a representative individual for that entity.

In conclusion, while the entities affected by the proposed rule include a substantial number of small entities, the effects of the changes in this proposed rule are expected to be positive for the affected entities.

In accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), TTB certifies that this proposed rule, if promulgated, will not have a significant economic impact on a substantial number of small entities. The proposed rule will not impose, or otherwise cause, a significant increase in reporting, recordkeeping, or other compliance burdens on a substantial number of small entities. The proposed rule is not expected to have significant secondary or incidental effects on a substantial number of small entities. Accordingly, a regulatory flexibility analysis is not required. Pursuant to 26 U.S.C. 7805(f), TTB will submit the proposed regulations to the Chief Counsel for Advocacy of the Small Business Administration for comment on the impact of the proposed regulations on small businesses.

### C. Paperwork Reduction Act

Regulations addressed in this document contain current collections of information that have been previously reviewed and approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3504(h)) and assigned control numbers 1513-0002, 1513-0018, 1513-0019, 1513-0028, 1513-0040, 1513-0041, 1513-0044, 1513-0048, 1513-0051, 1513-0052, 1513-0059, 1513-0060, 1513-0061, 1513-0062, 1513-0065, 1513-0066, 1513-0073, 1513-0075, 1513-0088, 1513-0089, and 1513-0112. The specific regulatory sections in this proposed rule that contain collections of information, either current or proposed, are §§ 1.27, 1.40, 1.42, 1.44, 17.161, 19.73, 19.74, 19.75, 19.93, 19.94, 19.112, 19.114, 19.119, 19.126, 19.127, 19.129, 19.130, 19.141, 19.142, 19.143, 19.192, 19.574, 19.643, 19.644, 19.673, 19.675, 19.676, 19.677, 19.683, 19.684, 19.686, 19.687, 19.691, 19.692, 20.42, 20.45, 20.56, 20.57, 20.61, 20.267, 22.42, 22.45, 22.57, 22.58, 22.62, 22.164, 26.174, 26.275, 26.310, 27.136, 28.45, 31.114, 31.132, 31.138, 31.152, 31.172, and 31.181. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

The amendments that TTB proposes in this document, along with certain corresponding policy changes, are designed to reduce the overall burden associated with the information collections noted above. In general, the proposed amendments involve: (1) Eliminating the collection of certain information from applications for permits or registrations; (2) replacing required narrative descriptions of an applicant's premises with more specific information; (3) extending deadlines for reporting certain changes in a permitted or registered business; (4) relaxing the requirements associated with amending the trade names available for use by a permitted or registered business; (5) allowing the maintenance of required records at locations other than the permitted or registered premises; and (6) clarifying which individuals are required to submit certain background information in connection with an application for permit or registration.

To reduce the amount of information collected in applications for distilled spirits-related permits or registrations, TTB proposes to amend 27 CFR 19.73, 19.75, and 19.192, and to eliminate 27 CFR 19.76, 19.77, and 19.123. Proposed amendments to § 19.73(a)(13) and the elimination of § 19.77 eliminate

requirements that an applicant for a DSP registration intending to operate as a distiller submit a statement of its production procedures and a statement as to whether spirits will be redistilled. Proposed amendments to current § 19.73(a)(14) eliminate requirements that an applicant for a DSP registration intending to operate as a warehouseman submit a narrative description of its storage system and a statement of the total amount of bulk wine gallons that can be stored. Additionally, proposed amendments to current § 19.73(a)(15) eliminate requirements that an applicant for a DSP registration intending to operate as a processor submit a narrative description of the storage system for spirits bottled and cased or otherwise packaged and placed in approved containers for removal from the bonded premises. Proposed amendments to §§ 19.73(a)(12) and 19.192, and the elimination of §§ 19.76 and 19.123, eliminate a requirement that an applicant for a DSP registration submit a statement of plant security measures and replace it with a requirement that the applicant certify its premises is in compliance with the security specifications already established at § 19.192. The amendments to § 19.192 also generalize the required specifications for locks to be used on the DSP premises. The proposed amendments to § 19.75 eliminate the requirement to provide in the application for registration the serial numbers of the tanks, stills, and condensers to be used on the DSP premises. Sections 19.73, 19.75, 19.76, 19.77, 19.123, and 19.192 are currently included in the collection of information assigned OMB control number 1513-0048. TTB has submitted to OMB a revision of that information collection to account for the reduced burden of the proposed amendments.

Similar to the amendments to § 19.75 described in the previous paragraph, TTB proposes amendments 27 CFR 20.42 and 22.42 to remove requirements to provide serial numbers of equipment to be used by applicants for permits as users of denatured alcohol and of tax-free alcohol. Sections 20.42 and 22.42 are currently included in the collection of information assigned OMB control number 1513-0028. TTB has submitted to OMB a revision of that information collection to account for the reduced burden of the proposed amendments.

To replace required narrative descriptions of applicant premises with more specific information and certifications, TTB proposes amendments to 27 CFR 19.73, 19.74, 19.141, 19.142, 19.143, 19.643, 19.673, 19.675, 19.676, and 19.692. The

proposed amendments to § 19.74 eliminate requirements to submit detailed narrative descriptions of the plant and certain of its attributes, and replace these requirements with a more specific set of information and certifications. TTB proposes similar amendments with respect to applications for alcohol fuel plant permits at §§ 19.673, 19.675, and 19.676; and with respect to applications for vinegar plants at § 19.643. Sections 19.141, 19.142, and 19.143 each relate to qualifying to alternate the DSP premises. TTB proposes amendments to these sections to eliminate requirements to submit narrative statements describing the areas to be alternated and the means by which the alternated areas will be separated from other parts of the premises. TTB's proposed amendments require more specific information. TTB proposes similar amendments to with respect to alternation of an alcohol fuel plant at § 19.692.

Sections 19.74 and 19.143 are currently included in the collection of information assigned OMB control number 1513-0048; §§ 19.141 and 19.142 are being added to the collection of information assigned OMB control number 1513-0048 in revisions submitted to OMB (these sections were inadvertently not referenced in the supporting statement, but their burden has been accounted for); §§ 19.673, 19.675, and 19.676 are currently included in the collection of information assigned OMB control number 1513-0051; and the amended provisions of § 19.692 are currently included in the collection of information assigned OMB control number 1513-0051. TTB has submitted to OMB revisions of those information collections to account for the reduced burden of the proposed amendments. The information collected under § 19.643 is not subject to the Paperwork Reduction Act due to the limited number of respondents.

The TTB regulations generally require that, when there is a change in the information filed with TTB as part of an application for a permit or registration, the proprietor of the regulated business must notify TTB of the change. To extend deadlines for reporting certain changes in a permitted or registered business, TTB proposes amendments to 27 CFR 19.112, 19.114, 19.126, 19.127, 19.130, 19.644, 19.683, 19.684, 19.686, 19.687, 19.691, 20.56, 20.57, 22.57, 22.58, and 31.138. In each case, the deadline for reporting the specified change in the business is extended to 60 days, typically from 30 days (in some cases, current regulatory text required industry to inform TTB "immediately"

of certain changes; see, *e.g.*, § 19.644). Sections 19.112 and 19.114 are currently included in the collection of information assigned OMB control number 1513-0048; §§ 19.126 and 19.130 are currently included in the collection of information assigned OMB control number 1513-0040; §§ 19.683, 19.684, and 19.686 are currently included in the collection of information assigned OMB control number 1513-0051; §§ 19.683, 19.687, and 19.691 are currently included in the collection of information assigned OMB control number 1513-0052 (additionally, the letterhead application provisions of § 19.686 are being added to this collection of information in revisions submitted to OMB); §§ 20.56 and 20.57 are currently included in the collection of information assigned OMB control number 1513-0061; §§ 22.57 and 22.58 are currently included in the collection of information assigned OMB control number 1513-0060; and § 31.138 is currently included in the collection of information assigned OMB control number 1513-0112. TTB has submitted to OMB revisions of those information collections to account for the reduced burden of the proposed amendments. The revision to number 1513-0040 also adds a reference to § 19.127. The information collected under § 19.644 is not subject to the Paperwork Reduction Act due to the limited number of respondents.

The TTB regulations generally require that changes to, or additions of, the trade names under which a permitted or registered business may operate be made by filing for an amended permit or registration. Such applications would need to be approved prior to the applicant beginning operations under the new trade name. To relax the requirements associated with altering the trade names available for use by a permitted or registered business, TTB proposes amendments to 27 CFR 1.40, 19.129, 20.61, 22.62, and 31.132. The amendments would allow changes to, or additions of, trade names to be accomplished by a letterhead notice. TTB also proposes an amendment to 27 CFR 19.94 to remove the requirement that an applicant for an original DSP operating permit submit supporting documentation for the trade names identified in the application. Section 1.40 is currently included in the collection of information assigned OMB control number 1513-0019; §§ 19.94 and 19.129 are currently included in the collection of information assigned OMB control number 1513-0040; § 20.61 is currently included in the collection of information assigned OMB control

number 1513-0061; § 22.62 is currently included in the collection of information assigned OMB control number 1513-0060; and § 31.132 is currently included in the collection of information assigned OMB control number 1513-0112. TTB has submitted to OMB revisions of those information collections to account for the reduced burden of the proposed amendments.

The current recordkeeping requirements applicable to specially denatured spirits dealers and users, tax-free alcohol users, manufacturers of nonbeverage products, importers, wholesalers, and alcohol beverage dealers do not allow records to be maintained at a location other than the premises covered by the permit or registration. As a result, such proprietors generally must submit a request for specific authorization to retain records at a central recordkeeping location rather than the premises covered by the permit or registration. To allow the maintenance of required records at locations other than the permitted or registered premises, TTB proposes amendments to 27 CFR 17.161, 17.171, 20.267, 22.164, 26.174, 26.275, 26.310, 27.136, 28.45, 31.152, 31.172, and 31.181. These amendments, as well as amendments to 27 CFR 19.574, also clarify that an industry member generally may satisfy a request for documents by providing copies of such documents, including electronic copies. Sections 17.161 and 17.171 are currently included in the collection of information assigned OMB control number 1513-0073; § 19.574 is currently included in the collection of information assigned OMB control number 1513-0041; the general record retention provisions of § 22.164 are currently included in the collection of information assigned OMB control number 1513-0059, while the proposed notice associated with off-premises records retention has been added to the collection of information assigned OMB control number 1513-0060 in revisions submitted to OMB. In addition, § 20.267 is currently included in OMB control number 1513-0062; §§ 26.174 and 26.310 are currently included in the collection of information assigned OMB control number 1513-0089; § 28.45 is currently included in the collection of information assigned OMB control number 1513-0075; §§ 31.152 and 31.172 are currently included in the collection of information assigned OMB control number 1513-0065; § 31.181 is currently included in the collection of information assigned OMB control number 1513-0066; and §§ 19.574, 26.174, 26.310, and 27.136 are currently

included in the collection of information assigned OMB control number 1513–0088. TTB has submitted to OMB revisions of those information collections as needed to account for the reduced burden of the proposed amendments. Additionally, the revision to OMB control number 1513–0088 adds references to §§ 26.275 and 28.45. TTB also submitted to OMB a revision of the information collection assigned OMB control number 1513–0061, to add a reference to § 20.267.

With respect to the collection of applicant background information, TTB proposes amendments to 27 CFR 19.93, 19.677, 20.45, 22.45, and 31.114 to clarify the individuals who are required to submit statements of financial interest in the applicant business. The above regulations generally require statements disclosing the identities of persons holding certain levels of ownership in a business applying for a distilled spirits-related registration or permit be submitted with such applications. The proposed amendments clarify that (1) Such statements of interest are required only from persons with an ownership interest in the applicant of 10 percent or greater; and (2) where a “person” holding such an interest is a legal entity other than an individual, an applicant must submit basic identifying information about a representative individual for that entity. Section 19.93 is currently included in the collection of information assigned OMB control number 1513–0040, and TTB has proposed revisions to also include it in the collection of information assigned OMB control number 1513–0048; § 19.677 is currently included in the collection of information assigned OMB control number 1513–0051; §§ 20.45 and 22.45 are currently included in the collection of information assigned OMB control number 1513–0028; and § 31.114 is currently included in the collection of information assigned OMB control number 1513–0112. TTB proposes conforming amendments to 27 CFR 1.27, 1.42, 1.44, 19.114, 19.127, 19.130, 19.684, and 19.687, each relating to reporting changes in the ownership of the applicant or permitted business, to update the description of ownership interests consistent with the amendments described above. Section 1.27 is currently included in the collection of information assigned OMB control number 1513–0018; § 1.42 is currently included in the collection of information assigned OMB control number 1513–0019; § 19.114 is currently included in the collection of information assigned OMB control

number 1513–0048; § 19.130 is currently included in the collection of information assigned OMB control number 1513–0040; § 19.684 is currently included in the collection of information assigned OMB control number 1513–0051; and § 19.687 is currently included in the collection of information assigned OMB control number 1513–0052. TTB has submitted to OMB revisions of the collections of information assigned OMB control numbers 1513–0019 and 1513–0040 to add references to §§ 1.44 and 19.127, respectively. The burden for these sections was already accounted for, but citations to these sections were left out in error.

As noted above, TTB has submitted the revised information collection requirements to OMB for review. Comments on these revised recordkeeping and reporting requirements should be sent to OMB at Office of Management and Budget, Attention: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503 or by email to *OIRA\_submissions@omb.eop.gov*. A copy should also be sent to TTB by any of the methods previously described. Comments on the information collections should be submitted no later than February 1, 2022. Comments are specifically requested concerning:

- Whether the collections of information submitted to OMB are necessary for the proper performance of the functions of the Alcohol and Tobacco Tax and Trade Bureau, including whether the information will have practical utility;
- The accuracy of the estimated burdens associated with the collections of information submitted to OMB;
- How to enhance the quality, utility, and clarity of the information to be collected;
- How to minimize the burden of complying with the proposed revisions of the collections of information, including the application of automated collection techniques or other forms of information technology; and
- Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

#### List of Subjects

##### 27 CFR Part 1

Alcohol and alcoholic beverages, Application procedures, Distilled spirits plants, Importers, Permit requirements, Reporting and recordkeeping requirements, Trade names, Wholesalers.

##### 27 CFR Part 17

Claims, Excise taxes, Liquors, Reporting and recordkeeping requirements.

##### 27 CFR Part 19

Alcohol and alcoholic beverages, Alcohol fuel plants, Alternation, Application procedures, Distilled spirits plants, Permit requirements, Registration requirements, Reporting and recordkeeping requirements, Security requirements, Trade names, Vinegar plants.

##### 27 CFR Part 20

Alcohol, Application procedures, Denatured spirits, Distilled spirits plants, Permit requirements, Reporting and recordkeeping requirements, Specially denatured spirits, Trade names.

##### 27 CFR Part 22

Alcohol, Application procedures, Permit requirements, Reporting and recordkeeping requirements, Tax-free alcohol.

##### 27 CFR Part 26

Alcohol and alcohol beverages, Puerto Rico, Reporting and recordkeeping requirements, Virgin Islands.

##### 27 CFR Part 27

Alcohol and alcohol beverages, Importation, Importers, Reporting and recordkeeping requirements.

##### 27 CFR Part 28

Alcohol and alcohol beverages, Exportation, Exporters, Reporting and recordkeeping requirements.

##### 27 CFR Part 31

Alcohol and alcohol beverages, Reporting and recordkeeping requirements, Retail dealers, Trade names, Wholesale dealers.

#### Amendments to the Regulations

For the reasons discussed above in the preamble, TTB proposes to amend 27 CFR parts 1, 17, 19, 20, 22, 26, 27, 28, and 31 as follows:

#### **PART 1—BASIC PERMIT REQUIREMENTS UNDER THE FEDERAL ALCOHOL ADMINISTRATION ACT, NONINDUSTRIAL USE OF DISTILLED SPIRITS AND WINE, BULK SALES AND BOTTLING OF DISTILLED SPIRITS**

- 1. The authority citation for part 1 continues to read as follows:

**Authority:** 27 U.S.C. 203, 204, 206, 211 unless otherwise noted.

■ 2. Section 1.24 is amended by revising paragraph (a) to read as follows:

**§ 1.24 Qualifications of applicants.**

\* \* \* \* \*

(a) Such person (or in case of a limited liability entity, any of its officers, directors, or persons holding a 10 percent or more ownership interest in any of the classes or types of ownership of the applicant) has not, within 5 years prior to the date of application, been convicted of a felony under Federal or State law, and has not, within 3 years prior to the date of application, been convicted of a misdemeanor under any Federal law relating to liquor, including the taxation thereof; and

\* \* \* \* \*

■ 3. Section 1.27 is revised to read as follows:

**§ 1.27 Change in ownership, management, or control of the applicant.**

In the event of any change in the ownership, management, or control of the applicant (in case of a limited liability entity, any change in the officers, directors, or persons holding a 10 percent or more ownership interest in any of the classes or types of ownership of the applicant), after the date of filing of any application for a basic permit and prior to final action on such application, the applicant must notify the appropriate TTB officer immediately of such change.

■ 4. Section 1.40 is revised to read as follows:

**§ 1.40 Change in name.**

(a) *Legal name.* In the event of any change in the name of the individual, firm, corporation, or other entity holding a basic permit, the permittee must file application form TTB F 5100.18 for an amended basic permit. The application must be approved and an amended permit issued before operations may be commenced under the new name.

(b) *Trade name.* In the event of any change in a trade name of a permittee, or, in the event a permittee desires to engage in operations under an additional trade name, the permittee must first file a letterhead notice with the appropriate TTB officer listing the new names and the offices where they are registered.

(Approved by the Office of Management and Budget under control number 1513-0019)

■ 5. Section 1.42 is revised to read as follows:

**§ 1.42 Change in ownership, management, or control of business.**

In the event of any change in the ownership, management, or control of any business operated pursuant to a basic permit (in case of a limited liability entity, any change in the officers, directors, or persons holding a 10 percent or more ownership interest in any of the classes or types of ownership of the permittee) the permittee must within 30 days notify the appropriate TTB officer of such change, giving the names and addresses of all new persons participating in the ownership, management, or control of such business. Notice to the appropriate TTB officer of any such change must be accompanied or supplemented by such data in reference to the personal or business history of such persons as the appropriate TTB officer may require.

**§ 1.44 [Amended]**

■ 6. Section 1.44 is amended by removing the word “stock” in the second sentence.

**PART 17—DRAWBACK ON TAXPAID DISTILLED SPIRITS USED IN MANUFACTURING NONBEVERAGE PRODUCTS**

■ 7. The authority citation for part 17 continues to read as follows:

**Authority:** 26 U.S.C. 5010, 5111–5114, 5123, 5206, 5273, 6065, 6091, 6109, 7213, 7652, 7805; 31 U.S.C. 9301, 9303, 9304, 9306.

■ 8. Section 17.161 is revised to read as follows:

**§ 17.161 General.**

Each person claiming drawback on taxpaid distilled spirits used in the manufacture of nonbeverage products must maintain records showing the information required in this subpart. No particular form is prescribed for these records, but the data required to be shown must be clearly recorded and organized to enable appropriate TTB officers to trace each operation or transaction, monitor compliance with law and regulations, and verify the accuracy of each claim. Ordinary business records, including invoices and cost accounting records, are acceptable if they show the required information or are annotated to show any such information that is lacking. The records must be kept complete and current at all times and must be retained by the manufacturer for the period prescribed in § 17.170 and at the place prescribed in § 17.171.

■ 9. Section 17.171 is amended by:

■ a. Designating the paragraph as paragraph (a);

■ b. Removing the word “shall” each place it appears and adding in its place the word “must” in newly designated paragraph (a);

■ c. Adding paragraph (b); and

■ d. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

**§ 17.171 Inspection of records.**

\* \* \* \* \*

(b) A manufacturer may keep the records required by this part at a location other than the premises where the distilled spirits are used in the manufacture or production of nonbeverage products, if he or she has first provided a letterhead notice to the appropriate TTB officer, identifying the location where the records are to be kept. A manufacturer keeping records at a location other than the premises where distilled spirits are used in the manufacture or production of nonbeverage products must make the records available at such premises upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow the permittee to supply copies (including electronic copies) of such records instead of the originals.

**PART 19—DISTILLED SPIRITS PLANTS**

■ 10. The authority citation for part 19 continues to read as follows:

**Authority:** 19 U.S.C. 81c, 1311; 26 U.S.C. 5001, 5002, 5004–5006, 5008, 5010, 5041, 5061, 5062, 5066, 5081, 5101, 5111–5114, 5121–5124, 5142, 5143, 5146, 5148, 5171–5173, 5175, 5176, 5178–5181, 5201–5204, 5206, 5207, 5211–5215, 5221–5223, 5231, 5232, 5235, 5236, 5241–5243, 5271, 5273, 5301, 5311–5313, 5362, 5370, 5373, 5501–5505, 5551–5555, 5559, 5561, 5562, 5601, 5612, 5682, 6001, 6065, 6109, 6302, 6311, 6676, 6806, 7011, 7510, 7805; 31 U.S.C. 9301, 9303, 9304, 9306.

■ 11. Section 19.73 is amended by:

■ a. Revising paragraphs (a)(12) and (13);

■ b. Removing paragraph (a)(14);

■ c. Redesignating paragraph (a)(15) as paragraph (a)(14) and revising newly redesignated paragraph (a)(14);

■ d. Redesignating paragraph (a)(16) as paragraph (a)(15); and

■ e. Removing the parenthetical authority citation at the end of the section.

The revisions read as follows:

**§ 19.73 Information required in an application for registration.**

(a) \* \* \*

(12) A certification that the plant's security will be in compliance with § 19.192;

(13) If the applicant intends to operate as a distiller, a statement of the total proof gallons of spirits that can be produced daily;

(14) If the applicant intends to operate as a processor, a statement whether spirits will or will not be bottled, denatured, redistilled, and whether articles will be manufactured; and

■ 12. Section 19.74 is revised to read as follows:

§ 19.74 Description of the plant.

(a) As required by § 19.73(a)(8), the application for registration must include a description of the distilled spirits plant. The description may be in narrative form or diagram form, and must illustrate:

(1) The overall dimensions of the building(s) housing the distilled spirits plant;

(2) The dimensions of the bonded premises and any general premises;

(3) Any internal walls establishing the boundaries of the bonded premises and general premises;

(4) The external doors of the distilled spirits plant premises;

(5) Any portions of the plant premises that are outdoors, including the location of any outdoor tanks; and

(6) Any adjacent retail premises that are to be operated by the applicant.

(b) Photographs further illustrating any of the elements required in paragraph (a) of this section must be submitted upon request of the appropriate TTB officer.

■ 13. Section 19.75 is amended by:

■ a. Revising the first sentences of paragraphs (a) and (b);

■ b. Revising paragraph (c); and

■ c. Removing the parenthetical authority citation at the end of the section.

The revisions read as follows:

§ 19.75 Major equipment.

(a) The capacity of each tank in the plant.

(b) The kind, capacity, and intended use of each still in the plant.

(c) The number of condensers used in the plant.

§ 19.76 [Removed]

■ 14. Section 19.76 is removed.

§ 19.77 [Removed]

■ 15. Section 19.77 is removed.

■ 16. Section 19.80 is amended by:

■ a. Adding a sentence before the last sentence; and

■ b. Removing the parenthetical authority citation at the end of the section.

The addition reads as follows:

§ 19.80 Approved notice of registration.

\* \* \* In a circumstance in which a proprietor of a distilled spirits plant is authorized to continue to operate under either an FAA Act permit or an operating permit under the IRC while a new permit application is pending, such as under 27 CFR 1.44 or 19.127, the proprietor's notice of registration will also remain valid until TTB takes final action upon the new application. \* \* \*

■ 17. Section 19.93 is amended by:

■ a. Removing the citation to "19.92(a)(4)" and adding in its place "19.92(b)(4)" in the first sentence of paragraph (a) introductory text;

■ b. Adding the word "ownership" before the word "interest" the first time it appears in paragraph (b)(1);

■ c. Revising paragraphs (b)(2)(i) and (ii);

■ d. Adding paragraph (b)(3); and

■ e. Removing the parenthetical authority citation at the end of the section.

The revisions and addition read as follows:

§ 19.93 Applicant organization documents.

(b) \* \* \*

(2) \* \* \*

(i) The names and addresses of persons having a 10 percent or more ownership interest in each of the classes or types of ownership interest in the applicant, and the nature and amount of ownership interest of each person.

(ii) The name of the person in whose name the interest appears. If the limited liability entity is under actual or legal control of another limited liability entity, the appropriate TTB officer may request the same information regarding ownership for the parent limited liability entity.

(3) Representative. If any interested person named under paragraphs (b)(1) and (2) of this section is a legal entity other than an individual, the applicant must also provide the name, title, and city and state of residence of a representative individual for the entity. The representative individual must be the individual designated by the entity to represent the entity's interest in the applicant business or, in the absence of a designated individual, an owner, chief officer or manager, or person with similar authority within the entity.

§ 19.94 [Amended]

■ 18. Section 19.94 is amended by removing the final sentence in paragraph (a) and the parenthetical authority citation at the end of the section.

■ 19. Section 19.96 is amended by:

■ a. Revising paragraph (a); and

■ b. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

§ 19.96 Denial of permit.

(a) The applicant (including, in the case of a limited liability entity, any of its officers, directors, or persons holding a 10 percent or more ownership interest in any of the classes or types of ownership of the applicant) is, by reason of business experience, financial standing, or trade connections, not likely to maintain operations in compliance with 26 U.S.C. chapter 51, or the regulations in this chapter;

§ 19.112 [Amended]

■ 20. Section 19.112 is amended by:

■ a. Removing the phrase "30 days" and adding in its place "60 days" in the first sentence of the introductory text; and

■ b. Removing the parenthetical authority citation at the end of the section.

§ 19.114 [Amended]

■ 21. Section 19.114 is amended by:

■ a. Adding the words "an ownership" before the word "interest" in the first sentence of the introductory text;

■ b. Removing the phrase "30 days" each place it appears and adding in its place "60 days"; and

■ c. Removing the parenthetical authority citation at the end of the section.

■ 22. Section 19.119 is amended by:

■ a. Designating the paragraph as paragraph (a);

■ b. Adding paragraph (b); and

■ c. Removing the parenthetical authority citation at the end of the section.

The addition reads as follows:

§ 19.119 Change in premises.

(b)(1) If the proprietor intends to make any change to the premises, other than those covered by paragraph (a) of this section or by §§ 19.142 and 19.143, that would render inaccurate the description submitted with the registration or submitted separately or previously by the proprietor with another reported change, the proprietor must first submit to TTB updated information meeting the requirements of § 19.74.

(2) The proprietor may make emergency changes to the premises described in paragraph (b)(1) of this section without first submitting updated information. However, the proprietor

must promptly report any emergency change to the appropriate TTB officer and submit updated information meeting the requirements of § 19.74 within 60 days of the emergency changes.

**§ 19.121 [Removed]**

■ 23. Section 19.121 is removed.

**§ 19.122 [Removed]**

■ 24. Section 19.122 is removed.

**§ 19.123 [Removed]**

■ 25. Section 19.123 is removed.

**§ 19.126 [Amended]**

■ 26. Section 19.126 is amended by:  
 ■ a. Removing the phrase “30 days” and adding in its place “60 days” in paragraph (a); and  
 ■ b. Removing the parenthetical authority citation at the end of the section.  
 ■ 27. Section 19.127 is amended by:  
 ■ a. Revising paragraph (a)(3); and  
 ■ b. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

**§ 19.127 Automatic termination of permits.**

(a) \* \* \*

(3) In the case of a limited liability entity (*i.e.*, a corporation, limited liability partnership, limited liability company, or other legal entity in which some or all of the owners have limited personal liability for the activities of the entity) holding a permit issued under subpart D of this part, if actual or legal control of such limited liability entity changes, directly or indirectly, whether by reason of a change in ownership or control (in the permittee limited liability entity or any other limited liability entity), by operation of law, or in any other manner, the permittee must file an application for a new permit within 60 days of the change. If an application for a new permit is not filed within 60 days of the change, the outstanding permit will automatically terminate. If an application for a new permit is filed within the 60-day period prescribed in the preceding sentences, the outstanding permit will remain in effect until TTB takes final action on the application. When TTB takes final action on the application, the outstanding permit will automatically terminate.

\* \* \* \* \*

■ 28. Section 19.129 is revised to read as follows:

**§ 19.129 Change in trade name.**

In the event of any change in a trade name of a proprietor of a distilled spirits plant, or, in the event a proprietor

desires to engage in operations under an additional trade name, the proprietor must first file a letterhead notice with the appropriate TTB officer listing the new names and the offices where they are registered.

**§ 19.130 [Amended]**

■ 29. Section 19.130 is amended by:  
 ■ a. Adding the words “an ownership” before the word “interest” in the first sentence of the introductory text;  
 ■ b. Removing the phrase “30 days” each place it appears and adding in its place “60 days”; and  
 ■ c. Removing the parenthetical authority citation at the end of the section.  
 ■ 30. Section 19.141 is amended by:  
 ■ a. Revising paragraph (a);  
 ■ b. Removing the word “diagrams” and adding in its place “description” in paragraph (b)(4); and  
 ■ c. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

**§ 19.141 Procedures for alternation of proprietors.**

(a) *General.* A proprietor may alternate use of a distilled spirits plant or part of the plant with one or more other proprietors. In order to do so, each proprietor must separately file and receive approval of the necessary registration, applications and bonds that are required by subpart D of this part and this subpart. Each proprietor must also conduct operations and keep records in accordance with the regulations in this part. Where operations by alternating proprietors will be limited to parts of the plant, the descriptions required to be submitted with each proprietor’s application for registration under § 19.73(a)(8) must additionally illustrate the following:

(1) The areas, rooms, or buildings, or combination of rooms and/or buildings, that will alternate between proprietors; and

(2) The means by which the alternated premises will be separated from any premises that will not be alternated.

\* \* \* \* \*

■ 31. Section 19.142 is amended by:  
 ■ a. Revising paragraph (b);  
 ■ b. Removing the word “diagrams” and adding in its place “description” in paragraph (c)(3); and  
 ■ c. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

**§ 19.142 Alternate use of premises and equipment for customs purposes.**

\* \* \* \* \*

(b) *Qualification.* Before alternating the plant premises for customs purposes, the proprietor must file and receive approval of the necessary registration, application and bonds as required by this part. The description required to be submitted with the proprietor’s application for registration under § 19.73(a)(8) must additionally illustrate the following:

(1) The areas, rooms, or buildings, or combination of rooms and/or buildings, that will alternate between proprietors; and

(2) The means by which the alternated premises will be separated from any premises that will not be alternated.

\* \* \* \* \*

■ 32. Section 19.143 is amended by:

■ a. Revising paragraph (b)(2); and  
 ■ b. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

**§ 19.143 Alternation for other purposes.**

\* \* \* \* \*

(b) \* \* \*

(2) *Description.* For all alternate uses, the proprietor must provide additional versions of the description required under § 19.73(a)(8) describing or showing the premises as they will exist, both during extension and curtailment, and clearly depicting all buildings, floors, rooms, areas, equipment that are to be subject to alternation, in their relative operating sequence.

\* \* \* \* \*

■ 33. Section 19.192 is amended by:

■ a. Revising paragraph (e);  
 ■ b. Removing paragraph (f);  
 ■ c. Redesignating paragraph (g) as paragraph (f); and  
 ■ d. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

**§ 19.192 Security.**

\* \* \* \* \*

(e) *Locks.* Locks of a class and construction that is usual and customary in the industry to prevent unauthorized access to, and theft of, commercial property must be used to secure:

(1) Outdoor tanks used to store spirits, or an enclosure around such tanks;

(2) Indoor tanks used to store spirits, or the door from which access may be gained from the outside to the rooms or buildings in which such tanks are housed; and

(3) Any doors from which access may be gained from the outside to rooms or buildings containing spirits stored in portable bulk containers.

\* \* \* \* \*

■ 34. Section 19.574 is revised to read as follows:

§ 19.574 Availability of records.

The records required by this part must be available for inspection by the appropriate TTB officer during normal business hours. Any proprietor keeping records at a location other than the distilled spirits plant where operations or transactions occur must make them available at the distilled spirits plant premises upon request of the appropriate TTB officer; however, the TTB officer may, in his or her discretion, allow the proprietor to supply copies (including electronic copies) of such records instead of the originals.

■ 35. Section 19.643 is revised to read as follows:

§ 19.643 Qualification requirements.

(a) General. Before beginning the business of manufacturing vinegar by the vaporizing process, a person must make written application to the appropriate TTB officer and receive approval of the application from TTB. The application must include:

(1) The applicant's name and principal business address (including the plant address if different from the applicant's principal business address);

(2) A description of the plant premises;

(3) A description of the operations to be conducted; and

(4) A description of each still, including the name and address of the owner, the kind of still and its capacity, and the purpose for which the still was set up.

(b) Specifications of plant description.

(1) The description required by paragraph (a)(2) of this section may be in narrative form or diagram form, and must describe or illustrate the following:

(i) The overall dimensions of the building(s) housing the vinegar plant;

(ii) The dimensions of the bonded premises and any general premises;

(iii) Any internal walls establishing the boundaries of the bonded premises and general premises;

(iv) The external doors of the plant premises; and

(v) Any portions of the plant premises that are outdoors, including the location of any outdoor tanks.

(2) Photographs further illustrating the elements required under paragraph (b)(1) of this section must be submitted upon request of the appropriate TTB officer.

■ 36. Section 19.644 is amended by:

■ a. Revising the first sentence; and

■ b. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

§ 19.644 Changes after original qualification.

If there is any change in the information that was provided in an approved application, the proprietor of the vinegar plant must notify the appropriate TTB officer in writing within 60 days of the change. \* \* \*

■ 37. Section 19.673 is amended by:

■ a. Revising paragraphs (b)(2) and (6);

■ b. Redesignating paragraphs (c)

through (e) as paragraph (d) through (f);

■ c. Adding a new paragraph (c); and

■ d. Removing the parenthetical authority citation at the end of the section.

The revisions and addition read as follows:

§ 19.673 Small plant permit applications.

\* \* \* \* \*

(b) \* \* \*

(2) A description of the plant premises;

\* \* \* \* \*

(6) A certification that the plant's construction and security will be in compliance with §§ 19.703 and 19.704.

(c) Specifications of plant description.

(1) The description required by paragraph (b)(2) of this section may be in narrative form or diagram form, and must describe or illustrate the following:

(i) The overall dimensions of the building(s) housing the alcohol fuel plant;

(ii) The dimensions of the bonded premises and any general premises;

(iii) Any internal walls establishing the boundaries of the bonded and general premises;

(iv) The external doors of the plant premises; and

(v) Any portions of the plant premises that are outdoors, including the location of any outdoor tanks.

(2) Photographs further illustrating the elements required under paragraph (c)(1) of this section must be submitted upon request of the appropriate TTB officer.

\* \* \* \* \*

■ 38. Section 19.675 is amended by:

■ a. Revising paragraphs (b)(2), (6), and (8);

■ b. Redesignating paragraphs (c) through (f) as paragraphs (d) through (g);

■ c. Adding a new paragraph (c); and

■ d. Removing the parenthetical authority citation at the end of the section.

The revisions and addition read as follows:

§ 19.675 Medium plant permit applications.

\* \* \* \* \*

(b) \* \* \*

(2) A description of the plant premises;

\* \* \* \* \*

(6) A certification that the plant's construction and security will be in compliance with §§ 19.703 and 19.704;

\* \* \* \* \*

(8) Information identifying the principal persons involved in the management of the business. This identifying information must include each person's name, address, and title;

\* \* \* \* \*

(c) Specifications of plant description.

(1) The description required by paragraph (b)(2) of this section may be in narrative form or diagram form, and must describe or illustrate the following:

(i) The overall dimensions of the building(s) housing the alcohol fuel plant;

(ii) The dimensions of the bonded premises and any general premises;

(iii) Any internal walls establishing the boundaries of the bonded premises and general premises;

(iv) The external doors of the plant premises; and

(v) Any portions of the plant premises that are outdoors, including the location of any outdoor tanks.

(2) Photographs further illustrating the elements required under paragraph (c)(1) of this section must be submitted upon request of the appropriate TTB officer.

\* \* \* \* \*

■ 39. Section 19.676 is amended by:

■ a. Revising paragraphs (b)(2), (6), and (8);

■ b. Redesignating paragraphs (c) through (g) as paragraph (d) through (h);

■ c. Adding a new paragraph (c); and

■ d. Removing the parenthetical authority citation at the end of the section.

The revisions and addition read as follows:

§ 19.676 Large plant permit applications.

\* \* \* \* \*

(b) \* \* \*

(2) A description of the plant premises;

\* \* \* \* \*

(6) A certification that the plant's construction and security will be in compliance with §§ 19.703 and 19.704;

\* \* \* \* \*

(8) Information identifying the principal persons involved in the management of the business. This identifying information must include each person's name, address, and title;

\* \* \* \* \*

(c) Specifications of plant description.

(1) The description required by

paragraph (b)(2) of this section may be in narrative form or diagram form, and must describe or illustrate the following:

- (i) The overall dimensions of the building(s) housing the alcohol fuel plant;
- (ii) The dimensions of the bonded premises and any general premises;
- (iii) Any internal walls establishing the boundaries of the bonded premises and general premises;
- (iv) The external doors of the plant premises; and
- (v) Any portions of the plant premises that are outdoors, including the location of any outdoor tanks.

(2) Photographs further illustrating the elements required under paragraph (c)(1) of this section must be submitted upon request of the appropriate TTB officer.

\* \* \* \* \*

- 40. Section 19.677 is amended by:
  - a. Revising paragraphs (a)(2) and (d); and
  - b. Removing the parenthetical authority citation at the end of the section.

The revisions read as follows:

**§ 19.677 Large plant applications—organizational documents.**

\* \* \* \* \*

(a) \* \* \*

(2) A list of officers and directors with their names and addresses;

\* \* \* \* \*

(d) *Statement of interest*—(1) *Sole proprietorships and general partnerships*. In the case of an individual owner or a general partnership, the applicant must provide the name and address of each person having an ownership interest in the business and a statement indicating whether the interest appears in the name of the interested person or in the name of another person.

(2) *Limited liability entities*. In the case of a corporation, limited liability partnership, limited liability company, or other legal entity in which some or all of the owners have limited personal liability for the activities of the entity, the applicant must provide the following information about persons having an ownership interest in the business:

(i) The names and addresses of persons having a 10 percent or more ownership interest in each of the classes or types of ownership interests in the applicant, and the nature and amount of ownership interest of each person.

(ii) The name of the person in whose name the interest appears. If the limited liability entity is under actual or legal control of another limited liability entity, the appropriate TTB officer may

request the same information regarding ownership for the parent limited liability entity.

(3) *Representative*. If any interested person named under paragraphs (d)(1) and (2) of this section is a legal entity other than an individual, the applicant must also provide the name, title, and city and state of residence of a representative individual for the entity. The representative individual must be the individual designated by the entity to represent the entity's interest in the applicant business or, in the absence of a designated individual, an owner, chief officer or manager, or person with similar authority within the entity.

\* \* \* \* \*

- 41. Section 19.678 is amended by:
  - a. Revising paragraph (a); and
  - b. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

**§ 19.678 Criteria for issuance of permit.**

\* \* \* \* \*

(a) The applicant (including, in the case of a limited liability entity, any of its officers, directors, or persons holding a 10 percent or more ownership interest in any of the classes or types of ownership of the applicant) is, by reason of business experience, financial standing, or trade connections, not likely to maintain operations in compliance with 26 U.S.C. chapter 51, or the regulations in this chapter;

\* \* \* \* \*

**§ 19.683 [Amended]**

- 42. Section 19.683 is amended by:
  - a. Removing the phrase “30 days” each place it appears and adding in its place “60 days”; and
  - b. Removing the parenthetical authority citation at the end of the section.
- 43. Section 19.684 is amended by:
  - a. Revising paragraph (b); and
  - b. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

**§ 19.684 Automatic termination of permits.**

\* \* \* \* \*

(b) *Limited liability entities*. In the case of a limited liability entity (*i.e.*, a corporation, limited liability partnership, limited liability company, or other legal entity in which some or all of the owners have limited personal liability for the activities of the entity) holding a permit issued under this subpart, if actual or legal control of such limited liability entity changes, directly or indirectly, whether by reason of a change in ownership or control (in the

permittee limited liability entity or any other limited liability entity), by operation of law, or in any other manner, the permittee must file an application for a new permit within 60 days of the change. If an application for a new permit is not filed within 60 days of the change, the outstanding permit will automatically terminate. If an application for a new permit is filed within the 60-day period prescribed in the preceding sentences, the outstanding permit will remain in effect until TTB takes final action on the application. When TTB takes final action on the application, the outstanding permit will automatically terminate.

**§ 19.686 [Amended]**

- 44. Section 19.686 is amended by:
  - a. Removing the phrase “30 days” and adding in its place “60 days” in the first sentence; and
  - b. Removing the parenthetical authority citation at the end of the section.
- 45. Section 19.687 is revised to read as follows:

**§ 19.687 Changes in officers, directors, members, managers, or principal persons.**

If there is a change in the list of officers, directors, members, managers, or other principal persons furnished under the provisions of § 19.675, § 19.676, or § 19.677, the proprietor must submit a letterhead notice to the appropriate TTB officer within 60 days of the change. The letterhead notice must identify each change and must include the identifying information for each new officer, director, member, manager, or other principal person required by § 19.675, § 19.676, or § 19.677.

**§ 19.691 [Amended]**

- 46. Section 19.691 is amended by:
  - a. Removing the phrase “30 days” and adding in its place “60 days”; and
  - b. Removing the parenthetical authority citation at the end of the section.
- 47. Section 19.692 is amended by:
  - a. Revising paragraph (b)(2); and
  - b. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

**§ 19.692 Qualifying for alternating proprietorship.**

\* \* \* \* \*

(b) \* \* \*

(2) Additional versions of the description required under § 19.673(b)(2), § 19.675(b)(2), or § 19.676(b)(2) describing or illustrating the arrangement for the alternation of

the premises. Where operations by alternating proprietors are limited to parts of an alcohol fuel plant, the description or illustration must include the areas, rooms, or buildings, or combination of rooms and/or buildings, that will alternate between proprietors. The description or illustration must also include the means by which the alternated premises will be separated from any premises that will not be alternated. A description or illustration must be submitted for each arrangement under which the premises will be operated;

\* \* \* \* \*

§ 19.761 [Amended]

■ 48. Section 19.761 is amended by removing the entries for §§ 19.76, 19.77, 19.121, 19.122, and 19.123 from the table in paragraph (b).

PART 20—DISTRIBUTION AND USE OF DENATURED ALCOHOL AND RUM

■ 49. The authority citation for part 20 continues to read as follows:

Authority: 26 U.S.C. 5001, 5206, 5214, 5271–5275, 5311, 5552, 5555, 5607, 6065, 7805.

§ 20.42 [Amended]

■ 50. Section 20.42 is amended by removing the phrase “serial number,” in paragraph (a)(8).

■ 51. Section 20.45 is amended by revising paragraph (c) to read as follows:

§ 20.45 Organizational documents.

\* \* \* \* \*

(c) Statement of interest—(1) Sole proprietorships and general partnerships. In the case of an individual owner or a general partnership, the applicant must provide the name and address of each person having an ownership interest in the business and a statement indicating whether the interest appears in the name of the interested person or in the name of another person.

(2) Limited liability entities. In the case of a corporation, limited liability partnership, limited liability company, or other legal entity in which some or all of the owners have limited personal liability for the activities of the entity, the applicant must provide the following information about persons having an interest in the business:

(i) The names and addresses of persons having a 10 percent or more ownership interest in each of the classes or types of ownership interest of the applicant, and the nature and amount of ownership interest of each person.

(ii) The name of the person in whose name the interest appears. If the limited liability entity is under actual or legal

control of another limited liability entity, the appropriate TTB officer may request the same information regarding ownership for the parent limited liability entity.

(3) Representative. If any interested person named under paragraphs (c)(1) and (2) of this section is a legal entity other than an individual, the applicant must also provide the name, title, and city and state of residence of a representative individual for the entity. The representative individual must be the individual designated by the entity to represent the entity’s interest in the applicant business or, in the absence of a designated individual, an owner, chief officer or manager, or person with similar authority within the entity.

■ 52. Section 20.56 is amended by: ■ a. Removing the phrase “30 days” and adding in its place “60 days” in paragraph (a)(1); and ■ b. Revising paragraphs (c) heading and (c)(3).

The revisions read as follows:

§ 20.56 Changes affecting applications and permits.

\* \* \* \* \*

(c) Changes in officers, directors, and ownership interests. \* \* \*

(3) Ownership interests. In lieu of reporting all changes, within 60 days, to the list of persons with an ownership interest furnished under the provisions of § 20.45(c), a permittee may, upon filing written notice to the appropriate TTB officer and establishing a reporting date, file an annual notice of changes. The notice of changes in ownership interest holders does not apply if the sale or transfer of ownership interest(s) results in a change in ownership or control which is required to be reported under § 20.57.

\* \* \* \* \*

■ 53. Section 20.57 is amended by revising paragraph (b) to read as follows:

§ 20.57 Automatic termination of permits.

\* \* \* \* \*

(b) Limited liability entities. In the case of a limited liability entity (i.e., a corporation, limited liability partnership, limited liability company, or other legal entity in which some or all of the owners have limited personal liability for the activities of the entity) holding a permit issued under this part, if actual or legal control of such limited liability entity changes, directly or indirectly, whether by reason of a change in ownership or control (in the permittee limited liability entity or any other limited liability entity), by operation of law, or in any other manner, the permittee must file an application for a new permit within 60

days of the change. If an application for a new permit is not filed within 60 days of the change, the outstanding permit will automatically terminate. If an application for a new permit is filed within the 60-day period prescribed above, the outstanding permit will remain in effect until TTB takes final action on the application. When TTB takes final action on the application, the outstanding permit will automatically terminate.

\* \* \* \* \*

■ 54. Section 20.61 is revised to read as follows:

§ 20.61 Change in trade name.

In the event of any change in a trade name of a permittee, or, in the event a permittee desires to engage in operations under an additional trade name, the permittee must first file a letterhead notice with the appropriate TTB officer listing the names and the offices where they are registered.

(Approved by the Office of Management and Budget under control number 1513–0061)

■ 55. Section 20.267 is amended by revising the section heading and paragraphs (b) and (c) to read as follows:

§ 20.267 Filing and retention of records.

\* \* \* \* \*

(b) File all records and copies of reports at the premises where the operations are conducted. A permittee may keep the required records at a location other than the permitted premises, if he or she has first provided a letterhead notice to the appropriate TTB officer identifying the location where the records are to be kept.

(c) Make the files of records and copies of reports available for inspection by the appropriate TTB officer during regular business hours. Any permittee keeping records at a location other than the premises where operations are conducted must make them available at such premises upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow the permittee to supply copies (including electronic copies) of such records instead of the originals.

PART 22—DISTRIBUTION AND USE OF TAX-FREE ALCOHOL

■ 56. The authority citation for part 22 continues to read as follows:

Authority: 26 U.S.C. 5001, 5121, 5123, 5206, 5214, 5271–5275, 5311, 5552, 5555, 6056, 6061, 6065, 6109, 6151, 6806, 7805; 31 U.S.C. 9304, 9306.

**§ 22.42 [Amended]**

■ 57. Section 22.42 is amended by removing the phrase “serial number,” in paragraph (a)(8).

■ 58. Section 22.45 is amended by revising paragraph (c) to read as follows:

**§ 22.45 Organizational documents.**

\* \* \* \* \*

(c) *Statement of interest*—(1) *Sole proprietorships and general partnerships*. In the case of an individual owner or a general partnership, the applicant must provide the name and address of each person having an ownership interest in the business and a statement indicating whether the interest appears in the name of the interested person or in the name of another person.

(2) *Limited liability entities*. In the case of a corporation, limited liability partnership, limited liability company, or other legal entity in which some or all of the owners have limited personal liability for the activities of the entity, the applicant must provide the following information about persons having an interest in the business:

(i) The names and addresses of persons having a 10 percent or more ownership interest in each of the classes or types of ownership interest of the applicant, and the nature and amount of ownership interest of each person.

(ii) The name of the person in whose name the interest appears. If the limited liability entity is under actual or legal control of another limited liability entity, the appropriate TTB officer may request the same information regarding ownership for the parent limited liability entity.

(3) *Representative*. If any interested person named under paragraphs (c)(1) and (2) of this section is a legal entity other than an individual, the applicant must also provide the name, title, and city and state of residence of a representative individual for the entity. The representative individual must be the individual designated by the entity to represent the entity's interest in the applicant business or, in the absence of a designated individual, an owner, chief officer or manager, or person with similar authority within the entity.

■ 59. Section 22.57 is amended by:

■ a. Removing the phrase “30 days” and adding in its place “60 days” each place it appears in paragraph (a)(1).

■ b. Revising paragraphs (c) heading and (c)(3).

The revisions read as follows:

**§ 22.57 Changes affecting applications and permits.**

\* \* \* \* \*

(c) *Changes in officers, directors, and ownership interests*. \* \* \*

(3) *Ownership interests*. In lieu of reporting all changes, within 60 days, to the list of persons with an ownership interest furnished under the provisions of § 22.45(c), a permittee may, upon filing written notice to the appropriate TTB officer and establishing a reporting date, file an annual notice of changes.

The notice of changes in ownership interest holders does not apply if the sale or transfer of ownership interest(s) results in a change in ownership or control which is required to be reported under § 22.58.

\* \* \* \* \*

■ 60. Section 22.58 is amended by revising paragraph (b) and the parenthetical Office of Management and Budget control number statement to read as follows:

**§ 22.58 Automatic termination of permits.**

\* \* \* \* \*

(b) *Limited liability entities*. In the case of a limited liability entity (*i.e.*, a corporation, limited liability partnership, limited liability company, or other legal entity in which some or all of the owners have limited personal liability for the activities of the entity) holding a permit issued under this part, if actual or legal control of such limited liability entity changes, directly or indirectly, whether by reason of a change in ownership or control (in the permittee limited liability entity or any other limited liability entity), by operation of law, or in any other manner, the permittee must file an application for a new permit within 60 days of the change. If an application for a new permit is not filed within 60 days of the change, the outstanding permit will automatically terminate. If an application for a new permit is filed within the 60-day period prescribed above, the outstanding permit will remain in effect until TTB takes final action on the application. When TTB takes final action on the application, the outstanding permit will automatically terminate.

\* \* \* \* \*

(Approved by the Office of Management and Budget under control number 1513-0060)

■ 61. Section 22.62 is revised to read as follows:

**§ 22.62 Change in trade name.**

In the event of any change in a trade name of a permittee, or, in the event a permittee desires to engage in operations under an additional trade name, the permittee must first file a letterhead notice with the appropriate TTB officer listing the new names and the offices where they are registered.

(Approved by the Office of Management and Budget under control number 1513-0060)

■ 62. Section 22.164 is amended by revising paragraph (b) and adding paragraph (c) to read as follows:

**§ 22.164 Filing and retention of records.**

\* \* \* \* \*

(b) Maintain all records at the permitted premises. A permittee may keep the required records at a location other than the permitted premises, if he or she has first provided a letterhead notice to the appropriate TTB officer identifying the location where the records are to be kept.

(c) Make the files of records and copies of claims available for inspection by the appropriate TTB officer during regular business hours. Any permittee keeping records at a location other than the permitted premises must make them available at the permitted premises upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow the permittee to supply copies (including electronic copies) of such records instead of the originals.

**PART 26—LIQUORS AND ARTICLES FROM PUERTO RICO AND THE VIRGIN ISLANDS**

■ 63. The authority citation for part 26 continues to read as follows:

**Authority:** 19 U.S.C. 81c; 26 U.S.C. 5001, 5007, 5008, 5010, 5041, 5051, 5061, 5111–5114, 5121, 5122–5124, 5131–5132, 5207, 5232, 5271, 5275, 5301, 5314, 5555, 6001, 6109, 6301, 6302, 6804, 7101, 7102, 7651, 7652, 7805; 27 U.S.C. 203, 205; 31 U.S.C. 9301, 9303, 9304, 9306.

■ 64. Section 26.174 is amended by revising paragraphs (a) and (e) and the parenthetical Office of Management and Budget control number statement to read as follows:

**§ 26.174 Records.**

(a) *General*. Every person intending to file a claim for drawback on eligible articles brought into the United States from Puerto Rico must keep permanent records of the data elements required by this section.

\* \* \* \* \*

(e) *Retention and availability of records*. (1) Each drawback claimant must retain for a period of not less than three years all records required by this subpart, all commercial invoices or shipping documents, and all bills of lading received evidencing receipt and tax determination of the spirits. In addition, a copy of each approved formula returned to the manufacturer of eligible articles must be retained for not less than three years from the date the

claimant files their last claim for drawback under the formula.

(2) The records required under this subpart must be maintained at the business premises for which the claim is filed, or at any other location provided that the claimant first provides a letterhead notice to the appropriate TTB officer of the location where the records are to be kept. Records must be available for inspection by any appropriate TTB officer during business hours. If the records are stored at a location other than the business premises for which the claim is filed, they must be made available at such premises upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow copies (including electronic copies) of such records to be provided instead of the originals.

(Approved by the Office of Management and Budget under control number 1513-0089)

- 65. Section 26.275 is amended by:
- a. Revising paragraph (a); and
- b. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

**§ 26.275 Filing.**

(a) All records and reports required by this part will be maintained separately, by transaction or reporting date, at the importer's place of business. An importer may keep the required records and reports at an alternative location other than his or her place of business, if he or she has first provided a letterhead notice to the appropriate TTB officer identifying the location where the records are to be kept. Any importer keeping records at a location other than the importer's place of business must make them available at the importer's place of business upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow the importer to supply copies (including electronic copies) of such records instead of the originals. The appropriate TTB officer may require an importer to maintain the required records and reports at his or her place of business if the alternative location is found to cause undue inconvenience to appropriate TTB or Customs officers desiring to examine the files or cause delay in the timely submission of documents.

\* \* \* \* \*

- 66. Section 26.310 is amended by revising paragraphs (a) and (e) and the parenthetical Office of Management and Budget control number statement to read as follows:

**§ 26.310 Records.**

(a) *General.* Every person intending to file claim for drawback on eligible articles brought into the United States from the Virgin Islands must keep permanent records of the data elements required by this section.

\* \* \* \* \*

(e) *Retention and availability of records.* (1) Each drawback claimant must retain for a period of not less than three years all records required by this subpart, all commercial invoices or shipping documents, and all bills of lading received evidencing receipt and tax determination of the spirits. In addition, a copy of each approved formula returned to the manufacturer of eligible articles must be retained for not less than three years from the date the claimant files their last claim for drawback under the formula.

(2) The records required under this subpart must be maintained at the business premises for which the claim is filed, or at any other location provided that the claimant first provides a letterhead notice to the appropriate TTB officer of the location where the records are to be kept. Records must be available for inspection by any appropriate TTB officer during business hours. If the records are stored at a location other than the business premises for which the claim is filed, they must be made available at such premises upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow copies (including electronic copies) of such records to be provided instead of the originals.

(Approved by the Office of Management and Budget under control number 1513-0089)

**PART 27—IMPORTATION OF DISTILLED SPIRITS, WINES, AND BEER**

- 67. The authority citation for part 27 continues to read as follows:

**Authority:** 5 U.S.C. 552(a), 19 U.S.C. 81c, 1202; 26 U.S.C. 5001, 5007, 5008, 5010, 5041, 5051, 5054, 5061, 5121, 5122-5124, 5201, 5205, 5207, 5232, 5273, 5301, 5313, 5555, 6109, 6302, 5555, 6109, 6302, 7805.

- 68. Section 27.136 is amended by:
- a. Revising paragraph (a) and the parenthetical Office of Management and Budget control number statement; and
- b. Removing the parenthetical authority citation at the end of the section.

The revisions read as follows:

**§ 27.136 Filing.**

(a) All records and reports required by this part will be maintained separately, by transaction or reporting date, at the

importer's place of business. An importer may keep the required records and reports at an alternative location other than his or her place of business, if he or she has first provided a letterhead notice to the appropriate TTB officer identifying the location where the records are to be kept. Any importer keeping records at a location other than the importer's place of business must make them available at the importer's place of business upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow the importer to supply copies (including electronic copies) of such records instead of the originals. The appropriate TTB officer may require an importer to maintain the required records and reports at his or her place of business if the alternative location is found to cause undue inconvenience to appropriate TTB or Customs officers desiring to examine the files or cause delay in the timely submission of documents.

\* \* \* \* \*

(Approved by the Office of Management and Budget under control number 1513-0088)

**PART 28—EXPORTATION OF ALCOHOL**

- 69. The authority citation for part 28 continues to read as follows:

**Authority:** 5 U.S.C. 552(a); 19 U.S.C. 81c, 1202; 26 U.S.C. 5001, 5007, 5008, 5041, 5051, 5054, 5061, 5121, 5122, 5201, 5205, 5207, 5232, 5273, 5301, 5313, 5555, 6109, 6302, 7805; 27 U.S.C. 203, 205; 44 U.S.C. 3504(h).

- 70. Section 28.45 is revised to read as follows:

**§ 28.45 Retention of records.**

File copies of forms required by this part to be retained by any proprietor or claimant, and all records, documents, or copies of records and documents supporting such forms, must be preserved by such proprietor or claimant for a period of not less than two years, and during such period must be available for inspection by any appropriate TTB officer at the proprietor or claimant's place of business. A proprietor or claimant may keep the required records at a location other than his or her place of business if he or she has first provided a letterhead notice to the appropriate TTB officer identifying the location where the records are to be kept. The proprietor or claimant must nonetheless make the records available at the permitted premises upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow the proprietor or claimant to supply copies (including

electronic copies) of such records instead of the originals.

(Approved by the Office of Management and Budget under control number 1513–0075)

### PART 31—ALCOHOL BEVERAGE DEALERS

■ 71. The authority citation for part 31 continues to read as follows:

**Authority:** 26 U.S.C. 5001, 5002, 5121, 5122–5124, 5131, 5132, 5206, 5207, 5273, 5301, 5352, 5555, 5603, 5613, 5681, 5687, 6061, 6065, 6071, 6091, 6103, 6109, 6723, 6724, 7805.

■ 72. Section 31.114 is amended by:

■ a. Removing the word “true” and adding in its place “legal” in paragraph (b)(1);

■ b. Revising paragraph (b)(8); and

■ c. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

#### § 31.114 Completion of registration form.

\* \* \* \* \*

(b) \* \* \*

(8) Ownership and control information. This consists of the name, position, and residence address of every owner of the business and of every person having power to control its management and policies with respect to the activity subject to registration. “Owner of the business” includes every partner if the dealer is a partnership and, in the case of a limited liability entity, any of its officers, directors, or persons holding a 10 percent or more ownership interest in any of the classes or types of ownership of the applicant. However, the ownership and control information required by this paragraph (b)(8) need not be stated if the same information has been previously provided to TTB and that previously provided information is still current.

\* \* \* \* \*

■ 73. Section 31.132 is revised to read as follows:

#### § 31.132 Change in name.

(a) *Legal name.* In the event of any change in the name of the individual, firm, corporation, or other entity registered as a dealer at a given location, the dealer must complete an amended registration and submit it on or before the next July 1.

(b) *Trade name.* In the event of any change in a trade name of a dealer registered at a given location, or in the event a dealer desires to engage in operations under an additional trade name at a given location, the dealer must first file a letterhead notice with the appropriate TTB officer listing the new names and the offices where they are registered.

#### § 31.138 [Amended]

■ 74. Section 31.138 is amended by removing the phrase “30 days” and adding “60 days” in its place.

■ 75. Section 31.152 is revised to read as follows:

#### § 31.152 Requirements as to wines and beer.

(a) *General.* Every wholesale dealer in liquors who receives wines, or wines and beer, and every wholesale dealer in beer must keep a complete record showing the quantities of wine and beer received, from whom the wine and beer were received, and the dates of receipt. This record, which must be kept for a period of not less than three years as prescribed in § 31.191, must consist of all purchase invoices or bills covering wines and beer received or, at the option of the dealer, a book record containing all of the required information. Wholesale dealers are not required to prepare or submit reports to the appropriate TTB officer of transactions relating to wines and beer.

(b) *Availability of records.* The records required under this subpart must be kept at the dealer’s place of business. A dealer may keep the required records at a location other than his or her place of business premises, if he or she has first provided a letterhead notice to the appropriate TTB officer identifying the location where the records are to be kept. The dealer must make the files of records and copies of reports available for inspection by the appropriate TTB officer during regular business hours. Any dealer keeping records at a location other than his or her place of business must make them available at the his or her place of business upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow the dealer to supply copies (including electronic copies) of such records instead of the originals.

(Approved by the Office of Management and Budget under control number 1513–0065.)

■ 76. Section 31.172 is revised to read as follows:

#### § 31.172 Place of filing.

Records of receipt and disposition and monthly summary reports required by §§ 31.155, 31.156, and 31.160 must be maintained at the dealer’s place of business. A dealer may keep the required records at a location other than his or her place of business premises, if he or she has first provided a letterhead notice to the appropriate TTB officer identifying the location where the records are to be kept. Any dealer keeping records at a location other than

his or her place of business must make them available at his or her place of business upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow the dealer to supply copies (including electronic copies) of such records instead of the originals.

■ 77. Section 31.181 is amended by:

■ a. Revising paragraph (a); and

■ b. Removing the parenthetical authority citation at the end of the section.

The revision reads as follows:

#### § 31.181 Requirements for retail dealers.

(a) *Records of receipt.* All retail dealers must keep at their place of business complete records showing the quantities of all distilled spirits, wines, and beer received, from whom the distilled spirits, wines, and beer were received, and the dates of receipt. Records of receipts must consist of all purchase invoices or bills covering distilled spirits, wines, and beer received, or, at the option of the retail dealer, a book record containing all of the required information. A retail dealer may keep the required records at a location other than his or her place of business premises, if he or she has first provided a letterhead notice to the appropriate TTB officer identifying the location where the records are to be kept. Any retailer dealer keeping records at a location other than his or her place of business must make them available at the his or her place of business upon request of the appropriate TTB officer; however, the TTB officer may, at his or her discretion, allow the dealer to supply copies (including electronic copies) of such records instead of the originals.

\* \* \* \* \*

Signed: November 19, 2021.

**Mary G. Ryan,**  
Administrator.

Approved: November 19, 2021.

**Timothy E. Skud,**

Deputy Assistant Secretary, Tax, Trade and  
Tariff Policy.

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