

Appendix F: Bond Requirements from 27 CFR 19.166

§19.166 Required penal sums.

A person must determine the penal sums for the various bonds required by this subpart according to the following table:

(a) Operations bond for a single plant operating as a:	Required penal sum represents:	The penal sum must be:	
		Not less than—	and need not be more than—
(1) Distiller	The amount of tax on spirits produced during a 15-day period	\$5,000	\$100,000
(2) Warehouseman, in general	The amount of tax on spirits and wines deposited in, stored on, and in transit to, the bonded premises	5,000	200,000
(3) Warehouseman limited to storage of spirits in packages to a total of not over 50,000 proof gallons	The amount of tax on spirits and wines deposited in, stored on, and in transit to, the bonded premises	5,000	50,000
(4) Distiller and warehouseman	The amount of tax on spirits produced during a period of 15 days, plus the tax on spirits and wines deposited in, stored on, and in transit to the bonded premises	10,000	200,000
(5) Distiller and processor	The amount of tax on spirits produced during a 15-day period, plus the amount of tax on spirits, denatured spirits, articles and wines deposited in, or stored on, and in transit to the bonded premises	10,000	200,000
(6) Warehouseman and processor in general	The amount of tax on spirits, denatured spirits, articles, and wines deposited in, stored on, and in transit to, the bonded premises	10,000	250,000
(7) Warehouseman and processor, limited to storage of spirits or denatured spirits in packages to a total of not over 50,000 proof gallons, and processing of spirits or denatured spirits so stored	The amount of tax on spirits, denatured spirits, articles, and wines deposited in, stored on, and in transit to, the bonded premises	10,000	50,000
(8) Distiller, warehouseman and processor	The amount of tax on spirits produced during a 15-day period, plus the amount of tax on spirits, denatured spirits, articles and wines deposited in, stored on, and in transit to, the bonded premises	15,000	250,000
(9) Distiller with adjacent bonded wine cellar	The amount required for a distiller (see paragraph (a)(1). above) plus the amount of	6,000	150,000

	tax on wines and wine spirits possessed on, and in transit to, the adjacent wine cellar		
(10) Distiller and warehouseman with adjacent bonded wine cellar	The amount required for a distiller & warehouseman (see paragraph (a)(4). above) plus the amount of tax on wines and wine spirits possessed on, and in transit to, the adjacent wine cellar	11,000	250,000
(11) Distiller and processor with adjacent bonded wine cellar	The amount required for a distiller & processor (see paragraph (a)(5). above) plus the amount of tax on wines and wine spirits possessed on, and in transit to, the adjacent wine cellar	11,000	250,000
(12) Distiller, warehouseman and processor with adjacent bonded wine cellar	The amount required for a distiller-warehouseman-processor (see paragraph (a)(8). above) plus the amount of tax on wines and wine spirits possessed on, and in transit to, the adjacent wine cellar	16,000	300,000
(b) Area operations bond for two or more plants whose combined required penal sums under paragraph (a) of this section:		Required penal sum is:	But need not be more than:
(1) Do not exceed \$300,000		100%	\$300,000
(2) Exceed \$300,000 but do not exceed \$600,000		\$300,000 plus 70% of the amount over \$300,000	510,000
(3) Exceed \$600,000 but do not exceed \$1,000,000		\$510,000 plus 50% of the amount over \$600,000	710,000
(4) Exceed \$1,000,000 but do not exceed \$2,000,000		\$710,000 plus 35% of the amount over \$1,000,000	1,060,000
(5) Exceeds \$2,000,000		\$1,060,000 plus 25% of the amount over \$2,000,000	
		The penal sum must be:	
(c) Withdrawal bond for:	Required penal sum represents:	Not less than—	and need not be more than—
(1) One distilled spirits plant	The amount of tax which, at any one time, is chargeable against such bond, but has not yet been paid	\$1,000	\$1,000,000.
(2) Two or more distilled spirits plants	Sum of the penal sums for each plant calculated in paragraph (c)(1) of this section	$(\$1,000) \times (\text{number of plants})$	$(\text{Number of plants}) \times \$1,000,000.$
(d) Unit bond for:	Required penal sum represents:	The penal sum must be:	

		Not less than—	and need not be more than—
(1) Operations at one distilled spirits plant (including any adjacent bonded wine cellar), and withdrawals from the bonded premises of the same plant	An amount equal to the sum of the required penal sums of an operations bond and a withdrawal bond for the plant, if such bonds were obtained separately. (See paragraphs (a) and (c)(1) in this section.)	\$6,000	\$1,300,000.
(2) Operations at two or more distilled spirits plants (including any adjacent bonded wine cellars), and withdrawals from the bonded premises of the same plants	An amount equal to the sum of the penal sums of an area operations bond and withdrawal bonds needed for all of the covered plants, if such bonds were obtained separately. (Total penal sums of paragraphs (b) and (c)(2) in this section.)	Sum of the minimum penal sums for operations and withdrawal bonds required for each plant covered by the bond.	Sum of the maximum penal sums for area operations bonds and withdrawal bonds required for the plants covered by the unit bond.

(26 U.S.C. 5173)

EXAMPLE