



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms
Washington, DC 20226

Number: 2003-1

January 21, 2003

Establishment of the Alcohol and Tobacco Tax and Trade Bureau

TO: All Alcohol and Tobacco Permittees, Taxpayers and Claimants

What is the purpose of this circular?

The purpose of this industry circular is to advise members of the alcohol and tobacco industries that, effective January 24, 2003, a new Treasury agency, the Alcohol and Tobacco Tax and Trade Bureau (TTB), will be responsible for administering the alcohol and tobacco laws noted below and implementing regulations currently administered by the Bureau of Alcohol, Tobacco and Firearms.

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 the Bureau of Alcohol, Tobacco and Firearms (ATF) is not a part of this new department, the Homeland Security Act divides the functions of ATF into two new bureaus.

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, explosives and arson programs. The new bureau will also administer and manage 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 collect the firearms and ammunition excise tax. This new agency will be known as the TTB.

What are the responsibilities for this new agency?

The new Alcohol and Tobacco Tax and Trade Bureau will be responsible for the administration and enforcement of these 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 members of the alcohol and tobacco industries?

We anticipate that this organizational change will have only minimal impact upon the alcohol and tobacco industries that have traditionally been regulated by ATF. Current ATF employees who review applications, issue permits, process tax returns, and perform other functions supporting the alcohol and tobacco industries will be assigned to the new Alcohol and Tobacco Tax and Trade Bureau (TTB). As such, they will continue to perform the same functions with TTB as they did with ATF. This includes employees in the Alcohol and Tobacco directorate in ATF Headquarters, the National Revenue Center, the Revenue Accounting Branch, Alcohol and Tobacco attorneys in the Office of Chief Counsel, and personnel assigned to the Alcohol and Tobacco Laboratory.

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 file any documents that you currently file with our field offices, and any documents or special requests that you currently file with the Director, Industry Operations or area supervisor, with the TTB at the following address:

National Revenue Center
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?

On January 24, 2003, all regulations will remain in effect and unchanged. The alcohol, tobacco, and firearms and ammunition excise tax regulations in Title 27 Code of Federal Regulations will be administered by the Alcohol and Tobacco Tax and Trade Bureau. Similarly, the remaining firearms and explosives regulations in Title 27 CFR will be recodified and administered by the new ATF in the Department of Justice.

What government forms and tax returns should I use?

For the time being, the new Alcohol and Tobacco Tax and Trade Bureau will continue to use the same ATF public use forms that are currently in effect. Therefore, you may continue to submit your applications, bonds, claims, returns, reports and similar documents on ATF forms until we notify you that the form has been replaced by an Alcohol and Tobacco Tax and Trade Bureau form.

Are there any changes in my filing requirements?

All existing requirements continue in force. There will be no changes on January 24, 2003, in the requirements for filing returns, applications, reports or other documents currently required by Title 27 CFR.

Will there be a website for the new TTB?

Yes. In order to provide the public with information about alcohol and tobacco 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 Alcohol and Tobacco Tax and Trade Bureau hopes to make this transfer of responsibilities as seamless as possible for our alcohol and tobacco industry members. 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 any of the following offices:

- National Revenue Center at 1-800-398-2282, for questions regarding applications, bonds, and tax returns; or
- Alcohol Labeling and Formulation Division at 1-866-927-ALFD (2533) or 202-927-8140, for labeling questions.



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