

## **Special Edition - COVID-19**

### **Production of Hand Sanitizer by Distilled Spirits Permittees**

**Greetings! This special edition contains guidance for DSPs and Industrial Alcohol User permittees on producing ethanol-based hand sanitizers.**

Due to the Coronavirus 2019 (COVID-19) pandemic, the Acting Administrator of the Alcohol and Tobacco Tax and Trade Bureau (TTB) has found that it is necessary or desirable to waive provisions of internal revenue law with regard to distilled spirits, and therefore is providing certain exemptions and authorizations to distilled spirits permittees who wish to produce ethanol-based hand sanitizers to address the demand for such products during this emergency. Any existing DSP therefore can immediately commence production of hand sanitizer or distilled spirits (ethanol) for use in hand sanitizer, as described below, without having to obtain authorization first. These measures are generally authorized under authorities that apply in disaster situations, and as a result, are initially approved through June 30, 2020, with the possibility for extension as necessary.

**Permit guidance for alcohol fuel plants (AFPs) and beverage distilled spirits plants:** TTB is exempting AFPs and beverage DSPs from the requirement to obtain additional permits or bonds to manufacture hand sanitizer or to supply ethanol for use in the manufacture of hand sanitizer to other TTB permittees who are authorized to receive such distilled spirits. TTB is authorizing this exemption under the authority of 26 U.S.C. 5562. AFPs and beverage DSPs must continue to keep records of their operations, including any undertaken as authorized under this exemption.

**Tax guidance for the manufacture of hand sanitizer:** Hand sanitizer products are not subject to Federal excise tax if made with denatured ethanol. However, if made with undenatured ethanol, Federal excise tax applies. For information regarding denaturants, please contact TTB's [Scientific Services Division](#).

**Formula guidance for the manufacture of hand sanitizer:** TTB is authorizing the manufacture of hand sanitizer products consistent with [World Health Organization \(WHO\) guidance](#). All TTB-permitted DSPs (including AFPs and beverage DSPs) may manufacture hand sanitizer products that are comprised of denatured or undenatured ethanol, glycerol (not less than 1.45% of the finished hand sanitizer product on a volume basis), and hydrogen peroxide (not less than 0.125% of the finished hand sanitizer product on a volume basis), without first obtaining formula approval from TTB.

**Guidance for industrial alcohol users:** Industrial alcohol user permittees may also use denatured ethanol to manufacture hand sanitizer consistent with [World Health Organization \(WHO\) guidance](#) without first obtaining formula approval. During the period of this guidance, **TTB is also exempting industrial alcohol user permittees from the requirement to request approval from TTB to increase the quantities of denatured ethanol that they may procure (see 27 CFR 20.42(a)(3) and 20.56).** TTB is authorizing these exemptions under its authority in 27 CFR 20.22(b) to approve emergency variations from regulatory requirements.