

TTB Waives Rules to Allow Distilleries to Make Hand Sanitizer

By: James Niekamp on March 20, 2020 on graydon.law

In response to the Coronavirus 2019 (COVID-19) pandemic, the Alcohol and Tobacco Tax and Trade Bureau (“TTB”) announced this week that it will be waiving certain federal requirements pertaining to beverage distilleries to produce industrial alcohol, specifically in an effort to allow distilleries to produce hand sanitizer during a time of shortage and critical need.

Previously, distilleries which were authorized to only produce beverage alcohol were required to obtain authorization to produce industrial alcohol and comply with various other federal regulations before doing so.

Therefore, beverage distilleries intending to make hand sanitizer should keep in mind the following:

- These changes by TTB are intended in the context for industry members to manufacture hand sanitizer consistent with World Health Organization (“WHO”) guidelines. Therefore, a best practice would be to produce any hand sanitizer in accordance with WHO.
- Industry members 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.
- Any denaturants used should be approved for use in hand sanitizer.
- The waiver of certain regulations does not include an exemption of federal excise tax (“FET”) for undenatured alcohol, as the TTB does not have legal authority to do so at this time. However, hand sanitizer products are not subject to FET if made with

denatured ethanol.

- Although TTB is exempting some industry members from requirements to obtain additional permits and bonds to manufacture hand sanitizer (or to supply ethanol for use in the manufacture of hand sanitizer), industry members must continue to keep records of their operations, including any operations taken pursuant to this change in policy.
- These changes are effective through June 30, 2020, but may be extended.

This change from the TTB came in response to an urgent need, and unsurprisingly came at a fast speed as well. All industry members are strongly encouraged to look for frequent updates from TTB as this matter evolves. [**TTB has posted a page on its website with more info and links to other resources.**](#)

We expect more questions than answers in the coming days as the TTB and industry members work together to meet a critical shortage of hand sanitizer during a pandemic.