



TaxNewsFlash

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TTB guidance: Tax-free withdrawal of distilled spirits for hand sanitizers ends December 31, 2021 (COVID-19)

The U.S. Treasury Department's Alcohol and Tobacco Tax and Trade Bureau (TTB) today issued a release announcing that because the Food and Drug Administration is withdrawing its temporary guidance related to the manufacture of hand sanitizer and denatured alcohol for use in hand sanitizer, TTB will not renew previous authorizations of tax-free withdrawals of distilled spirits and products containing distilled spirits used in the manufacture of hand sanitizer beyond December 31, 2021.

TTB previously allowed tax-free withdrawals of distilled spirits and products containing distilled spirits for hand sanitizer purposes as a response to the coronavirus (COVID-19) pandemic.

Today's [TTB release](#) provides:

Industry members therefore must cease production under this TTB guidance by December 31, 2021. Beverage distilled spirits plants must remove from their bonded premises any alcohol intended for industrial use, and alcohol fuel plants must remove from their bonded premises any alcohol intended for non-fuel use by December 31, 2021. However, industry members may continue to distribute hand sanitizer produced under TTB's guidance through March 31, 2022.

For more information, contact a tax professional with KPMG's Excise Tax Practice group:

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