



TTB's Product Integrity Mission

A statutory mandate of TTB is:

1. to prevent consumer deception
and
2. To ensure that alcoholic beverage labels provide consumers with adequate information as to the identity and quality of the product.

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Trade Investigations Division

TRADE INVESTIGATIONS DIVISION
July 1, 2012

Office Locations

TTB HQ:	1310 G Street, Suite 200W, Box 12, Washington, DC 20005, Phone: 202-453-2272
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Western:	650 Capitol Mall, Suite 6-700, Sacramento, CA 95814, Phone: 213-684-2481
Eastern:	4300 W. Cypress Street, Suite 340, Tampa, FL 33607, Phone: 202-453-3117
Puerto Rico:	Torre Chardon, Suite 310, 350 Chardon Avenue, San Juan, PR 00918, Phone: 787-766-5584


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In this presentation...

- Areas of greatest concern and priority to both TTB and the industry member
- Wine producers, importers & wholesalers
- Record requirements involve regular tracking of things that are already in the business interest of a winery to track: transfer of wine from tank to tank or barrel to barrel, sales records, and all the records that tie into the *Label Information Record*.

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In this presentation...

- The audit trail includes source records and summary records in order to establish label claims such as varietal, vintage, appellation of origin, analytical data and date of harvest.
- TTB helps you stay on top of winery recordkeeping with our Pay.gov & COLAs Online systems to make wire payments, file reports and returns and submit wine labels – all electronically. The result: *speed, efficiency and fewer mistakes*.

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OUR NEWEST E-GOVERNMENT INITIATIVE: *PERMITS ONLINE*



Permits Online

Welcome to our customer support site for Permits Online, our system for **drafting, submitting, and tracking** original and amended applications to operate alcohol and tobacco businesses, and register to make tax free sales of firearms and ammunition.



TTB's Online Qualification System
CLICK THE LOGO TO GET STARTED.

The benefits to you when using Permits Online are:

- A Safe and Secure System
- Self Registration
- Instant Status Checks
- Save and Continue Your Work
- Better Organization

Average Processing Time

As of: 11/30/2012

Online	86 Days
Paper	98 Days

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COLAs ONLINE: The TTB Label Submission & Approval System



Labeling

COLAs Online Customer Support

COLAs (Certificates of Label Approval) Online is TTB's system for completing the Federal label certification and approval process online.

The benefits to you when using COLAs Online include:


- **Online application and tracking**
- **Email confirmation** of receipt of label applications and a unique TTB ID number for tracking.
- **Faster approvals** than with paper applications
- **Fewer rejections** for omissions of data due to built-in business rules
- **7 days a week access** (Routine system maintenance is performed daily between 4 a. m. to 5 a. m. Eastern Time).




COLAs Online
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

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FORMULAS ONLINE: TTB's Formula Submission & Approval System



Formulas Online



Formulas Online is TTB's system for drafting, submitting, and tracking formula and sample submissions for domestic and imported alcohol beverages and nonbeverage products.

Click [HERE](#) to register and begin using **Formulas Online**.


The benefits to you for using online formula approval include:

- An **efficient** and **secure** online.
- Step-by-step **guidance** included in the system.
- A **single User ID** to access **Formulas and COLAs Online**.
- A more accurate application with **data validation** checks.
- Up-to-the-minute **application status** sent to you via email.
- **7 days a week** availability


Current Information	
Average Processing Time for All Formula Applications	30 days

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PAY.GOV: TTB's Portal for Filing Required Reports and Returns



Alcohol and Tobacco Tax and Trade Bureau



[Get Email Updates](#)

Welcome to our page for processing and filing electronic payments/returns for federal excise taxes and operational reports. We use Pay.gov, a government-wide financial transaction portal supported by the Department of the Treasury. We are providing this convenience from our site to our customers to encourage a safe, efficient, and timely manner to make financial transactions.

This system provides for rapid processing of electronic payments of federal excise taxes and the filing of forms like tax returns and the Report of Wine Premises Operations.

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THE WINE ONLINE SEMINAR

TTB Wine Industry Compliance Seminar

MAIN MENU GLOSSARY HELP EXIT

Seminar Introduction: Online Wine Seminar Introduction

Application Introduction
Prior to using the Online Wine Seminar, we highly recommend that you complete the short lesson on the seminar Application. It provides instruction on navigating the Seminar and to the various tools available to you. Access this lesson by clicking the Next button below.

http://www.ttb.gov/main_pages/tutorials_and_resources.shtml#virtual

Select Next to continue.

INCLUDING SUCH TOPICS AS:

- RECORDKEEPING & REPORTS
- TAXES
- BONDS
- CHANGES TO REPORT TO TTB
- ALTERNATIONS, CUSTOM CRUSH & HOME WINE-MAKING CENTERS
- LABELING
- RESOURCES (contact information)

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Federal Laws and Regulations

Law	Implementing Regulation	Regulation Title
Federal Alcohol Administration Act (FAA Act) – 27 U.S.C. 201 et seq.	27 CFR Part 4	Labeling and advertising of wine
	27 CFR Part 9	American Viticultural Areas
	27 CFR Part 12	Foreign nongeneric names of geographic significance used in the designation of wine
Alcoholic Beverage Labeling Act of 1988 - 27 U.S.C. 213	27 CFR Part 16	Alcoholic beverage health warning statement
Internal Revenue Code (IRC) 26 U.S.C. Chapter 51	27 CFR Part 24	Wine
	27 CFR Part 27	Importation of distilled spirits, wines, and beer


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Applying with TTB to Become a Bonded Winery

- The Federal Application Process for the Wine Industry
- http://www.ttb.gov/wine/federal_app.shtml
- Application Packet: Winery or Taxpaid Wine Bottling House
- http://www.ttb.gov/applications/winery_packet.shtml

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TTB Application Forms for a Bonded Winery

- Application to Establish and Operate Wine Premises [Form 5120.25](#)
- Application for Basic Permit Under the FAA Act [Form 5100.24](#)
- Wine Bond [Form 5120.36](#)
- Environmental Information [Form 5000.29](#)
- Supplemental Information on Water Quality Considerations
 - [Form 5000.30](#)
- Signature Authority:
 - Power of Attorney [Form 5000.8](#), or
 - Signing Authority for Corporate and LLC Officials [Form 5100.1](#), or
 - Signing Authority in Organizational Documents
- Special Tax Registration [Form 5630.5](#) (Registration only – No Tax Due)

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Application Materials for a Bonded Winery

- **Trade Name Registration** for the company's Operating Trade Name and any additional Bottling Trade Names.
- **Diagram of bonded wine premises** from all alternating proprietor hosts and tenants. A diagram is not required from non-alternating applicants, but it is quite helpful during TTB's processing of your application.
- **Alternating Proprietor agreement** or contract, if alternating
- **Lease agreement**, if any.
- **Organizational documents** (articles of incorporation, partnership agreement, etc), as applicable.

27 CFR Part 24

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Labeling Requirements



Wine Labeling Topics

- Mandatory Information
- Additional Information
- Prohibited Practices
- EU/U.S. Wine Agreement
- Certificate of Label Approval
- Helpful Hints
- Resources

27 CFR Part 4

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Compliance Concerns - Labeling

- COLAs don't match labels
- Wine labeled in wrong tax class
- Records insufficient to support label claims; source records are missing
- Estate bottled claims

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Determining Labeling Compliance

- Investigative Techniques
 - Hold an opening conference and interview key personnel to obtain overview
 - Examine production records to determine whether only authorized ingredients are used
 - Check COLA forms from the COLAs Online database against actual labels on bottles and packages on hand

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Determining Labeling Compliance

- Investigative Techniques
 - Select samples (bottles of wine) and send them off to one of the TTB laboratories for analysis to determine alcohol content, fill, particulate matter, volatile acids, sulfur dioxide, etc. Compare lab results to labels.
 - Compare Formula and Process forms for formula wines to the winery's *formula wine record* required by 27 CFR 24.303.

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Determining Labeling Compliance

- Investigative Techniques
 - Review production records to ensure that addition of acid, sugar and water are within prescribed limits for Brix adjustment, amelioration and sweetening of wine
 - Certain varietals are traced from bottling to crush. This is accomplished by analyzing harvest records to make yield determinations

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Mandatory Information

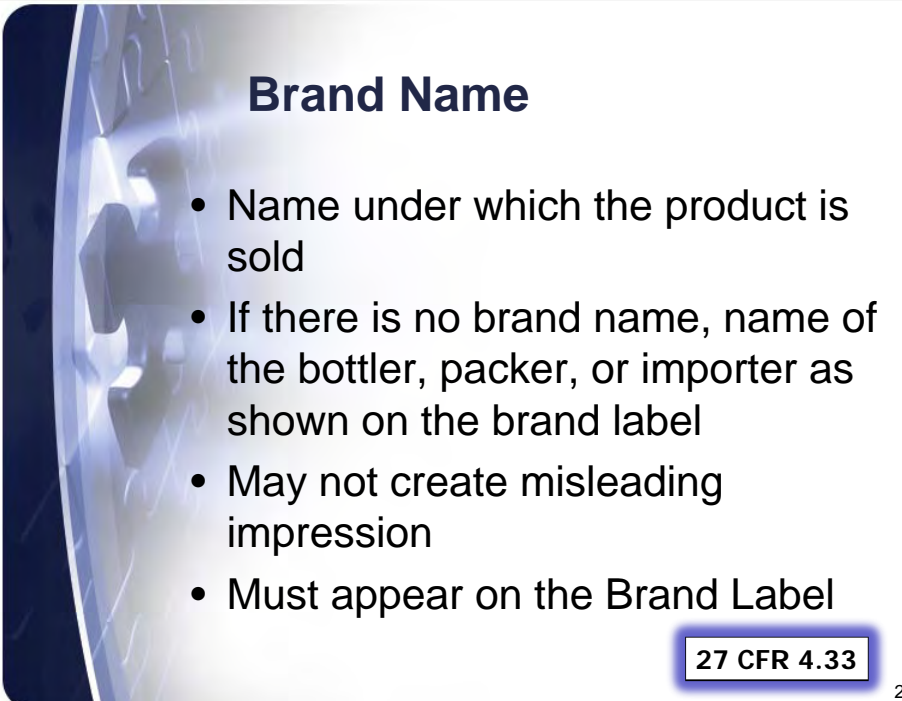
Content required for all wine labels



Mandatory Label Information

<u>On Brand Label</u>	<u>On Any Label</u>
<ul style="list-style-type: none">• Brand name• Class/Type• Alcohol content• Appellation (under certain circumstances)	<ul style="list-style-type: none">• Bottler's or importer's name and address• Net contents• Sulfite declaration• Health warning statement• Country of origin (imported wine)

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Brand Name

- Name under which the product is sold
- If there is no brand name, name of the bottler, packer, or importer as shown on the brand label
- May not create misleading impression
- Must appear on the Brand Label

27 CFR 4.33

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Brand Name

Front Label	Back Label
	<div style="border: 1px solid black; padding: 5px;"><p style="text-align: center;">Produced and Bottled By <i>Paradise Vineyards,</i> Grace, Missouri</p><p>750ml Contains Sulfites</p><p>GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.</p></div>

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Standards of Identity

Nine Classes:

- Grape wine
- Sparkling grape wine
- Carbonated grape wine
- Citrus wine
- Fruit wine
- Wine from other agricultural products
- Aperitif wine
- Imitation and substandard or “other than standard” wine
- Retsina wine

27 CFR 4.21

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Class and Type

- “Red Wine”, “White Wine”, “Sparkling Wine”, “Peach Wine”, “Honey Wine”
- “Table wine” and “Dessert wine” may appear in lieu of the class designation for grape wine
 - Table wine: 7% – 14% alc/vol
 - Dessert wine: 14.1% – 24% alc/vol
- Truthful and adequate statement of composition must be used in as the designation for most “wine specialty products”

27 CFR 4.34

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Class and Type (Cont'd)

- A varietal (grape type) designation may be used under the provisions of 27 CFR 4.23
 - One variety — 75% of content
 - Two or more — percentage of each
 - For domestic wines, *only* approved grape names can be used (listed in 27 CFR 4.91)
- Must appear on the Brand Label

27 CFR 4.34

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Class and Type Designation

<h3>Front Label</h3> 	<h3>Back Label</h3> <div style="border: 1px solid black; padding: 5px;"><p>Produced and Bottled By <i>Paradise Vineyards,</i> Grace, Missouri</p><p>750ml</p><p>Contains Sulfites</p><p>GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.</p></div>
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Alcohol Content

- “Table Wine” may be used for wine with 14% or less alcohol by volume
- Alcohol ___% by volume
- Alcohol ___% to ___% by volume, for ranges
- “Alc.” and “Vol.”
- Tolerances; rounding off
- Must appear on the Brand Label

27 CFR 4.36

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TOLERANCES ON ALCOHOL CONTENT

- Tolerances:
 - 1.5% for wines with 14% or less alcohol by volume; may not cross into the next tax class
 - 1% for wines with more than 14% alcohol by volume; may not cross into a different tax class
 - 3% when a range is shown on 14% or less alcohol wines; must be within the stated range
 - 2% when a range is shown on more than 14% alcohol wines; must be within the stated range

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Alcohol Content

Front Label




Back Label

Produced and Bottled By
Paradise Vineyards,
Grace, Missouri

750ml Contains Sulfites

GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.

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Appellation of Origin

- Mandatory if any of the following appear on the label:
 - Grape varietal
 - Vintage date
 - Semi-generic designation
 - Domestic wine, if grandfathered
 - Estate bottled/grown
 - Must appear on the Brand Label

27 CFR 4.25, 4.23, 4.24, 4.26, 4.27

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Appellation of Origin (Cont'd)

- Political subdivision:
 - Country
 - State
 - County
 - Foreign equivalent

← **75%**
- Viticultural Area:
 - American Viticultural Areas (27 CFR part 9)
 - Foreign designations and non-generic names (27 CFR part 12)

← **85%**

27 CFR 4.25

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Appellation of Origin

<h3>Front Label</h3> 	<h3>Back Label</h3> <div style="border: 1px solid black; padding: 5px;"><p>Produced and Bottled By <i>Paradise Vineyards,</i> Grace, Missouri</p><p>750ml Contains Sulfites</p><p>GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.</p></div> <p style="text-align: center;">Can also be an AVA</p>
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Bottler's and/or Importer's Name and Address

- Name or trade name of the bottler/ importer as listed on the permit
- Address (city and State) of the bottler/ importer as listed on the permit
- “Bottled by” or “Packed by” for domestic wine
- “Imported by” or similar phrase for imported wine
- May appear on any label

27 CFR 4.35

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Optional Statements

- Produced by or made by:
 - Named winery fermented not less than 75% of wine or changed the class/type or produced sparkling wine by secondary fermentation at stated address
- Blended:
 - Named winery mixed wine with other wines of same class and type at stated address
- Cellared, vinted, or prepared:
 - Named winery subjected wine to cellar treatments

27 CFR 4.35

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Name and Address

Front Label	Back Label
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Champs
Glorieux



CHARDONEL
13% Alc by Vol.

OZARK HIGHLANDS




Produced and Bottled By
Paradise Vineyards,
Grace, Missouri

750ml Contains
 Sulfites

GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.

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Net Contents

- Metric standards of fill; authorized sizes per 27 CFR 4.72
- May be on label or etched/blown into the container
- “ml” on containers of less than 1 liter; “L” and decimal portions on containers of one liter or more
- May appear on any label

27 CFR 4.37, 4.72

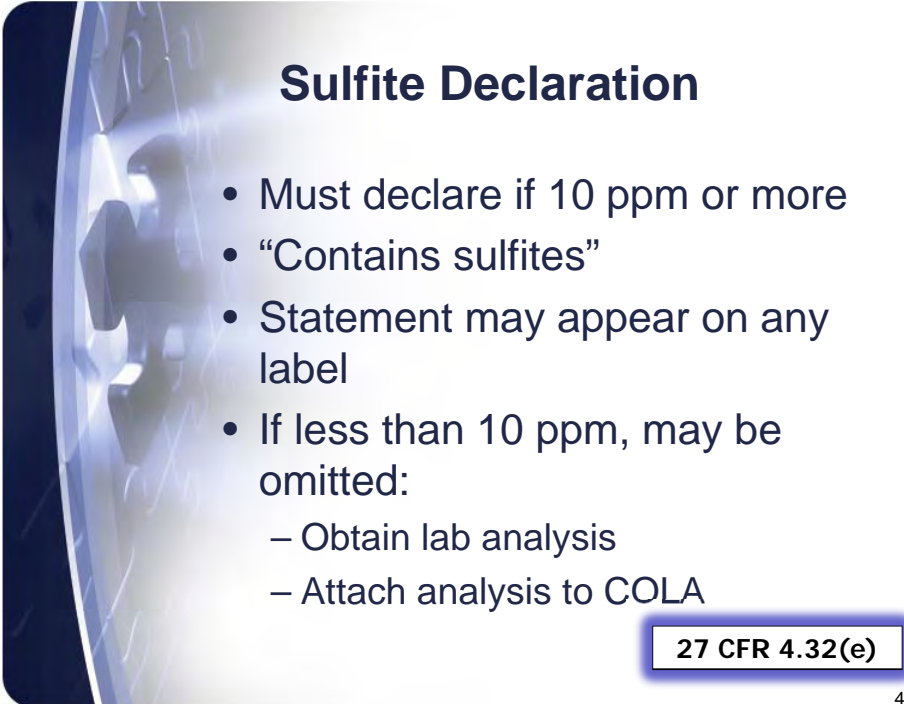
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Net Contents

<h3>Front Label</h3> 	<h3>Back Label</h3> 
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Sulfite Declaration

- Must declare if 10 ppm or more
- “Contains sulfites”
- Statement may appear on any label
- If less than 10 ppm, may be omitted:
 - Obtain lab analysis
 - Attach analysis to COLA

27 CFR 4.32(e)

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Sulfite Declaration

Front Label	Back Label
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Champs
Glorieux

CHARDONEL

13% Alc by Vol.

OZARK HIGHLANDS




Produced and Bottled By
Paradise Vineyards,
Grace, Missouri

750ml

Contains Sulfites

GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.

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Health Warning Statement

GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.

May appear on any label

27 CFR Part 16

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Health Warning Statement (Cont'd)

- The words "**GOVERNMENT WARNING**" must be in all capital letters and bold type
- The "S" in Surgeon and "G" in General must be capitalized
- Must appear as one statement
- Legible on contrasting background
- Separate and apart

27 CFR Part 16

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Health Warning Statement

Front Label



Back Label

Produced and Bottled By
Paradise Vineyards,
Grace, Missouri

750ml Contains
 Sulfites

GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCY BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.

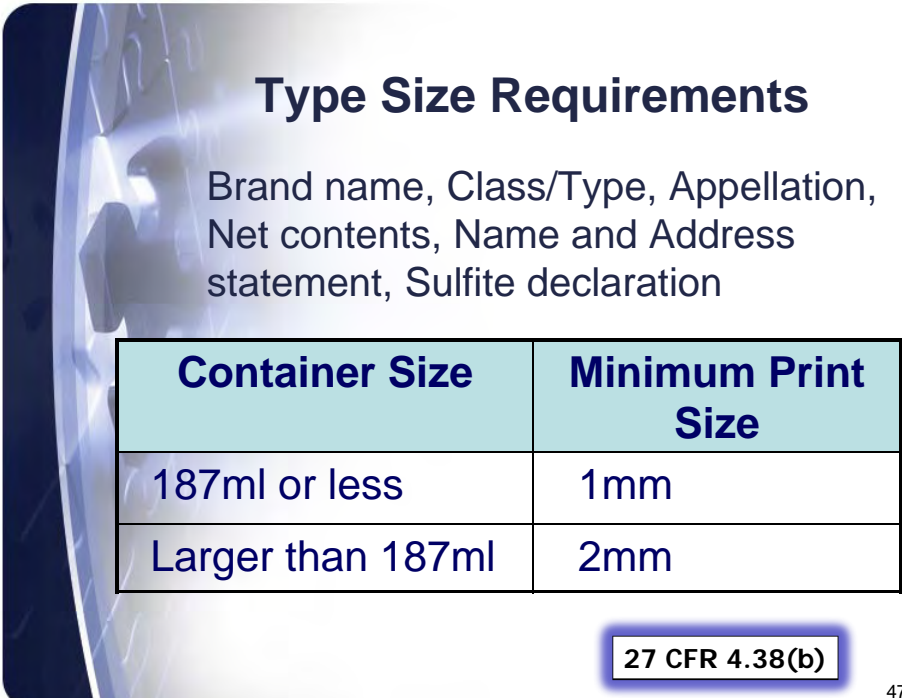
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Country of Origin

- U.S. Customs and Border Protection requires a statement of origin on all imported alcohol beverages
- Acceptable formats:
 - Product of Italy
 - Produced by XYZ, Bordeaux, France
 - Made in Spain
 - Australian Wine
- Must be in English
- May appear on any label

CBP Regs; 27 CFR 4.35(b), 4.38(c)

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Type Size Requirements

Brand name, Class/Type, Appellation,
Net contents, Name and Address
statement, Sulfite declaration

Container Size	Minimum Print Size
187ml or less	1mm
Larger than 187ml	2mm

27 CFR 4.38(b)

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Type Size Requirements (Cont'd)

Alcohol content

Container Size	Print Size
5L or less	Not smaller than 1mm Not larger than 3mm

27 CFR 4.38(b)

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Type Size Requirements (Cont'd)

Health Warning Statement

Container Size	Minimum Size
237ml or less	1mm
Over 237ml up to 3L	2mm
Over 3L	3mm

Print Size	Characters Per Inch
1mm	40
2mm	25
3mm	12

27 CFR 16.22 49



Additional Labeling Information



Additional Label Information

- Must be truthful, accurate, and specific and not misleading
- May not conflict with or qualify other mandatory information
- Must comply with the corresponding sections of the regulations
- Statements must be substantiated by production records

27 CFR 4.38(f)

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Estate Bottled

- 100% grown, produced, and bottled by the bottling winery
- Bottling winery is in the same viticultural area (AVA for American wine) used as the appellation of origin
- Grew all the grapes on land owned or controlled by bottling winery
- Produced all the wine in a continuous process, never leaving the premises

27 CFR 4.26

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Vintage Date

- Amount harvested in labeled calendar year:
 - **95%** if appellation is a viticultural area
 - **85%** if NOT a viticultural area
- Must include an appellation smaller than a country

27 CFR 4.27

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Vineyard, Orchard, Farm, or Ranch Name

- 95% was produced from material grown on the named vineyard, orchard, farm, or ranch
- If showing multiple vineyards, percentages must be shown and must equal 100%

27 CFR 4.39(m)

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Organic Labeling

- The National Organic Program (NOP) is administered by the U.S. Dept. of Agriculture (USDA) under 7 CFR Part 205
- Effective October 21, 2002
- Added Subpart K to Part 4 to cross- reference USDA's NOP rules

27 CFR 4.101

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Organic Labeling (Cont'd)

- Must be certified to USDA NOP standards
- Must obtain their USDA-accredited certifying agent's (ACA) review and approval of organic labels prior to submission to TTB
- For more information visit our Web site www.ttb.gov, click on the WINE tab and look for the "Organic" link under LABELING

27 CFR 4.101

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Prohibited Practices

- False, untrue, or misleading
- Statements disparaging to competitors
- Obscene or indecent
- Intoxicating qualities or implications that the product contains distilled spirits or is comparable to a distilled spirits product

27 CFR 4.39

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Prohibited Practices (Cont'd)

- Statement of age, unless vintage or storage reference
- Misleading or untrue curative and/or therapeutic
- Statements suggesting the product is endorsed by the Government
- Foreign terms
- Geographic brand names

27 CFR 4.39

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Domestic Labels

EU/U.S. Wine Agreement



Semi-Generic or Retsina

- EU/U.S. Wine Agreement signed on March 10, 2006
- Semi-generic names listed in 26 U.S.C. 5388(c):
 - *Burgundy, Chablis, Champagne, Chianti, Claret, Haute Sauterne, Hock, Madeira, Malaga, Marsala, Moselle, Port, Rhine, Sauterne, Sherry, Tokay*
- Retsina is a class of wine, 27 CFR 4.21(i)

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Semi-Generic or Retsina (Cont'd)

- Tax Relief and Health Care Act of 2006, signed December 20, 2006
- The law change disallows use of semi-generic names or Retsina on new labels
- Grandfathered labels will be permitted

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Semi-Generic or Retsina (Cont'd)

- Grandfather provisions:
 - Semi-generic names and Retsina may continue to be used on labels which were approved prior to March 10, 2006
 - Brand or fanciful name cannot be changed
 - Appellation can be changed
 - Attach copy of the previously approved COLA

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Certificate of Label Approval (COLA)



Who Must Apply?

- For domestic wines, the bottler must apply for label approval:
 - Must obtain label approval prior to bottling, and labels must be affixed prior to removal from bonded wine premises
- For imported wines, the importer must apply for label approval:
 - Must obtain label approval prior to removal of wine from U.S. Customs' custody

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COLA Submissions and Forms

- Two ways to submit:
 - Paper application submitted in duplicate
 - Internet-based application through COLAs Online
- Forms available at www.ttb.gov, click on link for Forms:
 - TTB Form 5100.31, for paper application
 - TTB Form 5013.2, for application to access COLAs Online

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COLAs Online

**ELECTRONIC FILING
OF WINE LABELS**

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COMPLETE LIST OF ALLOWABLE COLA REVISIONS


Complete List of Allowable Revisions To Approved Labels

Once a label receives TTB approval, you can make certain changes to that label without obtaining a COLA from TTB. Any revision(s) you make to your approved label(s) must be in compliance with the applicable regulations in 27 CFR parts 4, 5, 7 and 16, and any other applicable provision of law or regulation, including, but not limited to, the conditions described in the "Comments" section of the chart below.

YOU MAY...	REVISION APPLIES TO			COMMENTS
	WINE	DISTILLED SPIRITS	MALT BEVERAGE	
1. Delete any non-mandatory label information, including text, illustrations, graphics, etc.	YES	YES	YES	
2. Reposition any label information, including text, illustrations, graphics, etc.	YES	YES	YES	The repositioning must comply with any placement requirements applicable to mandatory information. For example, some types of mandatory information must appear on the brand label or must appear together with other label information.
3. Change the color(s) (background and text), shape and proportionate size of labels. Change the type size and font, and make appropriate changes to the spelling (including punctuation marks and abbreviations) of words, in compliance with the regulations. Change from an adhesive label to one where label information is etched, painted or printed directly on the container and vice versa.	YES	YES	YES	All mandatory information must be readily legible and appear on a contrasting background. If you received approval for a single label then you may not divide the label into multiple labels without reapproval. All changes must comply with applicable regulations, and changes in spelling must not change the meaning of the previously approved information.
4. Change the stated percentages for blends of grape varietals and appellations of origin for wine labels.	YES	N/A	N/A	When used for any of these items, the total percentages for each element must equal 100%. You may not change the name of the stated varietals or appellations without submitting a new application.
5. Add, change or delete a vintage date for wine labels.	YES	N/A	N/A	If the vintage date is deleted, no reference to "Vintage" may be made on any label or other materials (e.g., caps, capsules, corks, etc.) affixed to the bottle. When adding a new vintage date, you must comply with all applicable regulations, including the requirements regarding appellations of origin.
6. Change the optional "produced" or "made" by statements on wine labels to "blended", "vinted", "cellared" or "prepared" by statements.	YES	N/A	N/A	
7. Add, change or delete the stated amount of acid and/or the pH level for wine labels.	YES	N/A	N/A	
8. Change the stated amounts of sugar at harvest and/or residual sugar for wine labels.	YES	N/A	N/A	See ATF Ruling 82-4 for policy regarding use of sugar content statements and when such statements are required.
9. Add or delete bonded winery or taxpaid wine bottling house number for wine labels.	YES	N/A	N/A	If used, a bonded winery number must appear in direct conjunction with the bottler's name and address.
10. Change the net contents statement	YES	YES	YES	Revisions must comply with all applicable regulations


EXAMPLES OF ALLOWABLE CHANGES (Front Label)

Approved Brand Label



- Removed light-house illustration
- Removed fanciful name "Guiding White"
- Changed shape of label
- Changed color of background & fonts
- Added a vintage date
- Changed alcohol content statement


Approved Brand Label With Allowable Changes
(No Need To Obtain COLA)



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EXAMPLES OF ALLOWABLE CHANGES (Back Label)

Approved Back Label



- Removed light-house illustration
- Changed shape of label
- Changed color of background
- Changed "Produced by" to "Vinted by"
- Changed the net contents statement
- Changed address within same state
- Added a QR code
- Added a website address

Approved Back Label With Allowable Changes
(No Need To Obtain COLA)



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ALLOWABLE REVISIONS TO COLA LABELS

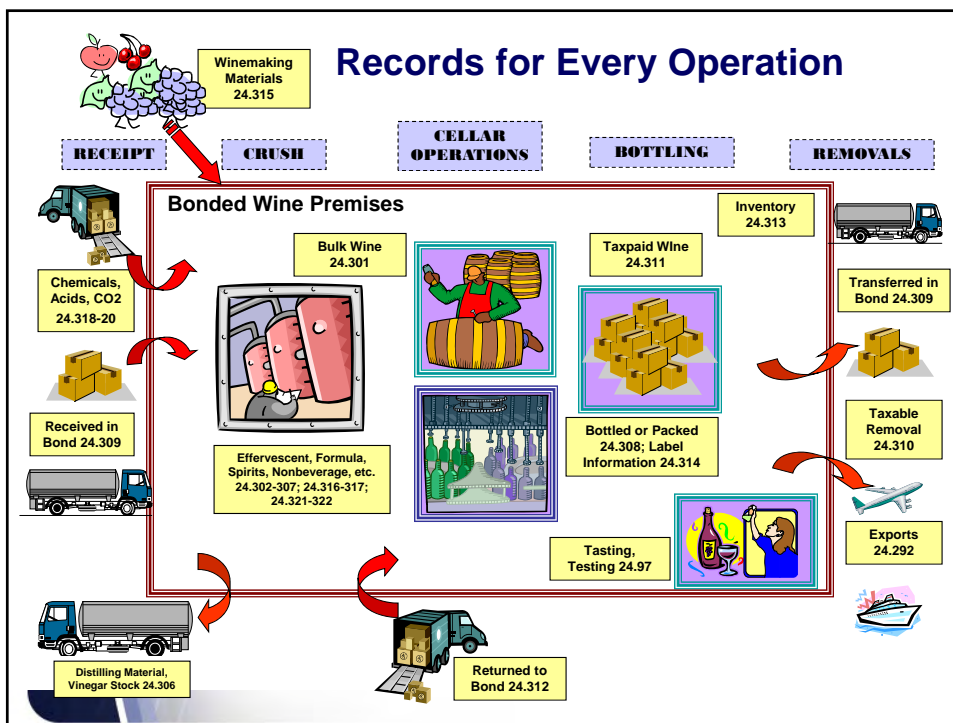
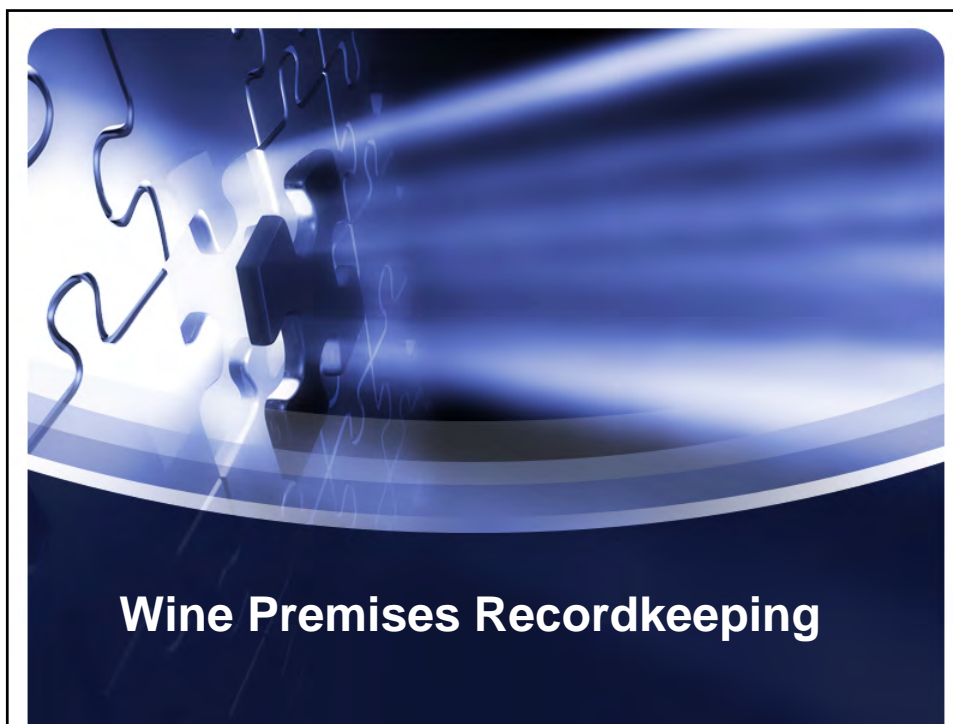
YOU MAY...	REVISION APPLIES TO			COMMENTS
	WINE	DISTILLED SPIRITS	MALT BEVERAGE	
Reposition any label information (text, graphics, illustrations, etc.).	YES	YES	YES	But only if reposition complies with any requirements on mandatory information.
Change the stated percentages for blends of grape varietals & appellations of origin.	YES	N/A	N/A	The total percentages for each element must equal 100%. A new COLA needed for any changes in names of varietals/appellations.
Add or delete the bonded winery or TWBH number (BW-KS-XXXXX) on label.	YES	N/A	N/A	Still must make sure that this number appears in conjunction w/name & address.

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ALLOWABLE REVISIONS TO COLA LABELS (continued)

YOU MAY...	REVISION APPLIES TO			COMMENTS
	WINE	DISTILLED SPIRITS	MALT BEVERAGE	
Change the mandatory statement of alcohol content, as long as the change is consistent with labeling statements.	YES	YES	YES (FMB only)	Change must not result in change to labeled class or type designation or be inconsistent.
Change name or trade name to show a different name approved for use.	YES	YES	YES	Must be approved by TTB for use by that winery; also address changes made to BP.
Add, delete or change bar codes, QR codes, web sites, phone #s, zip codes.	YES	YES	YES	See Industry Circular 77-23; for 2D barcodes see advertising regs.
Add, delete or change opt. info re: awards or medals.	YES	YES	YES	

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Compliance Concerns -- Recordkeeping

- Operations are not recorded timely
- Cellar records insufficient to support statements on labels
- Insufficient label information on transfer in bond documents
- Annual inventory not taken, recorded, or reported

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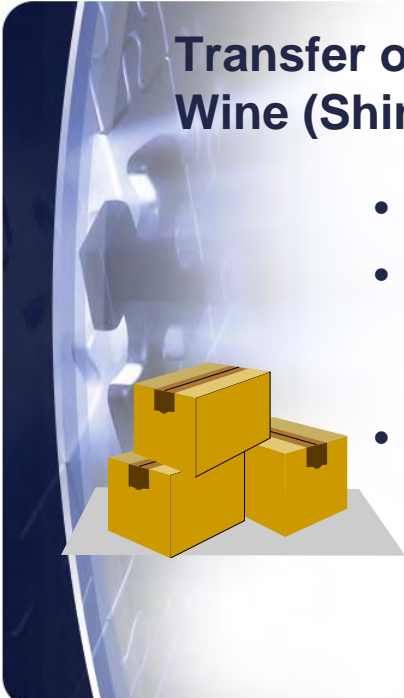
Bottled or Packed Wine Record

27 CFR 24.308

- Volume
- Tax Class
- Kind
- Results of Fill and Alcohol Tests required by 27 CFR 24.255



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Transfer of Unlabeled Bottled Wine (Shiners)

- Bottler obtains COLA
- Transferred in bond WITH COLA, unless only sent for aging and returned
- May bottle using a “generic” COLA, then obtain and affix another label

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Wine Made From KITS

See TTB Wine FAQ #14

- All label statements must be verifiable by TTB examination through original source records
- Materials must be approved by TTB, and used in accordance with TTB regulation limits
- Templates of “personalized labels” may be submitted for COLA approval if these labels do not conflict with brand label


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Label Information Record
27 CFR 24.314

Must give sufficient information about any wine label claims for verification by TTB examination

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Understanding a Key Form
- Reports of Operation

- TTB F 5120.17, **Report of Wine Premises Operations**, is generally filed annually by newer, smaller wineries, but monthly *preparation* of the form is a smart means of regularly reconciling your inventory
- The front of the form (*Summary of Wines in Bond – Gallons*) has two main sections (**Bulk** and **Bottled**), which each have subsections of activities either increasing or decreasing quantities of wine

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The Report of Wine Premises Operations – TTB F 5120.17 (top half)

OMB No. 1513-0053 (8/31/2005)

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU (TTB)
REPORT OF WINE PREMISES OPERATIONS

PERIOD MONTH (Month) YEAR 2006	OPERATED BY (Name, Address and Telephone)
(If applicable)	Operating Name of Wine Premises
REGISTRY NUMBER BW-(State)-xxxxx	123 Main Street Telephone Number EIN: 99-9999999x

INSTRUCTIONS

- The reporting period for this form shall be monthly, except that proprietors who qualify under the exception stated in 27 CFR 24.300 (g)(2) may file this form on a calendar year basis unless required to file monthly by the Alcohol and Tobacco Tax and Trade Bureau (TTB). A proprietor who files monthly reports but does not expect any reportable operations in a subsequent month or months may indicate in Part X that no monthly reports will be filed until a reportable operation occurs. (§24.300 (g)(1))
- Prepare this form in duplicate and file it by the fifteenth day after the end of the report period (month or year). Keep this copy on your bonded wine premises for inspection by TTB officers. Send the original to TTB at this address:

Director, National Revenue Center
Alcohol and Tobacco Tax and Trade Bureau
550 Main St, Ste 8002
Cincinnati, OH 45202-5215
- Explain any unusual operations in Part X.
- The quantities "on hand end" will ordinarily be "book inventory" figures, that is the quantity required to balance each summary. Use the "on hand end" from your report for the previous period as the "on hand beginning" of the current report. On reports for any period when you take a physical inventory, report the difference as losses for bulk wine and shortages for bottled wine, or as gains, as the case may be.
- If the quantity of wine previously reported on TTB F 5120.17 is affected by adjustments made on a tax return, TTB F 5000.24, adjust the current TTB F 5120.17 in Section A (and Section B, if benefit of wine is recorded). Explain this action in Part X.

ALL PART 1 QUANTITIES ARE EXPRESSED IN U.S. GALLONS (OR "WINE GALLONS")

PART I - SUMMARY OF WINES IN BOND (GALLONS)

ITEM	ALCOHOL CONTENT BY VOLUME			ARTIFICIALLY CARBONATED WINE (d)	SPARKLING WINE (e)	HARD CIDER (f)
	NOT OVER 14 PERCENT (a)	OVER 14 TO 21 PERCENT (Inclusive) (b)	OVER 21 TO 24 PERCENT (Inclusive) (c)			
SECTION A - BULK WINES						
1. ON HAND BEGINNING OF PERIOD	105,000	150				0
2. PRODUCED BY FERMENTATION ¹⁾	22,600				BF	1,200
3. PRODUCED BY SWEETENING						
4. PRODUCED BY ADDITION OF WINE SPIRITS			325			
5. PRODUCED BY BLENDING		230				
6. PRODUCED BY AMELIORATION						
7. RECEIVED IN BOND	600					
8. BOTTLED WINE DUMPED TO BULK	385					
9. INVENTORY GAINS						
10.						
11.						
12. TOTAL	128,485	705				1,200

"SECTION A" PERTAINS TO BULK WINE ONLY

REPORT OF WINE PREMISES OPERATIONS - PART 1, SECTION A – BULK WINES

ITEM	NOT OVER 14 PERCENT (a)	OVER 14 TO 21 PERCENT (Inclusive) (b)	OVER 21 TO 24 PERCENT (Inclusive) (c)	ARTIFICIALLY CARBONATED WINE (d)	SPARKLING WINE (e)	HARD CIDER (f)
SECTION A - BULK WINES						
1. ON HAND BEGINNING OF PERIOD						
2. PRODUCED BY FERMENTATION ¹⁾					BF	
3. PRODUCED BY SWEETENING						
4. PRODUCED BY ADDITION OF WINE SPIRITS						
5. PRODUCED BY BLENDING						
6. PRODUCED BY AMELIORATION						
7. RECEIVED IN BOND						
8. BOTTLED WINE DUMPED TO BULK						
9. INVENTORY GAINS						
10. CHANGE OF TAX CLASS						
11. FORMULA WINE PRODUCED						
12. TOTAL						
SECTION B - BOTTLED WINES						
13. BOTTLED ²⁾						
14. REMOVED TAXPAID						
15. TRANSFERS IN BOND						
16. REMOVED FOR DISTILLING MATERIAL						
17. REMOVED TO VINEGAR PLANT						
18. USED FOR SWEETENING						
19. USED FOR ADDITION OF WINE SPIRITS						
20. USED FOR BLENDING ³⁾						
21. USED FOR AMELIORATION						
22. USED FOR EFFERVESCENT WINE						
23. USED FOR TESTING						
24. RETURN TO FERMENTERS						
25. DESTROYED						
26. REMOVED FOR FAMILY USE						
27. REMOVED FOR EXPORT						
28. REMOVED TO DM OR VS ACCOUNT						
29. LOSSES (OTHER THAN INVENTORY)						
30. INVENTORY LOSSES						
31. ON HAND END OF PERIOD						
32. TOTAL						

The Report of Wine Premises Operations – TTB F 5120.17 (bottom half)

13. BOTTLED ²	2,378				
14. REMOVED TAXPAID					
15. TRANSFERRED IN BOND					
16. REMOVED FOR DISTILLING MATERIAL					
17. REMOVED TO VINEGAR PLANT					
18. USED FOR SWEETENING					
19. USED FOR ADJUSTION OF WINE SPIRITS	100				
20. USED FOR BLENDING ³	115	115			
21. USED FOR AMELIORATION					
22. USED FOR EFFERVESCENT WINE					
23. USED FOR TESTING					
24.					
25.					
26.					
27.					
28.					
29. LOSSES (OTHER THAN INVENTORY)					
30. INVENTORY LOSSES					
31. ON HAND END OF PERIOD	125,692	590			1,200
32. TOTAL	128,485	705			1,200
SECTION B - BOTTLED WINES					
1. ON HAND BEGINNING OF PERIOD	50,070	59			
2. BOTTLED ²	2,378				
3. RECEIVED IN BOND					
4. TAXPAID WINE RETURNED TO BOND	59				
5.					
6.					
7. TOTAL	52,507	59			
8. REMOVED TAXPAID	1,189	5			
9. TRANSFERRED IN BOND					
10. DUMPED TO BULK	265				
11. USED FOR TASTING	7				
12. REMOVED FOR EXPORT	119				
13. REMOVED FOR FAMILY USE					
14. USED FOR TESTING					
15.					
16.					
17.					
18. BREAKAGE					
19. INVENTORY SHORTAGE ³					
20. ON HAND END OF PERIOD	50,907	54			
21. TOTAL	52,507	59			

TTB F 5120.17 (8/2008)

**"SECTION A" PERTAINS TO
BULK WINE ONLY**

**"SECTION B" PERTAINS TO
BOTTLED WINE ONLY**

THE SUM OF BOTTLED WINE ON HAND
& THE WINE NEWLY BOTTLED
=
THE SUM OF BOTTLED WINE REMOVED
& BOTTLED WINE REMAINING ON HAND

A

B

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REPORT OF WINE PREMISES OPERATIONS - PART 1, SECTION B – BOTTLED WINES

SECTION B - BOTTLED WINES	
1. ON HAND BEGINNING OF PERIOD	
2. BOTTLED ²	
3. RECEIVED IN BOND	
4. TAXPAID WINE RETURNED TO BOND	
5. INVENTORY GAINS	
6.	
7. TOTAL	
8. REMOVED TAXPAID	
9. TRANSFERRED IN BOND	
10. DUMPED TO BULK	
11. USED FOR TASTING	
12. REMOVED FOR EXPORT	
13. REMOVED FOR FAMILY USE	
14. USED FOR TESTING	
15.	
16.	
17.	
18. BREAKAGE	
19. INVENTORY SHORTAGE ³	
20. ON HAND END OF PERIOD	
21. TOTAL	

TTB F 5120.17 (08/2011)



Compliance Concerns - Reports of Operation

- TTB aids wineries in the completion of this key form by:
 - Personal instruction via phone, seminars or investigations/audits/field visits
 - Online tutorials and Web-based training
 - The Pay.gov electronic filing system
- In the course of a TTB investigation or audit, we reconcile Reports of Operation to tax returns for the audit period and report the results to the proprietor and the TTB National Revenue Center as needed

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Compliance Concerns – Reports

- Forms TTB Form 5120.17 are not timely filed
- Entries on report forms do not balance
- Negative entries
- Bottled wine shortages are not taxpaid
- Claims are not filed for excessive bulk inventory shortages

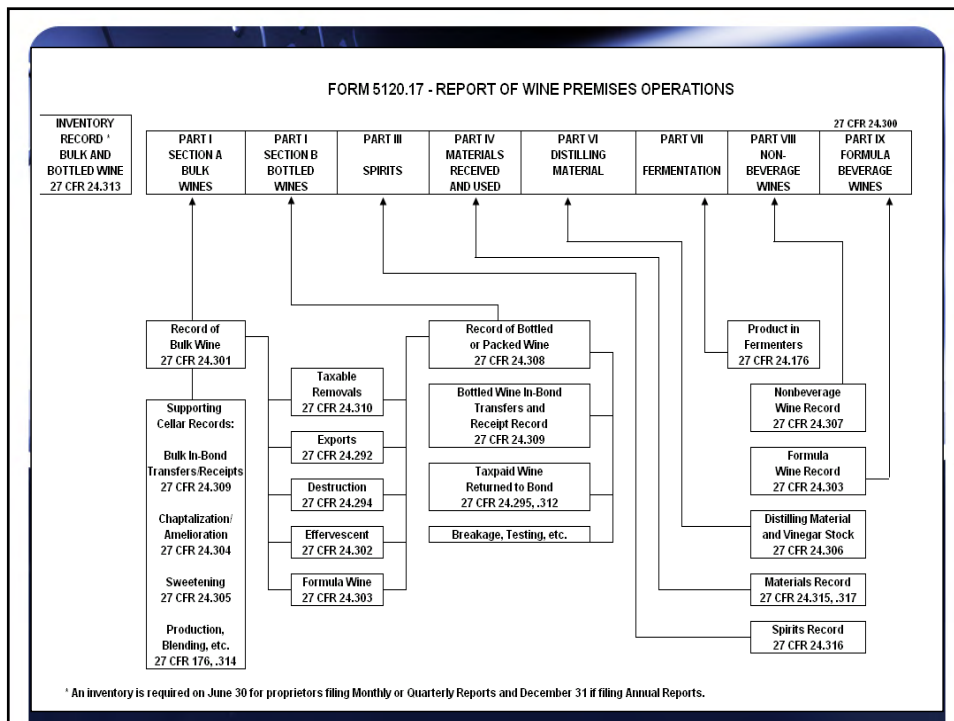
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The screenshot shows the TTB.gov website. At the top, it says "TTB.GOV ALCOHOL AND TOBACCO TAX AND TRADE BUREAU U.S. Department of the Treasury". Below the navigation bar, there is a "Wine Industry" banner. Underneath, the main heading is "Guide to Form 5120.17 Report of Wine Premises Operations". A red circle highlights the "Wine Industry" banner and the "Guide to Form 5120.17" heading. Below the heading, there is a paragraph of text and a "Read more" link. At the bottom, there are two columns of links: "Black and White Versions" and "Color-Coded Versions".

#1 { Black and White Versions
Guide to Form 5120.17
Explanation of Entries
Sample Report

#2 { Color-Coded Versions
Guide to Form 5120.17
Explanation of Entries
Sample Report

#3 { File through Pay.Gov





The screenshot displays the TTB.gov website interface. On the left, there is a vertical banner with a wine glass and the text "Wine Industry" and "TTB.gov: Resources". The main content area is titled "Information by Topic" and is organized into several columns of links:

- Labeling**
 - American Grape Variety Names
 - U.S. Appellations of Origin
 - Labeling Fact Review Methods
 - Allowable Changes to Approved Labels
 - More >>
- Regulations/Statutes**
 - Wine FAQs
 - Wine Treating Materials
 - Alcohol Beverage Control Boards
 - More >>
- Forms and Publications**
 - Guide to Form 5120.17
 - Wine FAQs
 - TTB F 5000.24 SmartForm
 - Special Tax Registration and Return
 - More >>
- Other Wine Topics**
 - U.S. Wine Producers and Blenders
 - Approved Grape Names
 - Wine Treating Materials
 - More >>
- Other Government Resources**
 - Alcohol Beverage Control Boards
 - Wine FAQs
 - Conversion Tables
 - American Viticultural Area
 - How to Prepare an American Viticultural Area Petition (AVA Manual)
- Permits**
 - Permits Online Application Process
 - Federal Application Process
 - List of Permittees
 - Wine FAQs
 - More >>
- Import/Export/Wholesaler**
 - U.S. Requirements for Importing Alcohol Beverages
 - U.S. Requirements for Exporting Alcohol Beverages
 - Importing Alcohol for Personal Use
 - Applying for a Permit
 - More >>
- Monthly Wine Statistics**
 - 2012
 - 2011
 - 2010
 - 2009
 - More >>
- Regulatory Guidance**
 - Regulations and Statutes
 - Rulings
 - Procedures
 - Industry Circulars
 - Comment on Rulemaking
 - Treasury Decisions
 - Trade Practices
- Certification Requirements**

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TTB Phone Contact Information

Mark Epps, CFE CICA
TTB Investigator

- 513-684-2645 or mark.epps@ttb.gov

Mountain District Field Office

- 651-290-3905

National Revenue Center

- 877-TTB-FAQS (877-882-3277)

ALFD Customer Service:

- 866-927-2533 or alfd@ttb.gov

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KEY TTB ADDRESSES

- **TTB Headquarters**
[Alcohol & Tobacco Tax & Trade Bureau]
[Office and/or Division]
1310 G Street, NW, Box 12
Washington, DC 20005
- **TTB National Revenue Center**
[Alcohol & Tobacco Tax & Trade Bureau]
[Office and/or Division]
550 Main Street, Suite 8002
Cincinnati, OH 45202

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OTHER TTB ADDRESSES

- **TTB Compliance Laboratory**
490 N. Wiget Lane
Walnut Creek, California 94598
- **TTB Mountain District Field Office**
316 North Robert Street, Suite 322
St. Paul, MN 55101

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The Alcohol and Tobacco Tax and Trade Bureau

Mark Epps – TTB Investigator – St. Louis, MO
513-684-2645



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513-684-2642

Thank you!

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