

DEPARTMENT OF THE TREASURY**Alcohol and Tobacco Tax and Trade Bureau****27 CFR Parts 7 and 25****[TTB T.D.—21; Re: TTB Notice No. 4]****RIN 1513-AA12****Flavored Malt Beverage and Related Regulatory Amendments (2002R-044P)****AGENCY:** Alcohol and Tobacco Tax and Trade Bureau, Treasury.**ACTION:** Final rule; Treasury decision.

SUMMARY: The Department of the Treasury and its Alcohol and Tobacco Tax and Trade Bureau adopt as a final rule certain proposed changes to the regulations concerning the production, taxation, composition, labeling, and advertising of beer and malt beverages.

This final rule permits the addition of flavors and other nonbeverage materials containing alcohol to beers and malt beverages, but, in general, limits the alcohol contribution from such flavors and other nonbeverage materials to not more than 49% of the alcohol content of the product. However, if a malt beverage contains more than 6% alcohol by volume, not more than 1.5% of the volume of the finished product may consist of alcohol derived from flavors and other nonbeverage ingredients that contain alcohol. This final rule also amends the regulations relating to the labeling and advertising of malt beverages, and adopts a formula requirement for beers.

We issue this final rule to clarify the status of flavored malt beverages under the provisions of the Internal Revenue Code of 1986 and the Federal Alcohol Administration Act related to the production, composition, taxation, labeling, and advertising of alcohol beverages. This final rule also will ensure that consumers are adequately informed about the identity of flavored malt beverages.

DATES: This rule is effective January 3, 2006.

FOR FURTHER INFORMATION CONTACT: Charles N. Bacon, Alcohol and Tobacco Tax and Trade Bureau, Regulations and Procedures Division, P.O. Box 5056, Haverly Farms, MA 01915; telephone (978) 921-1840.

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Notes to Readers**A. ATF-TTB Transition**

Effective January 24, 2003, section 1111 of the Homeland Security Act of 2002 (Public Law 107-296, 116 Stat. 2135), divided the Bureau of Alcohol, Tobacco and Firearms (ATF) into two new agencies, the Alcohol and Tobacco Tax and Trade Bureau (TTB) in the Department of the Treasury, and the Bureau of Alcohol, Tobacco, Firearms and Explosives in the Department of Justice. The regulation and taxation of alcohol beverages remains a function of the Department of the Treasury and is the responsibility of TTB. References to the former ATF and the new TTB in this document reflect the time frame, before or after January 24, 2003.

B. Use of Plain Language

In this document, "we," "our," and "us" refer to the Department of the Treasury and/or the Alcohol and Tobacco Tax and Trade Bureau (TTB). "You," "your," and similar words refer to members of the alcohol beverage industry and others to whom TTB regulations apply.

I. Background Information

Flavored malt beverages are brewery products that differ from traditional malt beverages such as beer, ale, lager, porter, stout, or malt liquor in several respects. Flavored malt beverages

- Department or agency
- Parts of the Code of Federal Regulations affected
- Subject matter

- Agency
- Action
- Summary

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background on the issue, the rulemaking objectives (if it is a proposed rule), the purpose of the meeting (if it is a notice), a response to comments made about the proposed rule (if it is a final rule), and the part of the CFR that is affected.

Here you will find a sample entry to put a "face" on the *Federal Register* regarding new regulations on production, taxation, and advertising of flavored malt beverages (that's beer, to you). To give you an idea of how detailed the entries in the *Federal Register* can be, this final rule is forty-five pages long.