

**DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
ABSTRACT AND STATEMENT**

NOT IN SUIT

For briefing offers in compromise of liabilities and/or violations incurred under Chapters 32,51,52,53,68, and/or 78 of the Internal Revenue Code, and/or liabilities and/or violations incurred under the Federal Alcohol Administration Act.

1. OFFER SUBMITTED BY (Name and address) Pyramid Breweries, Inc. 91 South Royal Brougham Way Seattle, Washington 98134	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TAD	3. AMOUNT OF OFFER \$700,000
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	5. SYSTEM CONTROL NUMBER(S) n/a
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$2,232,631.86 and \$35,481.99 respectively	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE
VIOLATIONS: During the period January 1, 2005 through June 15, 2006, the proponent allegedly violated 26 U.S.C. 5051(a)(2) in that Pyramid Breweries was not engaged in a bona fide contract brewing relationship with an Oregon brewery, but that Pyramid Breweries was the actual brewer of the beer at that facility. In addition, Pyramid Breweries allegedly failed to accurately make, keep and file required records associated with the production of beer and allegedly failed to pay the appropriate federal excise tax associated with the production of beer as required by 27 CFR 27.291(a)-(d) which resulted in the use of incorrect excise tax rate to compute its excise tax liability, duplicate decreasing adjustments taken on beer returned to bonded premises, and failure to pay the applicable excise tax on inventory shortages.

BUSINESS IN WHICH ENGAGED:
 The proponent is a duly qualified brewery.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
 On or about January 1, 2005 through June 15, 2006 in Portland, Oregon and 901 Gilman Street, Berkeley, California.

AMOUNT AND TERMS OF OFFER:
 The proponent has submitted an offer of \$700,000 to be paid in installments in compromise of the above violations incurred under the Internal Revenue Code.

RECOMMENDATION:
 The Director, National Revenue Center recommends acceptance of the offer. In view of potential litigation hazards, doubt as to collectibility and doubt as to liability, acceptance of this Offer in Compromise, as submitted, is warranted.

9. I have considered the proposition to compromise the liability as charged herein, and, for the reasons embodied in the above abstract and statement, am of the opinion that it will be for the best interest of the United States to ACCEPT REJECT the terms proposed.

10. SIGNATURE AND TITLE [REDACTED] Deputy Assistant Administrator Field Operations	11. DATE 9-25-08
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