



The University of Texas at Austin

Environmental Health & Safety

What Every Researcher Should Know

About "Tax-free" Alcohol Use

The purchase of "tax-free" alcohol (TFA), ethanol/ethyl alcohol that is 190 proof or higher, is regulated by the Alcohol and Tobacco Tax and Trade Bureau (TTB) per the Code of Federal Regulations, Title 27, Alcohol, Tobacco and Firearms Part 22. Departments and laboratories that purchase TFA under the University industrial alcohol user permit must meet requirements to maintain this permit. Authorized purchasers are subject to an audit at any time by officials of the TTB. Researchers and other users are urged to substitute reagent grade alcohol where possible to minimize the amount of recordkeeping and liability.

- A. 190 proof or higher ethanol/ethyl alcohol purchased through the [STEM Stockroom](#) fall under the requirements for tax-free alcohol.
- B. Alcohol ordered through UT Market or through the manufacturer the requirement for an approved permit is indicated.

792780	200 proof, ACS reagent, meets USP testing specifications, Excise Tax-free, Permit for use required	Sigma-Aldrich	SDS Pricing
792799	190 proof, ACS reagent, meets USP testing specifications, Excise Tax-free, Permit for use required	Sigma-Aldrich	SDS Pricing

The following are requirements for users of TFA purchased under the current industrial user permit. If these requirements are not met the University/individual may face penalties, including payment of taxes on the alcohol (CFR 27 Part 22.31-- Persons Liable for the Tax).

- 1) **Secure Storage:** The alcohol when received must be secured and the amount recorded into an inventory log. The secure storage location may be a lockable storage cabinet or room in a building and/or laboratory. The cabinet should remain locked except when removing an amount of alcohol from the inventory.
- 2) **Labeling:** All mixtures and dilutions made using TFA must be labeled appropriately to ensure they are not inadvertently transported off the premises.
- 3) **Prohibited Use:** TFA **must not be** (A) removed from the premises or used for any other purpose other than; scientific research, educational purposes, analysis by pathology laboratories, blood banks or other medical laboratories, for medical purposes in hospitals or for prescription compounding. (B) used for beverage purposes, food products or in any preparation used in preparing beverage or food products.
- 4) **Inventory:** Each time alcohol is removed from inventory documentation in a log must identify the date and amount withdrawn, the person withdrawing the alcohol, the specific use for the alcohol and the remaining quantity in the inventory. The inventory should be reconciled periodically, especially when new TFA is purchased and placed in inventory.
- 5) **Recordkeeping:** Maintain all records of purchase, receipt, use logs, or loss for a period of three (3) years.

Additional Information:

Code of Federal Regulations: [27CFR 22 -- Alcohol and Tobacco Products and Firearms](#)
TTB: [Information for Tax-free Alcohol](#)

Should you have any questions or if you purchase/use tax-free alcohol please contact Rudy Guerrero (rudy.guerrero@austin.utexas.edu) and provide the lab location and amount of alcohol used.