

CHANGES WITHOUT REGULATORY EFFECT UNDER
CALIFORNIA CODE OF REGULATIONS, TITLE 1, SECTION 100

Statement of Explanation

Changes to Title 18. Public Revenue

Regulation 2504, *Distilled Spirits Produced, Packaged, or Bottled*
Regulation 2505, *Bottled or Packaged Distilled Spirits Acquired in California*
Regulation 2506, *Bottled or Packaged Distilled Spirits Imported*
Regulation 2507, *Distilled Spirits Sold or Exported*
Regulation 2508, *Distilled Spirits Invoices and Bottling or Packaging Records*
Regulation 2509, *Prepayment of Distilled Spirits Tax; Consolidated Returns*
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Regulation 2513, *Beer and Wine Imported*
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A. Factual Basis

Chapter 6 of division 2 of title 18 of the California Code of Regulations (Chapter 6) generally prescribes the application of the Alcoholic Beverage Tax Law (part 14 (commencing with section 32001) of division 2 of the Revenue and Taxation Code) to the sale of beer, wine, and distilled spirits in this state. The State Board of Equalization (Board) hereby proposes to amend certain provisions, as set forth above and described in detail below, of Chapter 6 under California Code of Regulations, title 1, section (Rule) 100 to correct outdated references to state and federal forms and outdated references to federal authority, to make other minor corrections to the text of certain regulations, and to provide accurate authority and reference citations, where necessary, throughout the chapter.

The regulations in Chapter 6 were, for the most part, originally promulgated in 1955, and none of the regulations proposed to be amended here, with the exception of Regulation 2538, have been amended since at least 1989. Since then, the Board has changed how it designates its forms, and,

in 2003, the federal government moved responsibility for regulation and taxation of alcoholic beverages from the Federal Bureau of Alcohol, Tobacco, and Firearms to the Federal Alcohol and Tobacco Tax and Trade Bureau (TTB) and has also changed how it designates its forms.

The Board now proposes to amend these regulations to update the federal and state form and federal agency references. In addition, the Board proposes to take this opportunity to correct grammatical errors and update citations to statutes, including updating and correcting citations to the “authorities” and “references,” as appropriate, for the regulations that were adopted in 1955 and have not been recently amended.

B. Proposed Amendments

1. Rule 100 Changes to Regulation 2504, *Distilled Spirits Produced, Packaged, or Bottled*

A Rule 100 change is proposed to replace the reference to SBE Form 240A with the current designation, form BOE-240-A, in Regulation 2504.

A Rule 100 change is also proposed to replace the general Revenue and Taxation Code sections cited as references for Regulation 2504, sections 32001-32556, with more specific citations to sections 32211 and 32452.

2. Rule 100 Changes to Regulation 2505, *Bottled or Packaged Distilled Spirits Acquired in California*

A Rule 100 change is proposed to replace the reference to SBE Form 241A with the current designation, form BOE-241-A, in Regulation 2505.

A Rule 100 change is also proposed to replace the general Revenue and Taxation Code sections cited as references for Regulation 2505, sections 32001-32556, with more specific citations to sections 32211 and 32452.

3. Rule 100 Changes to Regulation 2506, *Bottled or Packaged Distilled Spirits Imported*

A Rule 100 change is proposed to replace the reference to SBE Form 242A with the current designation, form BOE-242-A, in Regulation 2506.

A Rule 100 change is also proposed to replace the general Revenue and Taxation Code sections cited as references for Regulation 2506, sections 32001-32556, with more specific citations to sections 32211 and 32452.

4. Rule 100 Changes to Regulation 2507, *Distilled Spirits Sold or Exported*

Rule 100 changes are proposed to replace the references to SBE Form 243B and SBE Form 244B with their current designations, form BOE-243-B and form BOE-244-B, respectively, in Regulation 2507.

Rule 100 changes are also proposed to add a citation to Revenue and Taxation Code section 32451, the authority for Regulation 2507, and citations to sections 32211 and 32452, the references for Regulation 2507.

5. Rule 100 Change to Regulation 2508, *Distilled Spirits Invoices and Bottling or Packaging Records*

A Rule 100 change is proposed to replace the general Revenue and Taxation Code sections cited as references for Regulation 2508, Sections 32001-32556, with more specific citations to sections 32211 and 32452.

6. Rule 100 Changes to Regulation 2509, *Prepayment of Distilled Spirits Tax; Consolidated Returns*

Rule 100 changes are proposed to replace the references to SBE Form 241A and SBE Form 243B with their current designations, form BOE-241-A and form BOE-243-B, respectively, in Regulation 2509.

Rule 100 changes are also proposed to add a citation to Revenue and Taxation Code section 32451, the authority for Regulation 2509, and citations to sections 32211 and 32452, the references for Regulation 2509.

7. Rule 100 Changes to Regulation 2512, *Beer and Wine Production; Beer Bottling; Wholesalers' Beer and Wine Purchases*

Rule 100 changes are proposed to add a citation to Revenue and Taxation Code section 32451, the authority for Regulation 2512, and citations to sections 32171, 32173, and 32452, the references for Regulation 2512.

8. Rule 100 Changes to Regulation 2513, *Beer and Wine Imported*

Rule 100 changes are proposed to replace the reference to SBE Form 269A with the current designation, form BOE-269-A, in Regulation 2513.

Rule 100 changes are also proposed to add a citation to Revenue and Taxation Code section 32451, the authority for Regulation 2513, and citations to sections 32175 and 32452, the references for Regulation 2513.

9. Rule 100 Changes to Regulation 2514, *Beer and Wine Sold*

Rule 100 changes are proposed to add a citation to Revenue and Taxation Code section 32451, the authority for Regulation 2514, and citations to sections 32171, 32173, and 32452, the references for Regulation 2514.

10. Rule 100 Changes to Regulation 2525, *Contents*

Rule 100 changes are proposed to add a citation to Revenue and Taxation Code section 32451, the authority for Regulation 2525, and citations to sections 32173, 32211, and 32452, the references for Regulation 2525.

11. Rule 100 Changes to Regulation 2530, *Inventories*

Rule 100 changes are proposed to Regulation 2530 to: revise “Distilled Spirits Taxpayer’s Return” to read “Distilled Spirits Tax Return”; change “tax” to “taxpayer”;¹ replace the references to “regional director (compliance) of the Federal Bureau of Alcohol, Tobacco and Firearms” with references to the “Federal Alcohol and Tobacco Tax and Trade Bureau (TTB)” or “TTB”; and change “reads” to “read.”

Rule 100 changes are also proposed to add citations to Revenue and Taxation Code sections 32201 and 32220 and commas after “32201”, “32211”, and “32220”, to the references for Regulation 2530.

12. Rule 100 Changes to Regulation 2535, *Distilled Spirits*

Rule 100 changes are proposed to Regulation 2535 to: replace the references to SBE Forms 241A, 242A, 243B, and 244B with their current designations, “forms BOE-241-A, BOE-242-A, BOE-243-B, and BOE-244-B”, respectively; and delete “as required by Article 1” due to the lack of clarity in the reference.

A Rule 100 change is also proposed to add a citation to Revenue and Taxation Code section 32220 and a comma after “32220” to the references for Regulation 2535.

13. Rule 100 Changes to Regulation 2536, *Beer Manufacturers*

A Rule 100 change is proposed to Regulation 2536 to replace the reference to “Federal Form 5130.9” with its current designation, “Federal Form TTB F 5130.9.”

A Rule 100 change is also proposed to add a citation to Revenue and Taxation Code section 32220 and a comma after “32220” to the references for Regulation 2536.

14. Rule 100 Change to Regulation 2537, *Wine Growers*

Rule 100 changes are proposed to Regulation 2537 to: delete the comma following “Sacramento”; and replace the reference to Federal Form 5120.17 (702) with its current designation, TTB F 5120.17.

A Rule 100 change is also proposed to add a citation to Revenue and Taxation Code section 32220 and a comma after “32220” to the references for Regulation 2537.

15. Rule 100 Changes to Regulation 2538, *Beer and Wine Importers*

Rule 100 changes are proposed to Regulation 2538 to: delete the comma following “Sacramento”; replace the phrase “Winegrower’s Tax Return”. with the phrase “Winegrower Tax Return.”; replace the phrase “Tax Return of Beer Manufacturer”. with the phrase “Beer Manufacturer Tax Return.”; replace “Tax Return of Beer and Wine Importer” with “Beer and Wine Importer Tax Return”; and replace the reference to “BOE 269-A” with a reference to “form BOE-269-A.”

¹ This term reads correctly as “taxpayer” in the First Quarter, 2009 edition of volume 3 of the Business Taxes Law Guide (BTLG), but it is incorrect in the official version of the regulation published in Barclays Official California Code of Regulations, so a Rule 100 correction of the term is included here.

A Rule 100 change is also proposed to add a citation to Revenue and Taxation Code section 32220 and a comma after “32220” to the references for Regulation 2538.

16. Rule 100 Changes to Regulation 2540, *Common Carrier Receipts and Delivery Reports*

Rule 100 changes are proposed to add citations to Revenue and Taxation Code sections 32171, 32173, 32211, and 32452, the references for Regulation 2540.

17. Rule 100 Change to Regulation 2541, *Common Carrier Tax Reports*

A Rule 100 change is proposed to Regulations 2541 to delete the comma following “Sacramento”.

18. Rule 100 Changes to Regulation 2542, *Public Warehouses*

Rule 100 changes are proposed to add citations to Revenue and Taxation Code sections 32451 and 32452, the authorities for Regulation 2542, and citations to sections 32211 and 32452, the references for Regulation 2542.

19. Rule 100 Changes to Regulation 2543, *Customs Brokers*

Rule 100 changes are proposed to add citations to Revenue and Taxation Code sections 32171, 32173, 32211, and 32452, the references for Regulation 2543.

20. Rule 100 Change to Regulation 2544, *Conversion of Liters to Gallons*

A Rule 100 change is proposed to replace the reference to the “Bureau of Alcohol, Tobacco and Firearms” with a reference to the “Alcohol and Tobacco Tax and Trade Bureau (TTB)” and “Bureau” with “TTB” in Regulation 2544.

A Rule 100 change is also proposed to add a comma and delete “and” after “32152”, add “and” and a citation to Revenue and Taxation Code section 32220, and add a comma after “32220” to the references for Regulation 2544.

21. Rule 100 Change to Regulation 2557, *Powdered Distilled Spirits*

A Rule 100 change is proposed to replace the general Revenue and Taxation Code sections cited as references for Regulation 2557, sections 32001-32556, with more specific citations to sections 32201, 32211, and 32452.

22. Rule 100 Changes to Regulation 2560, *Treated as Sales*

Rule 100 changes are proposed to Regulation 2560 to replace the references to SBE Form 241A and SBE Form 242A with their current designations, form BOE-241-A and form BOE-242-A, respectively.

A Rule 100 change is also proposed to add a citation to Revenue and Taxation Code section 32220 and add “and” before and a comma after “32220” to the references for Regulation 2560.

23. Rule 100 Change to Regulation 2561, *Exports and Sales for Export*

A Rule 100 change is proposed to Regulation 2561 to replace the reference to Form BT-260, which has been discontinued, with the word “documentation.”

The foregoing changes are appropriate for processing under Rule 100 because they are changes without regulatory effect and do not materially alter any requirement, right, responsibility, condition, prescription, or other regulatory element of any California Code of Regulations provision. Furthermore, the changes are necessary to bring the regulations into conformity with current forms designations and federal references, to correct minor grammatical errors in the text, and to provide current citations to the authorities and references for each regulation.

PROPOSED AMENDMENTS

1. Amend Regulation 2504 (Distilled Spirits Produced, Packaged, or Bottled) to read as follows:

Regulation 2504. Distilled Spirits Produced, Packaged, or Bottled.

Every distilled spirits manufacturer, manufacturer's agent, brandy manufacturer, and rectifier shall keep and preserve a record of all distilled spirits produced, manufactured, cut, blended, rectified, bottled, packaged, or otherwise acquired in this State. A daily record of such acquisitions shall be made in book forms prescribed by the board. All distilled spirits received from licensee's own bottling or packaging department shall be recorded in ~~SBE Form 240A~~ form BOE-240-A. Receipts from the bottling or packaging department shall include all distilled spirits bottled or packaged, whether or not the distilled spirits are owned by the licensee.

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections ~~32001-32556~~ 32211 and 32452, Revenue and Taxation Code.

2. Amend Regulation 2505 (Bottled or Packaged Distilled Spirits Acquired in California) to read as follows:

Regulation 2505. Bottled or Packaged Distilled Spirits Acquired in California.

Every distilled spirits taxpayer shall keep a record in ~~SBE Form 241A~~ form BOE-241-A of all bottled or packaged distilled spirits acquired from other distilled spirits taxpayers in California and of all distilled spirits received from licensee's own branches in California.

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections ~~32001-32556~~ 32211 and 32452, Revenue and Taxation Code.

3. Amend Regulation 2506 (Bottled or Packaged Distilled Spirits Imported) to read as follows:

Regulation 2506. Bottled or Packaged Distilled Spirits Imported.

Every distilled spirits or brandy importer shall keep a record in ~~SBE Form 242A~~ form BOE-242-A of all bottled or packaged distilled spirits acquired by direct importation from without the State.

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections ~~32001-32556~~ 32211 and 32452, Revenue and Taxation Code.

4. Amend Regulation 2507 (Distilled Spirits Sold or Exported) to read as follows:

Regulation 2507. Distilled Spirits Sold or Exported.

Every distilled spirits taxpayer shall keep a record of all distilled spirits sold, and in addition thereto, shall make a daily record in book forms prescribed by the board covering all distilled spirits sold or delivered to other taxpayers in California and all distilled spirits exported or sold for export from California, as follows:

(a) All sales or deliveries of distilled spirits to other California distilled spirits taxpayers, all transfers of distilled spirits to licensee's own branches in California, and all returns of distilled spirits to original vendors in California, shall be recorded in ~~SBE Form 243B~~form BOE-243-B.

(b) All sales of distilled spirits exported or sold for export from California and actually exported and all sales of distilled spirits to common carriers engaged in interstate or foreign passenger service, shall be recorded in ~~SBE Form 244B~~form BOE-244-B.

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32211 and 32452, Revenue and Taxation Code.

5. Amend Regulation 2508 (Distilled Spirits Invoices and Bottling or Packaging Records) to read as follows:

Regulation 2508. Distilled Spirits Invoices and Bottling or Packaging Records.

Text . . . (unchanged).

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections ~~32001–32556~~32211 and 32452, Revenue and Taxation Code.

6. Amend Regulation 2509 (Prepayment of Distilled Spirits Tax; Consolidated Returns) to read as follows:

Regulation 2509. Prepayment of Distilled Spirits Tax; Consolidated Returns.

Any distilled spirits wholesaler may make an application to the board for permission to prepay the distilled spirits excise tax on his inventory of distilled spirits on hand as of the first day of any calendar month, and for permission thereafter to pay the excise tax levied on sales of distilled spirits on the basis of subsequent purchases and acquisitions of distilled spirits by him. Any wholesaler who has been granted such permission and who operates more than one location for which distilled spirits wholesalers' licenses are issued and who elects to file a consolidated tax return covering distilled spirits transactions for all of his branch premises, need not include in his ~~SBE Forms 241A and 243B~~forms BOE-241-A and BOE-243-B transfers of distilled spirits between his own premises as otherwise provided in this article.

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32211 and 32452, Revenue and Taxation Code.

7. Amend Regulation 2512 (Beer and Wine Production; Beer Bottling; Wholesalers' Beer and Wine Purchases) to read as follows:

Regulation 2512. Beer and Wine Production; Beer Bottling; Wholesalers' Beer and Wine Purchases.

Text . . . (unchanged).

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32171, 32173, and 32452, Revenue and Taxation Code.

8. Amend Regulation 2513 (Beer and Wine Imported) to read as follows:

Regulation 2513. Beer and Wine Imported.

Every importer of beer and wine shall keep a record in ~~SBE Form 269A~~ form BOE-269-A of all beer and wine imported into this State. This record must be supported by purchase invoices filed in such manner as to be readily accessible for verification by employees of the board.

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32175 and 32452, Revenue and Taxation Code.

9. Amend Regulation 2514 (Beer and Wine Sold) to read as follows:

Regulation 2514. Beer and Wine Sold.

Text . . . (unchanged).

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32171, 32173, and 32452, Revenue and Taxation Code.

10. Amend Regulation 2525 (Contents) to read as follows:

Regulation 2525. Contents.

Text . . . (unchanged).

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32173, 32211, and 32452, Revenue and Taxation Code.

11. Amend Regulation 2530 (Inventories) to read as follows:

Regulation 2530. Inventories.

(a) Distilled Spirits. . . . (unchanged).

This statement shall be made on the Distilled Spirits ~~Taxpayer's~~ Tax Return. Except as provided below, at least two of these statements shall be prepared from semi-annual physical inventories, a detailed record of which must be available at all times for verification by employees of the board. For taxpayers reporting on an annual basis, the statement shall be prepared from the December semi-annual physical inventory. A detailed record of the semi-annual physical inventories must be available at all times for verification by employees of the board.

A distilled spirits ~~taxpayer~~ shall be relieved of the requirement of taking one of the required semi-annual physical inventories upon the filing with the board of a copy of an order of the ~~regional director (compliance) of the Federal Bureau of Alcohol, Tobacco and Firearms~~ Alcohol and Tobacco Tax and Trade Bureau (TTB) waiving the taking of such inventory and approving the taxpayer's taking of physical inventories on an annual basis. Said taxpayer may continue to take physical inventories on an annual basis until such waiver is rescinded by the board or by the

~~federal regional director (compliance) TTB~~. The board may rescind the waiver and reimpose the requirement of semi-annual physical inventories if it finds that such semi-annual physical inventories are necessary to law enforcement or protection of the revenue. A distilled spirits taxpayer shall furnish to the board a copy of any order of the ~~federal regional director (compliance) TTB~~ affecting the taking of physical inventories by such taxpayer within 10 days of the taxpayer's receipt of such order.

(b) Beer. Every licensed beer manufacturer shall take a physical inventory monthly of bulk and bottled beer in the brewery bottling house in such manner as provided in Title 27, Code of Federal Regulations, Section 25.294 as it reads on April 1, 1989.

(c) Wine. Every licensed wine grower shall take a physical inventory of all wine and distilling material on hand in United States internal revenue bond on June 30th of each year or, if an annual inventory period ending on other than June 30 has been approved by the ~~regional director (compliance) of the Bureau of Alcohol, Tobacco, and Firearms~~ TTB, then the inventory shall be taken at the end of such annual inventory period.

(d) Supporting Records. . . . (unchanged).

Note: Authority cited: Sections 32152 and 32451, Revenue and Taxation Code. Reference: Sections 32151, 32152, 32201, 32211, 32220, and 32452, Revenue and Taxation Code.

12. Amend Regulation 2535 (Distilled Spirits) to read as follows:

Regulation 2535. Distilled Spirits.

First Paragraph . . . (unchanged).

Every distilled spirits taxpayer shall, immediately following the close of business on the last day of each month, forward the original page, or pages, of ~~SBE Forms 241A, 242A, 243B, and 244B~~ forms BOE-241-A, BOE-242-A, BOE-243-B, and BOE-244-B to the board at Sacramento, provided that additional entries in these forms as required by ~~Article 1~~ have been made since the last reporting date.

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32201, 32211, 32220, 32251, 32251.5 and 32452, Revenue and Taxation Code.

13. Amend Regulation 2536 (Beer Manufacturers) to read as follows:

Regulation 2536. Beer Manufacturers.

First – Fourth Paragraphs . . . (unchanged).

Reports of inventories required to be made on each tax return shall be in agreement with Federal Form TTB F 5130.9.

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32151, 32152, 32175, 32176, 32220, 32251, 32251.5 and 32452, Revenue and Taxation Code.

14. Amend Regulation 2537 (Wine Growers) to read as follows:

Regulation 2537. Wine Growers.

First Paragraph . . . (unchanged).

Reports of inventories required to be made on each tax return must be in agreement with the data on Federal ~~Report Form TTB F 5120.17-(702)~~. The amounts reported must be book inventories for all months except for the end of the annual inventory period as described in Regulation 2530. The inventory reported in that month must be a physical inventory.

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32151, 32152, 32173, 32174, 32175, 32176, 32220, 32251, 32251.5 and 32452, Revenue and Taxation Code.

15. Amend Regulation 2538 (Beer and Wine Importers) to read as follows:

Regulation 2538. Beer and Wine Importers.

Every licensed beer and wine importer shall, on or before the fifteenth day of each and every month, or, on or before the fifteenth day of the month following the close of such other reporting period authorized by the board, file with the board at Sacramento, a tax return on the form prescribed by the board of all sales of beer or wine for the preceding reporting period, together with such other information as is required on such form.

A wine grower holding both a winegrower's license and a beer and wine importer's license shall include the total imports of wine for the reporting period on the ~~“Winegrower's Tax Return”~~. “Winegrower Tax Return.”

A beer manufacturer holding both a beer manufacturer's license and a beer and wine importer's license shall include the total imports of beer on the ~~“Tax Return of Beer Manufacturer”~~. “Beer Manufacturer Tax Return.”

Every licensed beer and wine importer shall on or before the fifteenth day of the month following the close of each reporting period, file ~~BOE-269-A~~ form BOE-269-A.

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32151, 32171, 32173, 32174, 32175, 32176, 32220, 32251, 32251.5 and 32452, Revenue and Taxation Code.

16. Amend Regulation 2540 (Common Carrier Receipts and Delivery Reports) to read as follows:

Regulation 2540. Common Carrier Receipts and Delivery Reports.

Text . . . (unchanged).

Note: Authority cited: Sections 32451 and 32452, Revenue and Taxation Code. Reference: Sections 32171, 32173, 32211, and 32452, Revenue and Taxation Code.

17. Amend Regulation 2541 (Common Carrier Tax Reports) to read as follows:

Regulation 2541. Common Carrier Tax Reports.

Every common carrier engaged in interstate or foreign passenger service making sales of distilled spirits in California and every person licensed to sell distilled spirits aboard such a carrier, shall, on or before the first day of the second calendar month following the close of each calendar month, or such other reporting period as is authorized by the Board, file with the Board at Sacramento, a report of all sales of distilled spirits in California for the preceding reporting period. The report shall be in such form as the Board shall prescribe and shall be accompanied by a remittance of the amount of tax due for the period covered by the report.

Remaining Text . . . (unchanged).

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Section 32202, Revenue and Taxation Code.

18. Amend Regulation 2542 (Public Warehouses) to read as follows:

Regulation 2542. Public Warehouses.

Text . . . (unchanged).

Note: Authority cited: Sections 32451 and 32452, Revenue and Taxation Code. Reference: Sections 32211 and 32452, Revenue and Taxation Code.

19. Amend Regulation 2543 (Customs Brokers) to read as follows:

Regulation 2543. Customs Brokers.

Text . . . (unchanged).

Note: Authority cited: Sections 32451 and 32452, Revenue and Taxation Code. Reference: Sections 32171, 32173, 32211, and 32452, Revenue and Taxation Code.

20. Amend Regulation 2544 (Conversion of Liters to Gallons) to read as follows:

Regulation 2544. Conversion of Liters to Gallons.

The Federal ~~Bureau of Alcohol, Tobacco and Firearms~~ Alcohol and Tobacco Tax and Trade Bureau (TTB) has authorized the bottling of wine and distilled spirits in standard metric sizes. Reports of California licensees must be in wine gallons. To convert liters to wine gallons for reporting purposes, licensees shall use the standards established by the ~~Bureau~~ TTB. These are:

(a) . . . (unchanged).

(b) . . . (unchanged).

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32151, 32152, ~~and 32201~~, and 32220, Revenue and Taxation Code.

21. Amend Regulation 2557 (Powdered Distilled Spirits) to read as follows:

Regulation 2557. Powdered Distilled Spirits.

- (a) In General. . . . (unchanged).
- (b) Records and Reports. . . . (unchanged).
- (c) Conversion of Weight to Volume. . . . (unchanged).

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections ~~32001–32556~~32201, 32211, and 32452, Revenue and Taxation Code.

22. Amend Regulation 2560 (Treated as Sales) to read as follows:

Regulation 2560. Treated As Sales.

First Two Paragraphs . . . (unchanged).

Distilled spirits taxpayers receiving samples from other licensees in California shall record the receipt in ~~SBE Form 241A~~form BOE-241-A. Samples received by direct importation shall be recorded in ~~SBE Form 242A~~form BOE-242-A.

Fourth Paragraph . . . (unchanged).

Note: Authority cited: Sections 32451 and 32452, Revenue and Taxation Code. Reference: Sections 32003, 32151, 32201, and 32220, Revenue and Taxation Code.

23. Amend Regulation 2561 (Exports and Sales for Export) to read as follows:

Regulation 2561. Exports and Sales for Export.

(a) Proof of Claim for Exemption for Exports and Sales for Export. The claim for exemption from tax for exports of alcoholic beverages or sales of alcoholic beverages for export shall be allowed only when the alcoholic beverages are actually exported to a point outside this state (and, in the case of distilled spirits sold for export, actually exported to a point outside this state within 90 days from the date of the sale) and one or more of the following conditions is met:

- (1) . . . (unchanged).
- (2) . . . (unchanged).
- (3) . . . (unchanged).

(4) The beverages are shipped to or delivered to a point outside this state by any means, and the claim for tax exemption is supported by ~~Form BT-260~~documentation signed by the purchaser

and containing the certificate of the appropriate liquor control or tax authority of the state in which the beverages have been delivered to the effect that receipt of the delivery of the beverages has been reported to such authority by the purchaser.

(b) Sales Which Are Not Exports. . . . (unchanged).

Note: Authority cited: Section 32451, Revenue and Taxation Code. Reference: Sections 32171, 32173, 32175, 32176, 32179, 32211 and 32212, Revenue and Taxation Code.