

# HOSPITALITY INFORMATION MEMO

JULY 8, 2022

## TTB to Streamline Brewer's Notice and Reporting Requirements

The United States Alcohol and Tobacco Tax and Trade Bureau (TTB) has published notice of proposed amendments to its regulations governing the requirements for filing a Brewer's Notices (essentially, the federal permit to operate a brewery) and relaxing certain operational and reporting requirements for breweries. If, as expected, the proposed amendments are adopted, they should ease – at least modestly – some of the federal regulatory burdens for craft breweries, which is always a welcome development.

The [proposed amendments](#) represent the first significant overhaul of TTB's beer regulations in decades and are intended to make those regulations more in line with the current state of the industry, while still allowing TTB to fulfill its mandate (i.e., ensuring tax compliance on the part of breweries).

The most significant (and certainly welcome) proposed change is to eliminate the need to separately delineate and maintain "brewery" and "brewpub" (or "taproom") areas, to describe those separate areas in detail as part of filing the Brewer's Notice (including security requirements), and related operational restrictions which make it cumbersome to account for beer being transferred between the "brewery" and the "taproom." The amended regulations would eliminate the requirement to maintain and describe such separate in the Brewer's Notice and instead simply require breweries to generally describe their proposed "retail service operations" in the Notice. Those regulations will also simplify the process for determining the federal tax on beer sold and served to customers on the brewery premises, which should allow breweries that operate tap rooms to eliminate the maintenance of a separate "tax determination tank" (or tanks), so long as they comply with the new (more flexible) options for keeping track of on-premises sales.

The proposed amendments also streamline and modernize several other important federal reporting requirements, including:

- clarifying and narrowing the scope of information that must be provided regarding persons holding an ownership interest in the business;
- extending several deadlines for notifying TTB of post-qualification changes (e.g., a change in officers and directors and certain operational changes) from 30 days to 60 days;
- allowing brewers to provide simple written notification of any new trade name ("d/b/a") to TTB rather than having to submit an amended Brewer's Notice, a change that would be particularly advantageous for breweries engaged in contract brewing, alternating proprietorships and collaborations;
- reducing the frequency of physical inventories by aligning such frequency with the brewery's tax reporting deadlines (e.g., a brewery required to file its tax returns quarterly or annually would now have to conduct physical inventories either quarterly or annually, respectively);
- eliminating the need to file a Notice of Intent to destroy taxpaid beer and instead allow breweries simply to notify TTB of such destruction as part of its claim for a refund or tax credit; and
- simplifying the process for notifying TTB of termination of business operations

TTB is accepting comments on the proposed amendments – which can be submitted electronically [here](#) – through August 8, 2022.

Taken together, these proposed regulations, while by no means transformative, should significantly ease the federal regulatory burden on most craft breweries. Anyone with any questions regarding these proposed amendments, or how they may impact their brewery, please reach out to [Charles "Chip" D. Grieco](#) or [Jennifer L. Tsyn](#).

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