



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms
Washington, DC 20226

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Establishment of the Alcohol and Tobacco Tax and Trade Bureau

TO: All Firearms and Ammunition Excise Taxpayers

What is the purpose of this circular?

The purpose of this industry circular is to advise firearms and ammunition excise taxpayers that effective January 24, 2003, a new Treasury agency, the Alcohol and Tobacco Tax and Trade Bureau, will be responsible for administering the firearms and ammunition excise tax laws and regulations currently administered by the Bureau of Alcohol, Tobacco and Firearms (ATF).

What is the basis for this change?

On November 25, 2002, President Bush signed into law the Homeland Security Act of 2002. This law created a new Cabinet-level agency, the Department of Homeland Security, by consolidating a number of existing Federal agencies into this new department. Although ATF is not part of this new department, the Homeland Security Act divides the functions of ATF into two new agencies.

On January 24, 2003 (60 days after the Homeland Security Act became law), part of the existing ATF will be transferred to the Department of Justice as the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). This new bureau will oversee firearms programs relating to the Gun Control Act of 1968 (GCA), the National Firearms Act of 1934 (NFA), and the Arms Export Control Act. The new bureau will also oversee explosives and arson programs and administer the United States Criminal Code concerning alcohol and tobacco smuggling and diversion.

On the same day, a new bureau will be created within the Department of the Treasury to handle the regulatory and taxation aspects of the alcohol and tobacco industries. The new bureau will also administer the laws and regulations governing firearms and ammunition excise tax. Again, this new agency will be known as the Alcohol and Tobacco Tax and Trade Bureau (TTB).

What are the responsibilities for this new agency?

TTB will be responsible for the administration and enforcement of the following laws:

- Internal Revenue Code of 1986, 26 USC (IRC)
Chapter 51 (Distilled Spirits, Wines, and Beer)
Chapter 52 (Tobacco Products and Cigarette Papers and Tubes),
Sections 4181-4182 (Firearms and Ammunition Excise Taxes);
- Federal Alcohol Administration Act, 27 USC (FAA Act), including the Alcohol Beverage Labeling Act of 1988; and
- Webb-Kenyon Act, 27 USC section 122.

What effect will this have on firearms and ammunition excise taxpayers?

We anticipate that this organizational change will have only minimal impact upon firearms and ammunition excise taxpayers. Current ATF employees who process tax returns and deposits, review claims, and perform other duties supporting firearms and ammunition excise tax functions will be assigned to the new TTB. As such, they will continue to perform the same functions with TTB as they did with ATF.

There will, however, be some exceptions. Effective January 24, 2003, all of ATF's field inspection offices will transfer to the Department of Justice as part of the new Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). After January 24, 2003, you should send any documents and special requests relating to firearms and ammunition excise tax that you currently send to ATF's field inspection offices to the TTB at the following address:

National Revenue Center
Firearms and Ammunition Excise Tax Unit
Room 8002, FOB, 550 Main Street
Cincinnati, OH 45202-3263

TTB is currently working to establish its own field offices. Once established, we will advise you of their locations and appropriate contact personnel.

What effect will this have on the regulations?

The regulations will remain the same. However, the firearms and ammunition excise tax regulations in Title 27 CFR will be administered by the TTB. The remaining firearms regulations in Title 27 CFR relating to the Arms Export Control Act (part 47), GCA (part 178), and NFA (part 179) will be recodified to parts 447, 478, and 479, respectively. These regulations will be administered by the ATF in the Department of Justice.

What government forms and tax returns should I use?

For the time being, the TTB will continue to use the same ATF public use forms that are currently in effect. Therefore, you may continue to submit your claims, tax returns and deposits and similar documents on ATF forms until we notify you that the form has been replaced by a TTB form.

Are there any changes in my filing requirements?

Currently, there are no changes to the filing requirements for firearms and ammunition excise taxpayers. Therefore, you should continue sending these documents to the National Revenue Center.

Will there be a website for the new TTB?

Yes. In order to provide the public with information about firearms and ammunition excise tax matters after January 24, 2003, you may visit the Alcohol and Tobacco Tax and Trade Bureau website at www.ttb.gov. You may also gain access by logging onto ATF's current website at www.atf.treas.gov and using the link to the Alcohol and Tobacco Tax and Trade Bureau website.

Who can I contact with questions?

The TTB hopes to make this transfer of responsibilities as seamless as possible for firearms and ammunition excise taxpayers. We also plan to keep you advised of any significant developments as they occur. If, however, you should have any questions about this transition and how it affects you, feel free to contact the National Revenue Center at 1-800-398-2282.



Arthur J. Libertucci
Administrator
Alcohol and Tobacco Tax and Trade Bureau (TTB)



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