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Wine and Spirits Industry Faces Regulatory Halt Under TTB Furlough Plan

Shutdown to stall approvals critical for new wine and beer products

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The Alcohol and Tobacco Tax and Trade Bureau (TTB), a bureau of the U.S. Department of the Treasury, has released its official shutdown plan in the event of a lapse in federal appropriations. The plan, dated October 1, 2025, outlines the steps the agency will take to wind down operations and maintain only essential functions until funding is restored.

According to the plan, TTB employs 459 people. If a government shutdown occurs, 398 employees will be furloughed, leaving only 61 staff members to continue working. Of those retained, 25 are funded by resources other than annual appropriations, one is necessary to perform activities implied by law, and 35 are needed to protect life and property. The shutdown process is expected to take about half a day to complete.

During a shutdown, TTB will continue only a limited set of activities. These include processing tax returns that come with payments, maintaining computer operations to prevent data loss, protecting cases involving statute expiration, bankruptcy, liens, and seizures, and securing federal property. The agency will also keep a minimal staff to handle essential budget and accounting functions, payroll for the period just before the shutdown, and criminal law enforcement operations.

Most of TTB’s regular activities will stop during a shutdown. This includes administrative functions not related to safety or property protection, noncriminal investigations, audits, examination of tax returns, processing of tax returns without payments, and the approval of permits, labels, formulas, and drawback claims for non-beverage products. Laboratory services and most information systems functions will also be suspended unless they are needed to prevent data loss or support revenue collection.

The TTB’s Puerto Rico Field Office will continue to operate during a government-wide shutdown because it is funded from a mandatory account. The costs of this office are covered by taxes on Puerto Rican products entering the United States. Additionally, enforcement of trade practice provisions under the Federal Alcohol Administration Act will continue, as these activities are funded by a separate three-year appropriation that remains available until September 30, 2027.

The plan details the procedures for notifying employees about the shutdown. Once a lapse in appropriations is confirmed, the TTB Administrator or a designee will inform the Assistant Administrator for Management/Chief Financial Officer and the Director of

Human Resources Division. Employees will receive official furlough letters by email and must acknowledge receipt. Those not designated as excepted or exempt will be placed on furlough after completing their part in the orderly shutdown, which includes securing government property and validating time and attendance records.

Employees on approved leave during the shutdown period will have their leave canceled. Those in travel status or at temporary duty stations will be instructed to return home to avoid violating the Anti-Deficiency Act. Managers will ensure that no new contracts or purchase orders are issued using annual appropriation funds during the shutdown.

The plan allows for substitution of excepted personnel if necessary, as long as the replacement is performing authorized activities. The Chief Information Officer will manage access to TTB systems, shutting down access for furloughed employees and restoring it if they are recalled.

TTB’s shutdown plan is designed to comply with the Anti-Deficiency Act, which restricts agencies from conducting business during a lapse in appropriations except for activities necessary to protect life and property or those funded by other sources. The plan emphasizes that all non-excepted activities will cease, and the focus will shift to closing down operations, protecting government assets, and notifying all affected employees and contractors.

For updates during a shutdown, TTB employees are advised to monitor media reports, the TTB hotline, and the agency’s public website. The plan also provides contact information for key TTB officials responsible for shutdown planning and coordination.

The TTB is responsible for regulating and collecting taxes on alcohol, tobacco, firearms, and ammunition. Its shutdown plan reflects the broader impact that a lapse in federal funding can have on regulatory agencies and the industries they oversee. The plan ensures that critical tax collection and enforcement activities continue while most other functions are paused until Congress restores funding.