



# **INDUSTRIAL ALCOHOL**

## **In Washington State**

(Retail Prices and Code Numbers on Page 2)

**CIB 22** **5/1/2003**  
**OLYMPIA, WASHINGTON 98504**

### **WHAT IS INDUSTRIAL ALCOHOL AND WHAT IS IT USED FOR?**

Industrial alcohol is distilled ethyl alcohol (C<sub>2</sub>H<sub>5</sub>OH), normally of high proof, produced and sold **for other than beverage purposes**. It is usually distributed in the form of **pure ethyl alcohol**, *completely denatured alcohol*, *specially denatured alcohol* and *proprietary solvent blends*.

**Pure ethyl alcohol** is used in laboratories and in industry for its sanitizing, cleaning and solvent properties. Many medicines, food products, flavorings and cosmetics could not be produced without it. It is used to process vaccines, compound tonics, syrups, tinctures, liniments and antiseptics as well as being vital in the manufacture of pharmaceuticals such as chloroform, atabrine and barbiturates. It is used in the production of adhesives, cosmetics, detergents, explosives, inks, hand cream, plastics and textiles. There are literally hundreds of products and uses for this chemical.

### **WHO CAN SELL INDUSTRIAL ALCOHOL IN WASHINGTON STATE?**

The **Washington State Liquor Control Board** regulates the in-state sale and distribution of all distilled spirits including **pure ethyl alcohol** of any proof (typically 190° proof (95%) and 200° proof (99.5%)) used for industrial or other purposes in Washington State.

The State of Washington does not regulate the sale and distribution of **denatured alcohol**. (see glossary)

**Pure ethyl alcohol** may only be purchased from the Washington State Liquor Control Board or its outlets unless the customer holds a current WSLCB issued **SPECIAL PERMIT Class 5**.

### **WHO CAN BUY INDUSTRIAL (PURE ETHYL) ALCOHOL IN WASHINGTON STATE?**

A person or business engaged in a mechanical or manufacturing business, or in scientific pursuits (including medical, dental and veterinary) requiring industrial alcohol may apply for an annual **SPECIAL PERMIT** to purchase alcohol under RCW 66.10.010, subdivision 2 of the Washington State Liquor Act.

All persons or businesses wishing to purchase industrial (pure ethyl) alcohol in Washington State must have a current **SPECIAL PERMIT**. Minors are prohibited from applying for or utilizing this permit under penalty of law.

### **HOW DO I PURCHASE INDUSTRIAL ALCOHOL IN WASHINGTON STATE?**

Any person or business wishing to purchase and use industrial (pure ethyl) alcohol in Washington State must annually submit an **APPLICATION FOR SPECIAL PERMIT** to the Washington State Liquor Control Board.

Physicians, dentists, hospitals, sanitariums and laboratories directly working for them should check the box for the **SPECIAL PERMIT Class 1** on the application, fee: \$5.00.

Individuals, manufacturers and other laboratories should check the box for a **SPECIAL PERMIT Class 2**, fee: \$5.00 for those using 5 gallons or less annually, \$10.00 for those using more than 5 gallons. The fee is waived for City, County, State or Federal Institutions, or bona fide and accredited educational institutions.

A **SPECIAL PERMIT Class 5** is available to manufacturers of liquor or food products containing alcohol allowing them to purchase or import alcohol, malt, or other materials containing alcohol, directly from any supplier. This includes industrial (pure ethyl) alcohol. The fee is \$10.00.

**SPECIAL PERMITS** expire June 30th of each year. Renewal applications will be sent to all previous permit holders in May, however it is the permittee's responsibility to insure that an application is received and turned in to the WSLCB in a timely manner so that a permit can be issued before the June 30 date.

Applications for SPECIAL PERMITS may be requested by calling **(360) 664-1616** or writing to: Alcohol Permits, Washington State Liquor Control Board, PO Box 43098, Olympia, WA 98504-3098.

### **WHERE DO I PURCHASE PURE ETHYL ALCOHOL IN WASHINGTON STATE?**

Pure ethyl alcohol can only be purchased in Washington State at Washington State Liquor Control Board Liquor Stores or Contract Stores, or by ordering from the Washington State Liquor Control Board's Purchasing Services Division for direct delivery. **Do not order alcohol or accept delivery of alcohol from any other source.** Samples are not allowed.

The only exception to the above is for holders of a Special Permit Class 5. They, and only they, may purchase directly from a supplier.

### **PROCEDURE FOR SMALL QUANTITY PURCHASES**

State Liquor outlets sell "Federal Tax-paid" alcohol in units of 1-liter bottles of 190° proof grain, and pints and gallons of 200° proof synthetic alcohol. These goods are not on display at these outlets so will need to be specifically requested of an employee.

Contact the outlet manager in advance of an alcohol purchase to insure availability. It may take up to 14 days for a store or agency to obtain enough product to fill your order. Regular buyers should make arrangements with the manager to carry sufficient inventory to satisfy their demand.

You must bring your copy of your Special Permit with you when picking up the alcohol. The store employee handling your order will note on the back of the permit the date and quantity of alcohol purchased so that you will not exceed the quantity allowed on your permit.

**Current pricing:** (6/1/2003, subject to change without notice) for ethyl alcohol from WSLCB outlets.  
**1 liter, 190 proof grain alcohol, "Everclear", state code # 41837 -- \$10.60**  
**1 pint, 200 proof synthetic (USP) alcohol, "AAPER", state code # 939003 -- \$5.45**  
**1 gallon, 200 proof synthetic (USP) alcohol, "AAPER", state code # 939002 -- \$41.70**

Liquor Outlet Prices include Federal Excise Tax of \$13.50 per 100° proof gallon. State sales tax will be added to the total unless a "Resale Certificate" is on file with the outlet. (See outlet manager for Resale Certificate.)

**FOR LARGE QUANTITY AND/OR FEDERAL "TAX-FREE" PURCHASES**

You may order pure ethyl alcohol for direct delivery on a freight collect basis from the alcohol supplier or manufacturer to your address by contacting the Purchasing Services Division at **(360) 664-1652**. Minimum order quantities are:

- 1 case of pints of 200° proof (24 pints=3 gallons per case), or:
- 1 case of gallons of 190° or 200° proof (4 gallons per case), or:
- 1 drum of 5 gallons of 190° or 200° proof, or:
- 1 drum of 54 or 55 gallons of 190° or 200° proof. (Some manufacturers have larger minimum orders or handling fees.)

Containers exceeding 1 gallon in size are not carried in our outlets or our distribution center and must be ordered from Purchasing Services.

**Price lists** for alcohol suppliers and manufacturers commonly utilized by our alcohol customers are available from Purchasing Services. These are:

**AAPER Alcohol, Gold Shield Distributors Inc., Pharmco Products, Inc., Remet Corporation, Tarr Inc., Agri Trading Corp.**

Organic alcohol is available from AAPER Alcohol and Pharmco Products, Inc. and Certified Kosher alcohol is available from most suppliers.

Payment for alcohol is to be made in advance to the WSLCB for "Federal Tax-paid" goods.

Direct delivery orders are shipped freight collect. We do not handle freight or freight charges. Arrangements should be made for shipping directly with the supplier of the alcohol (usually the least expensive method) or with a common carrier. Manufacturer's phone numbers are available from Purchasing Services.

Orders may take up to 3 weeks from order date to delivery. Please order early enough so you do not run out between orders.

**Due to high freight costs for single cases, it will be more economical to buy from a liquor outlet if possible.**

Federal Tax-Free alcohol orders can only be placed with Purchasing Services. Please read the following with regard to requirements for Federal Tax-Free orders.

\*\*\*\*\* **PLEASE NOTE!** \*\*\*\*\*

**To purchase pure ethyl alcohol, you must have a State Special Permit.**

**To purchase Federal Tax-Free pure ethyl alcohol, you must also have a Federal Industrial Alcohol User Permit.**

**FEDERAL EXCISE TAXES**

Industrial (pure ethyl) alcohol of 190° and 200° proof is subject to Federal excise tax (FET) of \$13.50 per proof gallon. A proof gallon is equal to 1 gallon of 100° proof (50% by volume) pure ethyl alcohol. This tax is added to the purchase cost of industrial alcohol.

For instance, FET on a 55 gallon drum of 200° proof alcohol would be \$1485.00. The formula is: 55 gallons/200proof = 110 proof gallons x \$13.50 = \$1485.00.

A gallon of 190° proof equals 1.9 proof gallons. The formula for the FET on a 55 gallon drum is: 55 gallons/190 proof = 104.5 proof gallons x \$13.50 = \$1410.75.

The FET on industrial alcohol purchases must be paid in advance. This type of alcohol purchase is commonly referred to as "tax-paid".

**EXCEPTION TO FEDERAL EXCISE TAX**

The United States Federal government recognized the legitimate and necessary uses of industrial alcohol by the enactment of the Tax-Free Industrial and Denatured Alcohol Act of 1906. This relieved the restrictive tax-burden on pure ethyl alcohol if the users could guarantee its application to scientific or manufacturing purposes. Strict controls were imposed upon the distribution of this alcohol to prevent its illegal use in beverages. The Federal regulations governing production, procurement and use of alcohol are issued and enforced by the Bureau of Alcohol, Tobacco and Firearms.

To see if you qualify for exemption from Federal Excise Taxes, please read the following requirements.

**FEDERAL INDUSTRIAL ALCOHOL USER PERMIT**

This permit is available from the [Alcohol and Tobacco Tax and Trade Bureau](#) as ".A.T.F. Form 5150.9 to alcohol customers." It authorizes specific industrial alcohol customers to obtain Federal Excise Tax-Free industrial (pure ethyl) alcohol. These customers are:

- The United States Government and its agencies
- State and Local government agencies
- The District of Columbia

- Scientific Universities or colleges of learning
- Educational organizations exempt from income tax under section 501(a) of the Internal Revenue Code
- Laboratories for use exclusively in scientific research
- Hospitals, sanitariums, blood banks, or pathological laboratories exclusively engaged in making analyses or tests for hospitals or sanitariums
- Clinics operated for charity and not for profit

Tax-Free alcohol permittees are required to pay an occupational tax of \$250 per year, except Federal Agencies and certain educational institutions if they procure less than 25 gallons of Tax-Free spirits per calendar year. If you feel you qualify for a tax-free permit, contact the office of the TTB in Cincinnati at 1-800-398-2282.

TTB Home Page: <http://www.ttb.gov/alcohol/>  
[http://www.ttb.gov/pub/alctob\\_pub/5150-4.htm](http://www.ttb.gov/pub/alctob_pub/5150-4.htm)  
<http://www.ttb.gov/forms/pdfs/f515022.pdf>

### **INDUSTRIAL ALCOHOL AND SAFETY**

Material Safety Data Sheets are available from the Liquor Purchasing Division or the Alcohol Supplier on request.

In general, the customer for high proof, industrial, pure ethyl alcohol must keep in mind that:

1. **This product is not sold as or intended to be used as beverage alcohol.** State and Federal law prohibit converting industrial alcohol to beverage alcohol.
2. Ingestion of pure ethyl alcohol at full strength is extremely hazardous. It will cause severe chemical burning and can kill.
3. This is a **flammable** product and should not be exposed to a heat source. Treat it with the same care as you would gasoline.
4. Proper precautions should be observed in the handling, storage, security and use of this product. Consult local fire codes for storage information.

### **GLOSSARY**

**Absolute Alcohol** is 200° proof or 100% pure ethyl alcohol with no denaturants or water.

**Anhydrous Alcohol** is ethyl alcohol containing not more than 0.1% water by weight (200° proof, same as above).

**Beverage Alcohol** refers to alcoholic products used for consumption, including beer, wine and spirituous liquor.

**Certificate of Analysis or “C of A”** is a document issued by the alcohol supplier denoting chemical makeup of a particular batch of product.

**Denatured Alcohol** is ethyl alcohol which has been rendered unfit for use as a potable beverage by adding denaturing materials. Also denoted as “SDA” - specially denatured alcohol or “CDA” – completely denatured alcohol.

**Drawback** is a federal tax refund given when federal tax-paid alcohol is used to produce approved products unfit for beverage purposes. Please contact the BATF for details.

**Ethanol** is a scientific term for ethyl alcohol.

**Ethyl Alcohol** is the common name for the hydroxyl derivative of the hydrocarbon ethane, which is also known as **ethanol**, methyl carbinol, ethyl hydroxide, grain alcohol, fermentation alcohol, cologne spirits and spirits of wine.

**ETOH** is another scientific term for ethanol.

**EVERCLEAR** is the brand name of a 190° grain neutral spirits product sold to permit holders only.

**FET** is an abbreviation for Federal Excise Tax.

**Grain Alcohol** is ethanol that has been fermented from corn, wheat, milo, or other organic matter. Also known as “grain neutral spirits”.

**Isopropyl Alcohol** is an alcohol made from propylene used as a denaturing agent for ethanol and is commonly used in “rubbing” alcohol. Also known as isopropanol. Not for consumption.

**MSDS or Material Safety Data Sheet** is a document providing proper procedures for handling a particular substance. Physical data, toxicity, health effects, first aid, reactivity, storage, disposal, protective equipment, and spill/leak procedures are included. This is available from alcohol suppliers.

**Methanol or Methyl alcohol** is often referred to as “wood” alcohol as it used to be made from heating wood byproducts under pressure. It is made by other processes now and used in many types of products not needing the special properties of ethanol. It is extremely toxic and must not be consumed under any circumstances!

**Proof** is a term expressing alcoholic content and is twice the percentage by volume of alcohol. 190° proof is 95% by volume.

**Proof Gallon** is equal to 1 wine gallon of 50 percent alcohol by volume. This term is used when deriving Federal Excise Tax.

**Punctilious®** is a trademarked term for Industrial Alcohol produced by Equistar Corp.

**Reagent Alcohol** is denatured alcohol.

**Resale Certificate** relieves the payment of State Sales Tax for items used in the manufacture of goods for sale on which sales tax is collected.

**Rubbing Alcohol** is a cooling and soothing liquid for external application that contains approximately 70 percent denatured ethyl alcohol or isopropanol.

**Synthetic Alcohol** is a product derivative of ethylene gas.

**Tax-Free Alcohol** is ethyl alcohol of 190° or 200° proof withdrawn free of tax for governmental, scientific or humanitarian reasons. It cannot be used in foods or beverages. All purchasers outside of the federal government must obtain permits, post bonds and exert controls upon storage and use of Tax-Free Alcohol.

**Tax-Paid Alcohol** is alcohol that has been released from federal bond by payment of the federal tax of \$27.00 per gallon at 200° proof or \$25.65 per gallon at 190° proof.

**TTB** is the abbreviation for the Alcohol and Tobacco Trade and Tax division of the U.S. Department of the Treasury. Replaces BATF.

**USP Grade** is the abbreviation for product meeting United States Pharmacopoeia specifications.

**Wine Gallon** is a United States gallon of liquid measurement equivalent to the volume of 231 cubic inches.

### **TYPICAL CONTAINERS**

1. **Pint Containers**  
Packed 24 to a case, three (3) gallons total  
Available in plastic or glass containers
2. **One Gallon Polyethylene Container**  
Packed four (4) or six (6) per case  
Also available in glass containers
3. **Five Gallon Polyethylene Container**  
Also available in metal drum  
Re-usable faucet available upon request for \$1.00 each.
4. **Fifty Five Gallon Metal Drum**  
Lined and unlined
5. **Fifty Five Gallon Polyethylene Drum**



**Glass and other metal containers may be available from various suppliers.**