



TTB Public Guidance

August 20, 2013

Claiming Drawback on Taxpaid Distilled Spirits Used in Manufacturing Nonbeverage Products

Manufacturers of Nonbeverage Products (MNBP) that use taxpaid distilled spirits in the manufacture of nonbeverage products may claim drawback, that is receive payment from the government for most of the taxes paid on those spirits. For drawback purposes, nonbeverage products include medicines, medicinal preparations, food products, flavors, flavoring extracts, and perfume which are unfit for beverage use. The primary laws and regulations governing MNBPs are in [26 U.S.C. 5111 through 5114](#), and [27 CFR part 17](#).

You must comply with all laws and regulations to receive payment at the authorized drawback rate. Two key requirements are that you make products under a TTB-approved formula and that you file a claim for drawback with TTB. We do not require you to obtain a TTB permit, but you must register with us annually. We consider you registered when you file your first claim, along with supporting documentation, for the year. We also require you to keep records of manufacturing operations. For more information, please review [27 CFR part 17, Subpart H](#).

If you do not already have an Employer Identification Number, you need to obtain one from the Internal Revenue Service (IRS) by filing [IRS Form SS-4](#).

Formulas

You must complete and submit TTB Form 5154.1, Formula and Process for Nonbeverage Product, for each nonbeverage product that you make with taxpaid spirits on which you will claim drawback. There are some exceptions to this requirement, which are described in 27 CFR part 17.132. We use the information on this form to evaluate whether products are unfit for beverage use. The most efficient way to submit this form is electronically using [Formulas Online](#). You may also complete the paper version of [TTB Form 5154.1, Formula and Process for Nonbeverage Product](#), following the instructions included with the form. You must mail the paper version of the form to:

National Laboratory Center
Attn: Drawback
6000 Ammendale Road
Beltsville, MD 20705-1250

Claims

To receive payment at the drawback rate, after using taxpaid spirits to manufacture approved nonbeverage products, you must submit a claim to us using [TTB Form 5620.8, Claim for Alcohol, Tobacco, and Firearms Taxes](#). Please provide your email address and a daytime telephone number in Item 3 so we may contact you if we have any questions. With each claim, you must also submit [TTB Form 5154.2, Supporting Data for Nonbeverage Drawback Claims](#), unless you submit the same information using another suitable format, such as an Excel spreadsheet, but be certain to include the Penalty of Perjury statement. We have a [tutorial](#) on our Web site to assist you in filling out these forms and links to our [webinars](#) on this subject.

As mentioned above, you must register with us annually. We deem you registered when you file your first claim, along with supporting documentation, for the year. We consider subsequent claims with updated information to be amended registrations. Mail claims to:

Director, National Revenue Center
Alcohol and Tobacco Tax and Trade Bureau
550 Main Street
Suite 8002
Cincinnati, OH 45202-5215

If you elect to file [quarterly claims](#), you do not need to file a bond. If you file monthly claims, you must submit [TTB Form 5154.3, Bond for Drawback](#), under [26 U.S.C 5111](#). In this case, your total bond needs to cover an entire quarter of claims (for example, if your claims in January, February, and March are each for \$5,000, then your bond needs to be at least \$15,000). The maximum bond is \$200,000 ([27 CFR 17.102](#)). Quarters are broken down as follows:

1st quarter: January 1 – March 31

2nd quarter: April 1 – June 30

3rd quarter: July 1 – September 30

4th quarter: October 1 – December 31

Only individuals with authorization to sign on behalf of the MNBP are permitted to file these documents with TTB. If you do not already have authorization, you must submit **one** of the following:

- [TTB Form 5000.8](#), Power of Attorney
- [TTB Form 5100.1](#), Signing Authority for Corporate Officials
- Corporate resolution or specific notification in organizational documents granting this authority

You may receive direct payment through the Automated Clearing House Network. In lieu of receiving checks for the drawback that you claim, you must include your banking information on the claim form in Item 10 (a-c) to have payments deposited directly into your company's bank account.

If you have any questions, please contact us at 877-882-3277.

NONBEVERAGE CLAIMANT CHECKLIST

To be filed with TTB Nonbeverage Products Laboratory (Beltsville, Maryland)

- [Formulas Online application](#)
- [Formula and Process for Nonbeverage Product, Form 5154.1](#)

To be filed with the National Revenue Center (Cincinnati, Ohio)

- [TTB Form 5154.3, Bond for Drawback](#) (if filing monthly claims)
- [Claim, Form 5620.8](#) with [Supporting Data, Form 5154.2](#)
- Signing Authority, if one is not already on file at TTB:
 - [Power of Attorney, Form 5000.8](#)
 - [Signing Authority for Corporate Officials, Form 5100.1](#)
 - Corporate resolution or specific notification in organizational documents granting this authority

To be filed with the Internal Revenue Service

- [Application for Employer Identification Number, Form SS-4](#)