



Wine Labeling and Record Keeping Overview



TTB Disclaimer

Notice:

- This information is being presented to help the public to understand and comply with the laws and regulations that the Alcohol and Tobacco Tax and Trade Bureau administers
- It is not intended to establish any new, or change any existing, definitions, interpretations, standards, or procedures regarding those laws and regulations
- In addition, this presentation may be made obsolete by changes in laws and regulations - please consult the regulations for the most current regulatory requirements
- Sample documents (such as records, returns, and labels) are for illustrative purposes only and contain fictitious data



TTB Overview

- Bureau within the Department of the Treasury
- Approximately 500 employees
- Headquarters Operations in Washington, DC
- Permitting and Taxation (National Revenue Center) in Cincinnati, Ohio
- 6 districts with auditors and investigators located across the country
- 3 laboratories at the National Laboratory in Maryland





TTB Mission

COLLECT the taxes on alcohol, tobacco, firearms, and ammunition

PROTECT the consumer by ensuring the integrity of alcohol products

ENSURE only qualified businesses enter the alcohol and tobacco industries

PREVENT unfair and unlawful market activity for alcohol and tobacco products



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<https://www.ttb.gov/ttb-newsletter>

TTB Newsletter

The TTB Newsletter is our weekly electronic news source. Each edition contains the top TTB news of the week and other helpful information about TTB and the federal alcohol and tobacco laws and regulations we enforce. It is a great way to keep up to date with the latest from TTB!

Please send questions or comments about the TTB Newsletter to TTB's [Office of Industry and State Outreach](#).

A graphic for the TTB Newsletter. On the left is a logo with "TTB" in large letters and "NEWSLETTER" below it, next to a stylized envelope icon. To the right of the logo, the text reads: "Read the latest edition...", "TTB Newsletter for", "January 19, 2024", "Get the latest TTB news and updates", and a blue button labeled "Subscribe to TTB Newsletter". The button is circled in red.

Read the latest edition...

TTB Newsletter for

January 19, 2024

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Primary Federal Laws

Internal Revenue code (IRC)

Part 24 – wine

(Protect the revenue)

- Tax payment
- Premises which protect the revenue
- Production
- Formulas (for some wines)

Federal alcohol administration (FAA)

Applies to wine

(Protect the consumer)

- **Part 1** – Basic Permits
- **Part 4** – Labeling
- **Part 9** – Viticultural areas
- **Part 16** – Health Warning Statement
- **Part 105 Parts 6, 8, 10 and 11** – Trade Practices



Agenda

- Mandatory label information*
 - Brand label
 - Any label
- Top labeling errors (and tips to avoid them!)
- Allowable revisions to approved labels
- Recordkeeping

*for wines sold interstate and contain at least 7% alcohol by volume

Mandatory Label Information





Mandatory Information: Brand Label

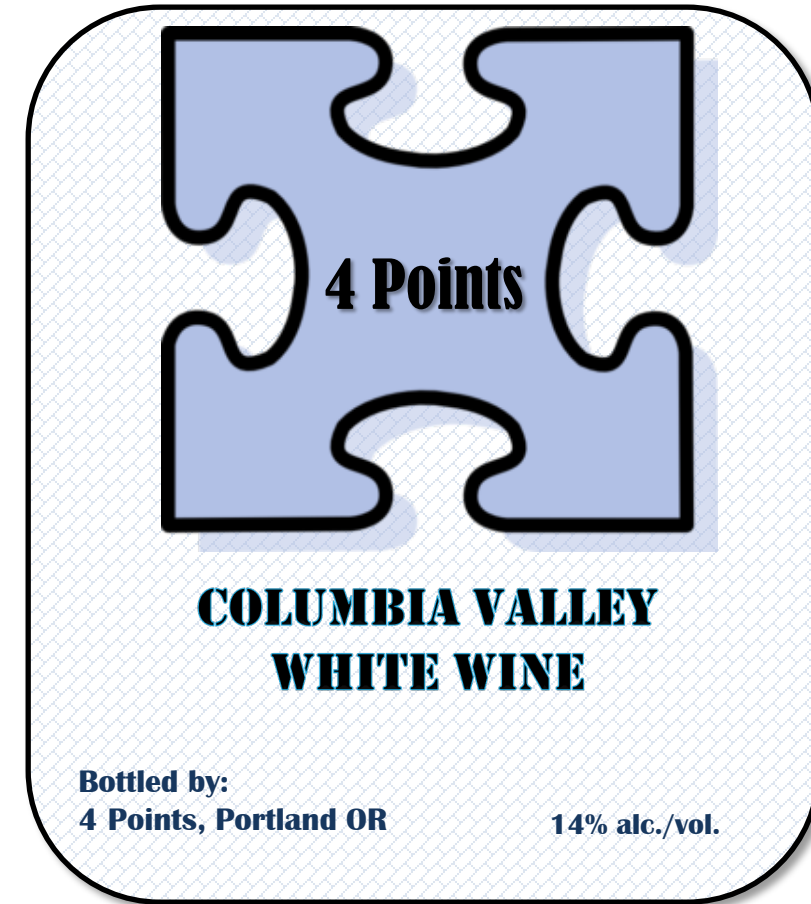
- Brand label must include:
 - Brand name
 - Class/type designation
 - Appellation of origin (if required)
- Either the front or back label may be the designated as the “brand label.”

27 CFR 4.32



Mandatory Information: Brand Label

- Name under which the product is sold, usually the most prominent piece of information on the label.
- If the wine is not sold under a separate brand name, the name of the bottler, packer or importer (if shown on the brand label) becomes the brand name.
- May not create a misleading impression.
- Must appear on the brand label.

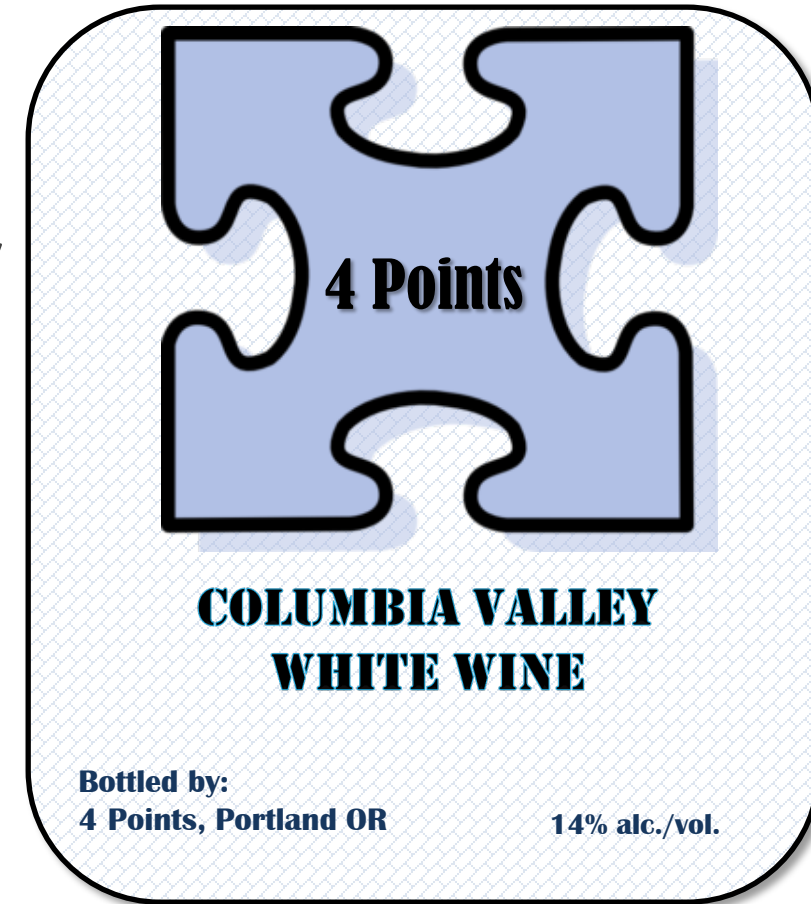


27 CFR 4.33



Mandatory Information: Class/Type

- A class/type designation is a categorical description of the wine in the container, based on the defined standards of identity found in 27 CFR 4.21.
- In order to label and market your wine under a particular class/type designation, the wine must meet the regulatory standards of identity for that class/type.



27 CFR 4.34



Mandatory Information: Class/Type

- Nine general **classes** of wine.
- Most classes are subdivided into more specific **types** of wine.
- Generally, the class and/or type designation may be used to meet the mandatory labeling requirement.

Class Example	Type Example
Grape Wine	Red Wine, Merlot, Table Wine
Sparkling Grape Wine	Sparkling Chardonnay, Sparkling Red Wine
Fruit Wine	Cider, Perry, Strawberry Dessert Wine



Mandatory Information: Class/Type

- Wines that do not meet the definition of any of the standards of identity are considered **wine specialty products**, and are subject to different class/type labeling requirements.
- Adding flavors, colors, or spices to your wine will generally result in your wine being classified as a wine specialty product.
- Wine specialty products must be labeled with a truthful and adequate statement of composition

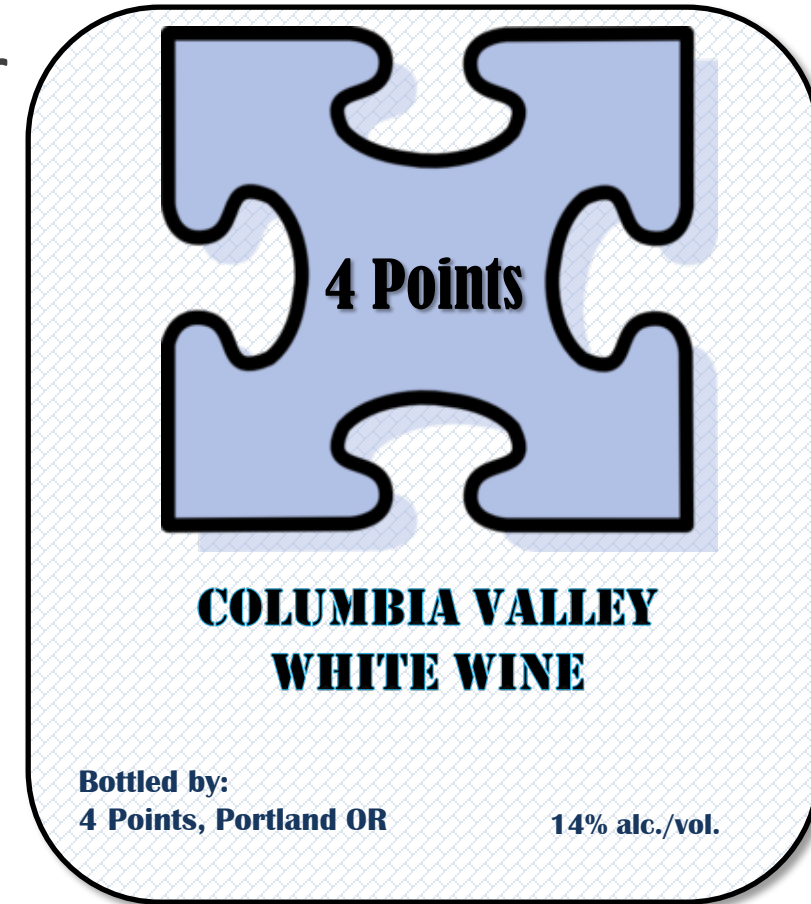
Note: Wine specialty products require formula approval prior to applying for a COLA.

- Required to appear on brand label.



Mandatory Information: Appellation

- Mandatory if any of the following appear on the label:
 - Grape varietal
 - Vintage date
 - Semi-generic designation (if grandfathered)
 - Estate bottled
- Must appear on brand label, if required.



27 CFR 4.34



Mandatory Information: Appellation

American viticultural area (AVA): A type of appellation specific to grape wines. It is a defined grape-growing region having a name, distinguishing features, and a delineated boundary as established in 27 CFR part 9.

- An AVA designation may not be used on wine made from other fruit or agricultural products.

27 CFR 4.25



Mandatory Information: Appellation

Estate bottled: 100% of the wine came from grapes grown on land owned or controlled by the winery, both of which must be located in the viticultural area on the label.

- The winery must crush and ferment the grapes, finish, age, process, and bottle the wine on their premises. The wine must at no time leave the premises of the bottling winery.
- Wine labeled as “estate bottled” must be labeled with a viticultural area appellation of origin.

27 CFR 4.26



Mandatory Information: Alcohol Content

Must be stated in terms of percentage of alcohol by volume.*

Example of specific percentages:

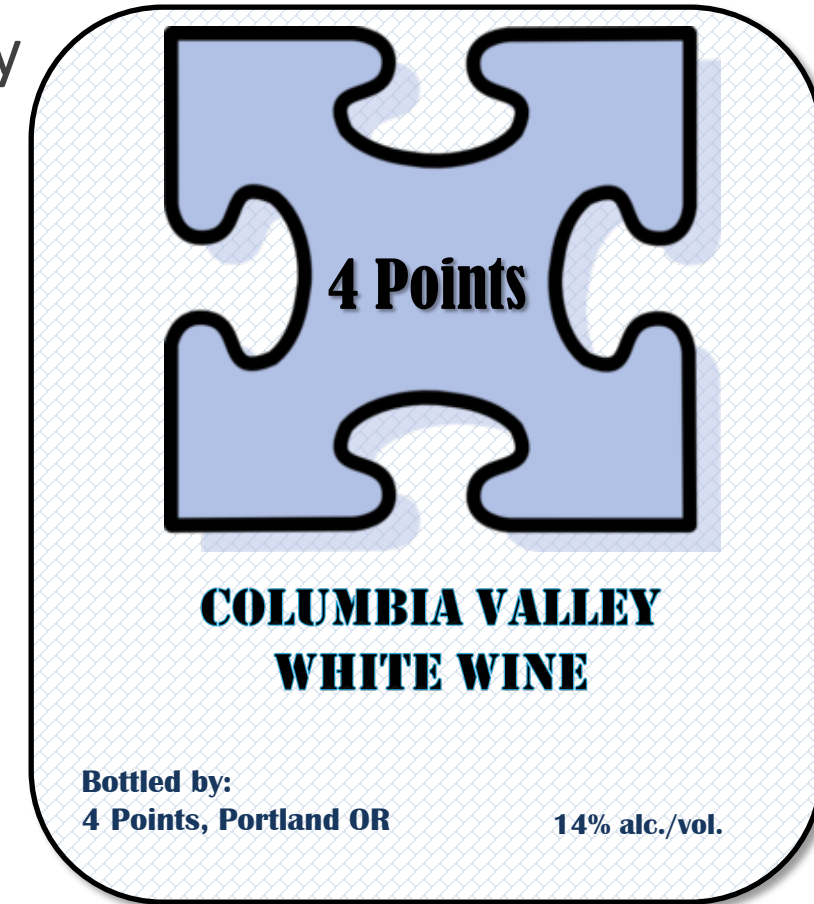
- **ALCOHOL ____ % BY VOLUME**
- **____% Alc. by Vol.**

Example of ranges:

- **____% to ____% alcohol by volume**
- **ALC. ____% TO ____ % BY VOL.**

***Table Wine** may be used in place of a percentage for wine with 7-14% alcohol by volume.

- May appear on any label.

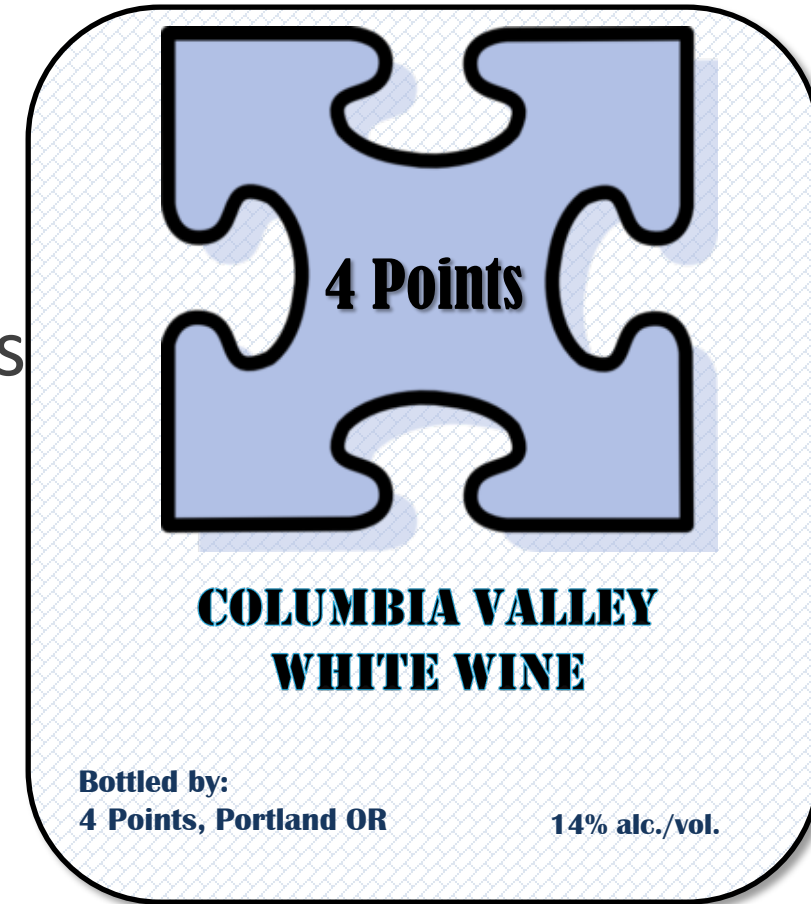


27 CFR 4.36



Mandatory Information: Name and Address Statement

- Name or Trade name of the Bottler/Importer as listed on the permit, preceded by the phrase **bottled by**, **packed by**, **canned by**, or **imported by**, as appropriate
- Address (City and State) of the permit
- May appear on any label



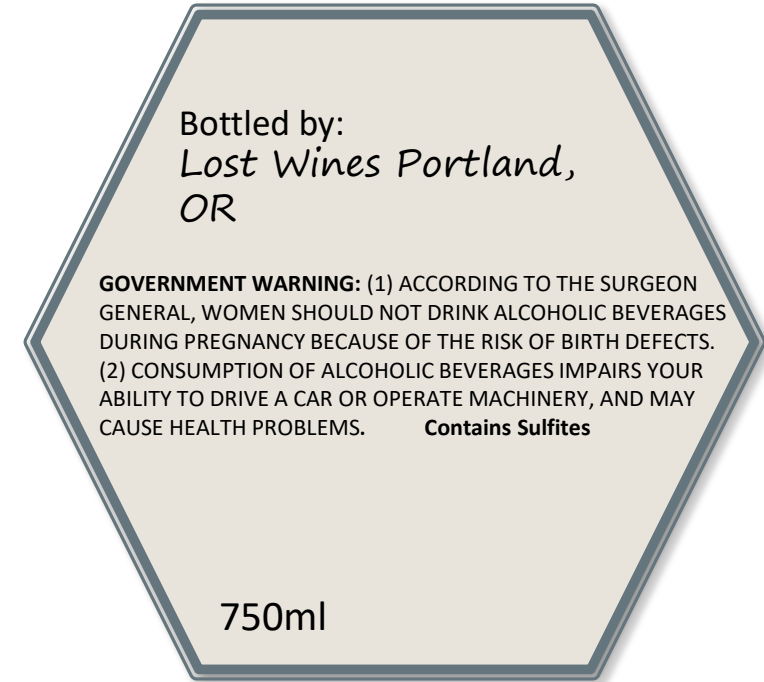
27 CFR 4.35



Mandatory Information: Name and Address Statement

Metric standards of fill; authorized sizes per 27 CFR 4.72.

- “ml” on containers of less than 1 liter and “L” on container of one liter or more
- May be on label or etched/blown into the container (which would be stated under **Special wording** on the application)
- May appear on any label



27 CFR 4.37



Standards of Fill

Three new standards of fill were added effective 12/29/2020:

§4.72 Metric standards of fill.

(a) *Authorized standards of fill.* The standards of fill for wine are the following:

3 liters.	355 milliliters
1.5 liters.	250 milliliters.
1 liter.	200 milliliters.
750 milliliters.	187 milliliters.
500 milliliters.	100 milliliters.
375 milliliters.	50 milliliters.

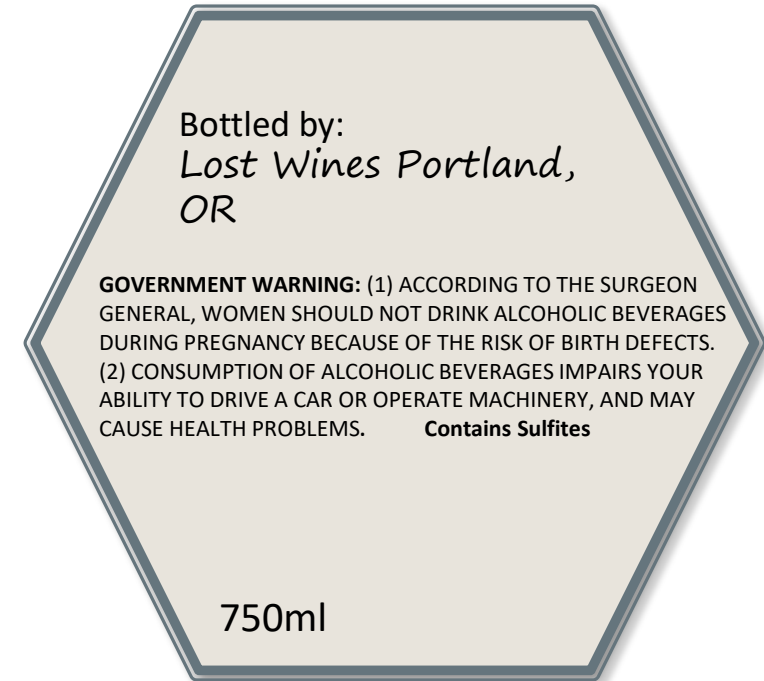


Mandatory Information: Sulfite Declaration

- Must declare if 10 ppm of total sulfites or more; generally stated as **Contains Sulfites**
- If less than 10 ppm, may be omitted if:
 - Obtain lab analysis from a TTB lab
 - Submit analysis with COLA

NOTE: TTB does not permit statements such as “**sulfite free**,” but other statements are allowed, such as “No sulfites added” or “Contains naturally occurring sulfites.”

May appear on any label

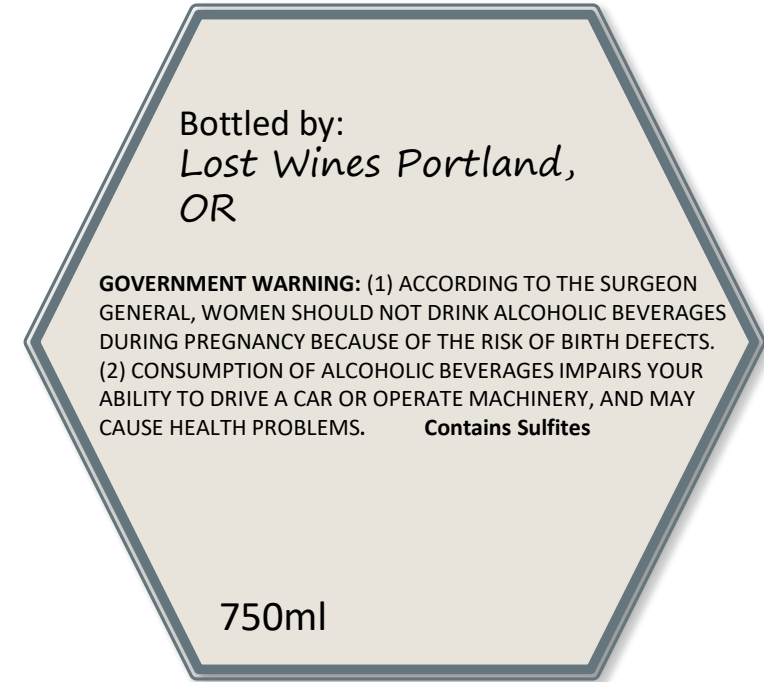


27 CFR 4.32(e)



Mandatory Information: Health Warning Statement

- Words “**GOVERNMENT WARNING**” must be in capital letters and bold type; remainder of statement may not appear in bold type
- “S” in Surgeon and “G” in General must be capitalized
- It must appear as a continuous paragraph, separate and apart from other information
- May appear on any label



27 CFR Part 16



Mandatory Information: 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.



Top Label Errors

- Class/type multiple varieties on the brand label.
- The appellation is missing from the brand label and there is a grape varietal or vintage date, which make the appellation mandatory.
- Class/type designation is missing from the brand label.
- Government Warning Statement contains a punctuation error, or “Government Warning” does not appear in bold.
- The label contains information that conflicts with the formula.



Common Application Errors

- Country of origin statement missing (ex. Product of France).
- Class/type conflict (ex: Red Wine vs White Wine).
- Organic certification is required with accredited certifying agent (ACA) signature on the labels.
- Name/Address Conflict-The bottler/importer statement address does not match what is on the application.
- Grape Varietal appears on the label but is missing from the application.

Allowable Revisions to Approved Labels





Allowable Revisions: Commonly Used

- Deleting non-mandatory information
- Repositioning
- Change color/font
- Percentage of blend
- Change or remove vintage date
- Change name or trade name to reflect another name listed on your permit
- Change “Produced” to “Vinted” or “Cellared” (*cannot be used in reverse*)
- Change net contents
- Change alcohol content
- Acid/PH/Sugar
- Color change to picture
- Add or delete ageing time
- Change bottle date
- Change analysis



Allowable Revisions: Example

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	

Approved COLA



Allowable revision





Allowable Revisions: Example

YOU MAY...	REVISION APPLIES TO			COMMENTS
	WINE	DISTILLED SPIRITS	MALT BEVERAGE	
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.

Approved COLA

SUNNYSIDE ACRES



Finger Lakes

New York

WHITE WINE

Allowable revision



SUNNYSIDE ACRES

WHITE WINE

New York

Finger Lakes



Allowable Revisions: Example

YOU MAY...	REVISION APPLIES TO			COMMENTS
	WINE	DISTILLED SPIRITS	MALT BEVERAGE	
10. Change the net contents statement.	YES	YES	YES	Revisions must comply with all applicable regulations governing net content statements and standards of fill. Please ensure that all applicable type size requirements are met for each container size.

Approved COLA



Allowable revision

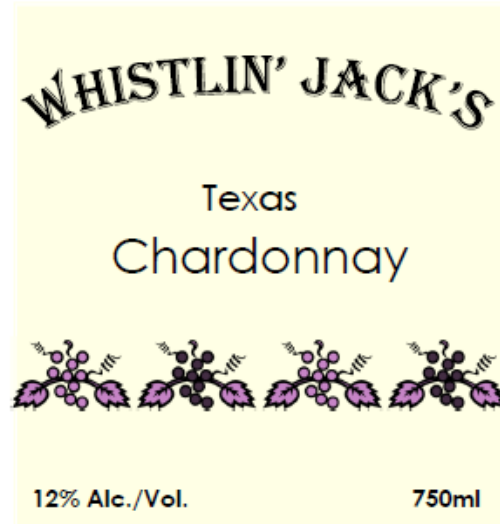




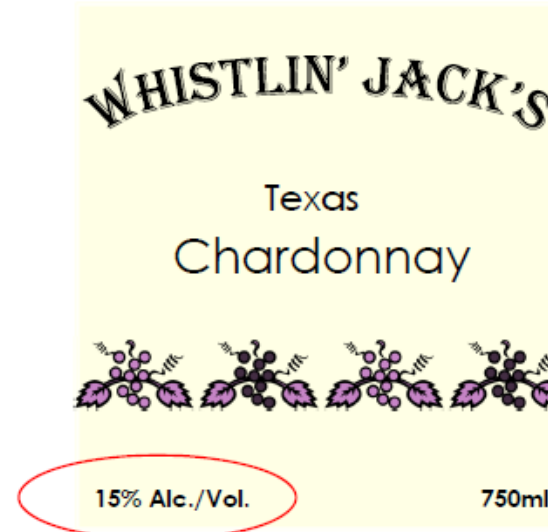
Allowable Revisions: Example

YOU MAY...	REVISION APPLIES TO			COMMENTS
	WINE	DISTILLED SPIRITS	MALT BEVERAGE	
11. Change the mandatory statement of alcohol content, as long as the change is consistent with the labeled class and type designation, and all other labeling statements.	YES	YES	YES (Flavored Malt Beverages Only)	For example, you may change the alcohol content of a grape wine labeled with a varietal designation from 13 percent to 15 percent alcohol by volume, even though it results in a change to the product's tax classification. However, if the product was designated and labeled as a "table wine," an alcohol content of 15 percent alcohol by volume would be inconsistent with the rules for use of that designation, so this change would not be permitted. Similarly, a label bearing a "rum" designation may not be changed to state an alcohol content of less than 40 percent alcohol by volume. The revised alcohol content statement must be consistent with all other mandatory or optional labeling statements.

Approved COLA



Allowable revision





Gluten Free

Alcohol beverages that are inherently “gluten-free” under the standards set by FDA, (because they are made only from ingredients that do not contain gluten, such as cider fermented from apples) are eligible for a “gluten-free” claim on the label.

[TTB Ruling 2020-2 Gluten Content Statements in the Labeling and Advertising of Wine, Distilled Spirits, and Malt Beverages](#)

[Gluten-Free Labeling of Foods | FDA](#)



Organic



Any use of the term “**organic**” on any alcohol beverage product label must comply with the United States Department of Agriculture's (USDA) National Organic Program rules (7 CFR part 205) as interpreted by the USDA

Record Keeping





Records – IRC

- Records must be generated for most every winery operation
- Records support tax payment
- Records support label claims
- Records inform the TTB report filed by every plant
- 27 CFR part 24 - Subpart O - Records and Reports
- Most pitfalls can be avoided with good records
- May be a compilation of source documents or a summary



Recordkeeping

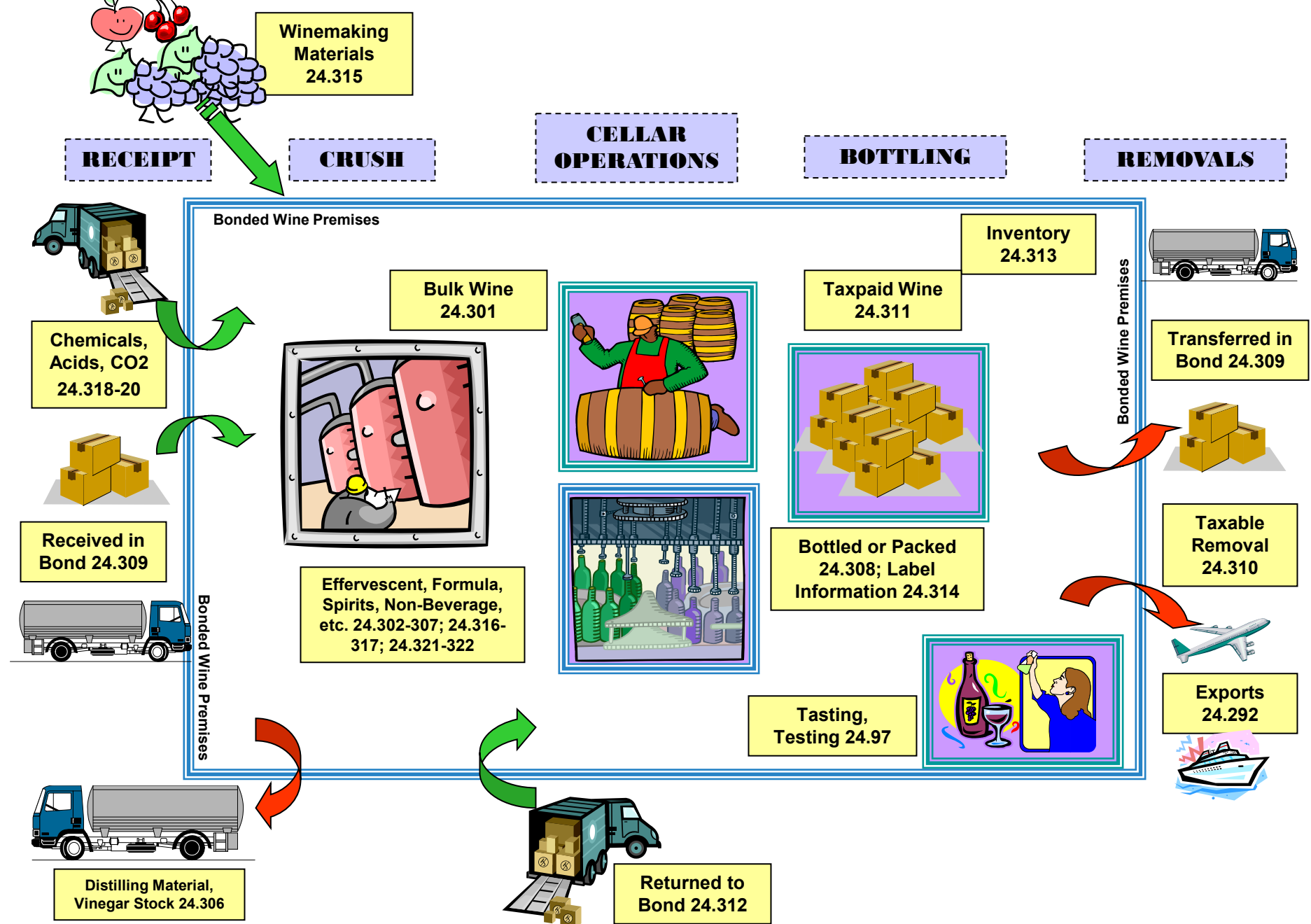
Records document what it is, and what you did with it

- Materials received and used e.g., grapes, apples, pears, treatment materials
- Acid and chemical records
- Wine produced
- Wine received or transferred in bond
- Wine bottled/kegged, or removed



Recordkeeping

- Record operations as they occur
- Get and retain source documents
- Accurately identify alcohol content, quantities
- Keep the “pedigree” of the product clear
- Retain for 3 years from last required entry
- All records are subject to inspection by TTB





Winemaking Materials

Materials Received and Used Record: [27 CFR 24.315](#)

Acid Record: [27 CFR 24.318](#)

Sugar Record: [27 CFR 24.317](#)

Chemical Record: [27 CFR 24.320](#)

Spirits Record: [27 CFR 24.316](#)

Production and Materials Issues



Bulk Still Wine Record

Maintained by Tax Class

Documents Wine Production

Receipt, Storage and Removal of Bulk Wine

Tax Class Blends



27 CFR 24.301



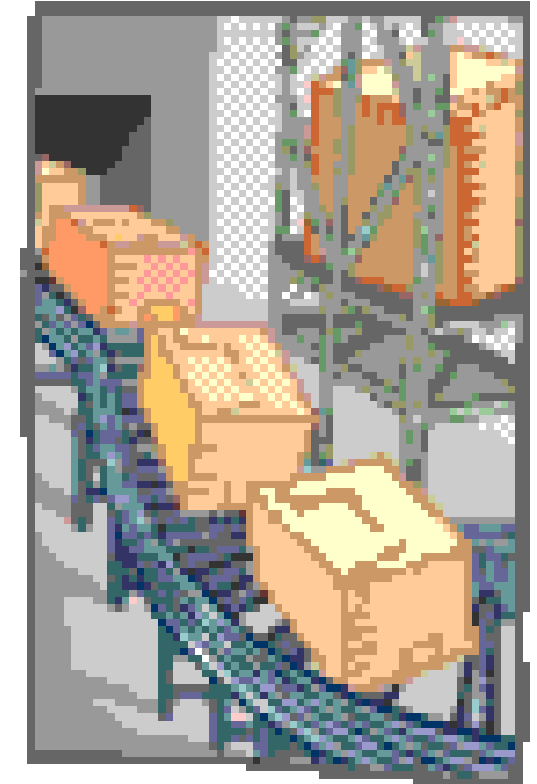
Bottled or Packed Wine Record

Volume

Tax Class

Kind

Results of Fill and Alcohol Tests



27 CFR 24.308



Label Information Record

- Must give *accurate and sufficient information* for verification by TTB examination.
- The record trail must be complete and must run from the beginning source material to removal of wine for consumption or sale.



27 CFR 24.314



Taxpaid Removals from Bond Record

An invoice can be an acceptable record— it is an internal generated document and should not be a stand-alone verification

Bills of Lading – substantiate delivery information on invoice and when properly completed, provide confirmation of delivery (date & time) and receipt by customer (date & time)

Date of removal, name/address (individual sales over 80 liters name & address must be recorded)

Volume, kind of wine, alcohol content

Must be summarized daily to the nearest 10th of a gallon

27 CFR 24.310



Taxpaid Removals Examples

- Removed for tasting room (non-bonded)
- Direct-to-Consumer shipments
- Sales to wholesalers
- Removal to off-premise locations
- Inventory shortages
- Removed for promotional events
- Removals for charity and donations
- Certain exports are taxable, but entitled to tax drawback



Untaxpaid Removals

- Testing on/off premises
- Tasting on premises (in-bond area)
- Family use
- Destruction/Breakage
- Official use of the government (TTB samples)
- Transfer in bond
- Export out of U.S. (some are taxable)
- “Allowable” losses



Transfer in Bond Record

A shipping document can be an acceptable transfer in bond record if it contains –

- ❑ Date, name/address, registry number of the shipping and receiving wine premises
- ❑ Volume, kind of wine, alcohol content **OR** tax class
- ❑ **Serial numbers:** cases/containers over 4 liters required to be included in transfer document
- ❑ Complete and accurate label information



27 CFR 24.309



Testing off Premises



- Limit of one liter per lot
- Records: invoices/billing statements with details of wine and testing
- Free of tax samples or residues may not be consumed or sold
- Destroy or return to bond
- Certified labs, refer to: <https://www.ttb.gov/regulated-commodities/formulation/formula-approval-with-laboratory-sample-analysis>

27 CFR 24.96



Testing on Premises

Reasonable quantity with nature of testing – excess is taxable

Records: log or workorders with details of wine and test performed

Records include: quantity, kind of wine, date, and disposition of each sample



27 CFR 24.97



Tasting on the Bonded Premises

“Organoleptic” tasting

Room or area set aside for public tasting purposes

- Not the tax-paid tasting room!

Maintain record on date, quantity and kind of wine transferred



27 CFR 24.97



Inventory Record

- Complete annual physical inventory of all wine and spirits
- **June 30**, unless TTB is notified of another date (variance)
- **December 31** if reporting annually
- Must include:
 - Description of wine
 - Volume of bulk and bottled wine, totaled separately by tax class
 - Inventory summary (in wine gallons or liters)

27 CFR 24.313



Inventory Record (continued)

- Results reported on Form 5120.17 only when a complete inventory is taken
- Dated, numbered consecutively, signed by person with signature authority and signed under Penalty of Perjury
- Unexplained Bottled Shortages must be taxpaid: See 24 CFR 24.266(c)
- Cannot be offset by inventory gains and must be reported separately
- Claim must be filed for excessive Bulk Losses: See 27 CFR 24.266(b)

27 CFR 24.313



Records Examination

By examining your records, TTB should be able to verify if:

- Wine product is properly labeled
- All label claims are fully supported
- Only authorized materials were used
- Advertising, Point of Sale (POS) materials are appropriate



What Do We Look For?

Product Integrity (consumer protection)

- Required records
- Supporting documentation for label claims



What Do We Look For?

Revenue (tax compliance)

- Required records
- Supporting documentation for excise tax return information and payments
- Timely filing of reports and returns
- Security of premises
- Bond coverage



Taxable Removals

- Federal tax **attaches** when wine is produced
- Tax is **determined** when wine is removed from bonded premises for consumption or sale
- Tax is **paid** at a later date (deferred)
- Tax **rate** is based on alcohol content, materials used, and/or production method



CBMA Wine Tax Credits Made Permanent

- Starting in 2018, domestic wineries and importers could take advantage of temporary wine tax credits under the Craft Beverage Modernization Act (CBMA) provisions of the Internal Revenue Code if eligibility requirements were met
- These tax credits were made permanent at the end of 2020
- Also made permanent:
 - Adjusted alcohol content for certain still wine tax classes from 14% to 16% alcohol by volume
 - Ability to transfer CBMA tax credits to other wineries or bonded wine cellars



Tax on Wine Removed 2018-Present

Tax Class	Wines Gallons Per Calendar Year			
	First 30,000	Over 30,000 up to 130,000	Over 130,00 up to 750,000	Over 750,000
Still Wine				
16% and under alcohol by volume (0.392g CO ₂ /100mL or less)	\$0.07	\$0.17	\$0.535	\$1.07
Over 16 - 21% alcohol by volume (0.392g CO ₂ /100mL or less)	\$0.57	\$0.67	\$1.035	\$1.57
Over 21 - 24% alcohol by volume (0.392g CO ₂ /100mL or less)	\$2.15	\$2.25	\$2.615	\$3.15
Mead No more than 0.64g CO ₂ /100mL; derived solely from honey and water; containing no fruit product or fruit flavoring; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07
Low alcohol by volume wine No more than 0.64g CO ₂ /100mL; derived primarily from grapes or from grape juice concentrate and water; containing no fruit product or fruit flavoring other than grape; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07



Tax on Wine Removed 2018-Present

Tax Class	Wines Gallons Per Calendar Year			
	First 30,000	Over 30,000 up to 130,000	Over 130,00 up to 750,000	Over 750,000
Still Wine				
16% and under alcohol by volume (0.392g CO ₂ /100mL or less)	\$0.07	\$0.17	\$0.535	\$1.07
Over 16 - 21% alcohol by volume (0.392g CO ₂ /100mL or less)	\$0.57	\$0.67	\$1.035	\$1.57
Over 21 - 24% alcohol by volume (0.392g CO ₂ /100mL or less)	\$2.15	\$2.25	\$2.615	\$3.15
Mead No more than 0.64g CO ₂ /100mL; derived solely from honey and water; containing no fruit product or fruit flavoring; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07
Low alcohol by volume wine No more than 0.64g CO ₂ /100mL; derived primarily from grapes or from grape juice concentrate and water; containing no fruit product or fruit flavoring other than grape; and containing less than (not equal to) 8.5% alcohol by volume	\$0.07	\$0.17	\$0.535	\$1.07



Contact Us

- **Questions?**

Contact the Alcohol Labeling and Formulation Division at:

- Toll Free at 866-927-ALFD (2533), OR
- Use our [Alcohol Labeling and Formulation Division \(ALFD\) Contact Form](#)

Contact the NRC at:

- Toll-Free: 877-882-3277
-
- **Representatives are Available:**
 - 8 a.m. to 4:30 p.m. ET Monday - Friday (except on federal holidays)

Please take a few minutes to
provide feedback on this session:

<https://www.ttb.gov/survey>

