

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 sections 4181 and 4182 and Chapters 51 and 52 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)

Specialty Blends, Inc.
2707 Realty Rd., Suite 108
Carrollton, Texas 75006

OFFER IN COMPROMISE

2. ORIGINATING OFFICE

TID

3. AMOUNT OF OFFER

\$144,000.00

4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable)

5. CASE NUMBER

6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable)

\$ 192,875.61

7. TAXPAYER IDENTIFICATION NUMBER

8. CHARGE

VIOLATIONS:

The proponent allegedly added water to taxpaid imported wine, violations of 26 U.S.C. 5352 and 27 CFR 24.296(b), thus increasing the taxable volume. As a result the proponent failed to pay the correct amount of excise tax, in violation of 26 U.S.C. 5041(b) and 27 CFR 24.270 on the increased volume. The proponent also exceeded the allowable small producers credit by taking the credit beyond the first 100,000 wine gallons removed for consumption or sale, in violation of 26 U.S.C. 5041(c) and 27 CFR 24.278.

The proponent also filed late tax returns, in violation of 26 U.S.C. 5061 and 27 CFR 24.271(b)(2).

BUSINESS IN WHICH ENGAGED:

The proponent is a duly qualified bonded winery.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:

On or about January 1, 2006 through September 25, 2010 at 2707 Realty Road, Carrollton, Texas 75006.

AMOUNT AND TERMS OF OFFER:

The proponent has submitted an offer of \$144,000.00 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, 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.

11. DATE

ACTING DAA - FO

11/23/11