



Compliance Note: Tax-Free Alcohol (190 & 200 proof ethanol) Rules and Regulations

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HWC-002

This information is for your use and as a way of providing consistent information. This information is based on current UCDHSC Policy, and/or Federal, State or local regulatory requirements.

INTRODUCTION

The UCDHSC Environmental Health and Safety Department (EH&S) has obtained an alcohol permit from the United States Alcohol and Tobacco Tax and Trade Bureau (TTB) in order to sell tax-free ethanol to researchers located at the Anschutz Medical and 9th and Colorado Campuses. All tax-free ethanol purchased at the UCDHSC campuses may be used only for legitimate research purposes only. Under no circumstances may tax-free ethanol be used for beverage purposes or in food products. In addition, the conditions of the alcohol permit prohibit anyone from transporting tax-free ethanol obtained at one campus and delivering it to another offsite location.

There is a Federal tax of \$27 levied on every gallon of 200 proof ethanol. All tax-free alcohol which is removed, sold, transported, or used in violation of law or regulations is subject to all the provisions including the requirement for payment of the tax on the ethanol. Researchers who do not follow the tax-free ethanol rules may become liable to pay the Federal taxes.

The United States TTB requires all researchers using tax-free ethanol to secure and inventory this product. The TTB also requires accurate tax-free ethanol inventory records to be maintained for a period of three years.

The TTB alcohol regulations exempt completely denatured alcohol which is unfit for human consumption from the taxes and inventory requirements. Tax-free ethanol should not be purchased for research purposes whenever completely denatured ethanol will suffice. Completely denatured ethanol may be purchased directly from Fisher Scientific at approximately the same price as tax-free ethanol.

Researchers who obtain tax-free ethanol at any of the UCDHSC campuses are required to follow all the requirements provided in this compliance note.

SECURITY REQUIREMENTS FOR TAX-FREE ALCOHOL

Every container of tax-free ethanol must be secured inside a locked flammable storage cabinet at all times except when dispensing the product. Use of a flammable rated storage cabinet will be required to secure the tax-free alcohol in order to comply with the applicable fire codes. Plastic "squeeze" bottles holding tax-free alcohol and other containers holding aqueous dilutions of the ethanol (95%, 90%, 70%, etc.) must also be secured inside a locked storage cabinet.

Once tax-free ethanol has been mixed with another chemical (xylene, methanol, etc.) so that it is no longer fit to drink, the mixture no longer needs to be stored inside a locked cabinet.

FLAMMABLE RATED STORAGE CABINETS REQUIRED FOR TAX-FREE ALCOHOL

Ethanol is a flammable liquid and as such, only limited amounts of flammable liquids (including ethanol) may be stored outside of a fire rated storage cabinet in order to comply with building fire codes.

At the Anschutz Medical Campus, no more than a total of two gallons of flammable liquids may be stored outside of a flammable rated storage cabinet in each laboratory module due to the "open laboratory" design. At the Research 1 North and South buildings, any five gallon can of ethanol must always be stored inside a flammable rated storage cabinet. EH&S is requesting that researchers minimize the total quantity of tax-free ethanol stored in their laboratories. Researchers should not order 5 gallon drums of ethanol unless the container will be completely consumed within six months (order 1 gallon containers instead).

At the UCDHSC Campus located at 4200 E. 9th avenue, no more than 10 gallons of flammable liquids may be stored outside of a flammable rated storage cabinet per room. All tax-free ethanol containers must be secured inside a locked cabinet at all times except when it is being dispensed.

LABELING REQUIREMENTS FOR TAX-FREE ALCOHOL CONTAINERS

Every drop of tax-free ethanol must be stored inside a properly labeled container. The original container in which the tax-free ethanol was originally shipped in is acceptable as long as the original label is intact (200 proof, 190 proof). Whenever you make aqueous dilutions or formulations of tax-free ethanol you must properly label the outside of the storage container with the concentration of the ethanol (i.e. 70% Tax-Free Ethanol, 190 proof) and the type of tax-free alcohol it was diluted from (200 proof or 190 proof).

Do not label containers holding tax-free alcohol as described above once it has been mixed with chemicals other than water (i.e. xylene, methanol, formaldehyde, etc.) Once the tax-free ethanol has been mixed with other chemicals so that it is no longer fit for human consumption, the container no longer has to be labeled according to the standards found in this compliance note.

REQUIREMENT TO DEFACE/DESTROY LABELS ON EMPTY TAX-FREE ALCOHOL CONTAINERS

Whenever a container of tax-free alcohol is empty, the researchers are responsible for immediately destroying or obliterating the tax-free alcohol markings (200 proof or 190 proof) on the container - this can be accomplished using a black sharpie pen. All empty chemical containers at the UCDHSC campuses (including tax-free alcohol) will be collected inside the laboratory and picked up by the UCDHSC EH&S Hazardous Materials Group. Submit a properly completed UCDHSC Chemical Waste Disposal Form through the campus mail to EH&S to request empty chemical containers to be removed from the laboratory.

ENVIRONMENTAL HEALTH & SAFETY TAX-FREE ETHANOL AGREEMENT

The first time a researcher needs to obtain tax-free ethanol at UCDHSC campus they must sign and submit the "Tax-Free Ethanol Agreement" to EH&S. A copy of the agreement may be found at <http://www.uchsc.edu/safety/Forms/Tax-FreeEthanol.htm> .

INVENTORY RECORDS REQUIRED FOR TAX FREE ALCOHOL

Researchers must use the inventory sheet provided at <http://www.uchsc.edu/safety/Forms/Tax-FreeEthanol.htm> to track the amount of tax-free ethanol delivered to the laboratory and to track the quantity removed from the containers for research activities.

All containers holding tax-free ethanol of different (aqueous) concentrations or formulations must be inventoried on separate inventory sheets. For example, 200 proof, 190 proof, and 70% tax-free ethanol containers must be inventoried on separate inventory sheets. Once the tax-free ethanol has mixed with another toxic chemical (xylene, methanol, formaldehyde, etc.) so that it is no longer fit to drink, the product no longer has to be inventoried (however the quantity of ethanol removed from original tax-free container must be inventoried).

Every time tax-free ethanol is removed from a container the amount withdrawn must be accounted for on the inventory sheet. You must also account on the inventory sheet whenever tax-free alcohol has become spilled or lost. Whenever containers of tax-free ethanol become lost or stolen you must notify EH&S at 4-0345 immediately.

To facilitate the inventory requirements of the permit, all researchers using tax-free ethanol must complete and send to EH&S electronic copies of their tax-free ethanol inventories at Ethanol.HSD@UCHSC.edu on the following dates (March 30th, June 30th, September 30th and December 31st). If you do not have an electronic copy of the inventory form, scan a copy of your inventory sheet and email it to EH&S. Researchers who do not provide EH&S with timely ethanol inventories may have their ethanol purchasing privileges suspended.

WASTE DISPOSAL REQUIREMENTS FOR TAX-FREE ALCOHOL

Spent ethanol is regulated as a hazardous chemical waste because it is an ignitable solvent, therefore it must be properly collected and disposed of through EH&S as a chemical waste. Collect your spent tax-free ethanol in a container labeled with a UCDHSC Chemical Waste Label. Submit a properly completed UCDHSC Chemical Waste Disposal Form through the campus mail to EH&S (M/S F-484 at the Anschutz Medical Campus or C-275 at the 9th and Colorado campus) to request that your spent ethanol waste be removed from the laboratory.

Spent ethanol solutions which were used to dehydrate tissue samples must be collected in a waste container and disposed through the EH&S Hazardous Materials Group. Concentrated ethanol solutions (100%, 95%, 90%, 80% 70%, etc.) cannot be diluted down sink drains with running water.

DISTRIBUTION OF TAX-FREE ETHANOL AT THE UCDHSC CAMPUSES

EH&S will distribute tax-free ethanol at the Anschutz campus from room P18-1203 (room adjacent to loading dock at Research 1 North building, x43142) every Thursday afternoon from 2:00 p.m. to 3:30 p.m.

At the UCDSHC campus located at 4200 E. 9th avenue campus, tax-free ethanol may be obtained from the School of Pharmacy loading dock (room 111C) every Thursday from 10:00 a.m. through 11:00 a.m.

Employees must comply with the following guidelines in order to obtain tax-free ethanol at the UCDHSC campuses:

1. Employees obtaining tax-free ethanol must have the following: UCDHSC Identification Badge, must be at least 21 years of age and have current drivers license or another form of identification (employees may be carded).
2. Bring a properly completed IN form with correct speedtype/account numbers and signature.
3. The first time tax-free alcohol is obtained from EH&S, complete the "UCDHSC Tax-Free Ethanol Agreement" and provide a copy of it to the EH&S representative distributing the alcohol.

4. After the initial purchase of tax-free ethanol from EH&S, you must bring along a current copy of the ethanol inventory sheet with you for all future purchases of ethanol.