

**RULES
OF
THE DEPARTMENT OF REVENUE
PETROLEUM TAX DIVISION**

**CHAPTER 1320-7-7
PRODUCTION OF FUEL ALCOHOL**

TABLE OF CONTENTS

1320-7-7-.01	Licensing Requirements for Production of Fuel Alcohol	1320-7-7-.03	Inspection
1320-7-7-.02	Denaturing	1320-7-7-.04	Records

1320-7-7-.01 LICENSING REQUIREMENTS FOR PRODUCTION OF FUEL ALCOHOL.

- (1) The term "fuel alcohol" is defined by T.C.A. §67-3-602 (5). Prior to the production of fuel alcohol in this state and for each calendar year thereafter, every Tennessee producer of fuel alcohol shall apply for licensing pursuant to T.C.A. §60-4-101. Licenses shall be issued for each calendar year or portion thereof for which fuel alcohol is to be produced upon payment of the statutory fee, based upon the producer's estimate of production for the year. On or before January 15, all producers shall have applied for a renewal of the license previously issued upon forms prescribed by the Commissioner of Revenue and shall indicate on that renewal application the total production of fuel alcohol for the previous year. In the event total production for the calendar year exceeds that upon which the producer has previously paid his license fee, any additional fee due plus penalty and interest provided by law shall be remitted with the report.
- (2) Producers of less than one thousand (1,000) gallons of fuel alcohol shall not be required to pay a fee. However, such producers shall be required to register with the Department of Revenue prior to entering into production, and shall complete the reports required of other producers as provided in subsection (1) of this rule.

Authority: T.C.A. §§60-4-101 and 67-1-101. *Administrative History:* Repeal effective November 1, 1979. New rule filed March 21, 1986; effective June 14, 1986.

1320-7-7-.02 DENATURING.

- (1) Any person or persons distilling, manufacturing or producing fuel alcohol shall denature such liquid as required by T.C.A. §60-3-103 (b).
- (2) Denaturing shall consist of exposing the fuel alcohol to any substance that will render the fuel alcohol unfit for human consumption, such as unleaded gasoline, methyl isobutyl ketone or any other substance approved as a denaturing agent by the United States Treasury Department, Bureau of Alcohol, Tobacco and Firearms.

Authority: T.C.A. §§60-4-102 and 67-1-101. *Administrative History:* Repeal effective November 1, 1979. New rule filed March 21, 1986; effective June 14, 1986.

1320-7-7-.03 INSPECTION.

- (1) The Commissioner of Revenue or his designated agent may come on to the premises of any producer of fuel alcohol within the state in order to inspect, sample and test fuel alcohol to determine that it complies with the laws of this state. Said inspection shall be done, whenever possible, at a time and in a manner so as to minimize any interference with or delay of business operations.

(Rule 1320-7-7-.03, continued)

Authority: T.C.A. §§60-3-105, 60-4-102, and 67-1-101. **Administrative History:** Repeal effective November 1, 1979. New rule filed March 21, 1986; effective June 14, 1986.

1320-7-7-.04 RECORDS.

- (1) Any person or persons who produces within the state shall keep permanent records of the amount produced. In the case of fuel alcohol imported into the state, the importer shall also keep a record of from whom said fuel alcohol was purchased or received. Such records shall be required to be kept for a period of three (3) years following the end of the year in which the records were originated and shall be available to the Commissioner of Revenue or his designated agent for inspection at any reasonable time during business hours without prior notice or the necessity of obtaining a search warrant.

Authority: T.C.A. §§60-4-102 and 67-1-101. **Administrative History:** Repeal effective November 1, 1979. New rule filed March 21, 1986; effective June 14, 1986.