

**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) TDJ, Inc. dba Christensen Arms Mailing: PO Box 240 Gunnison, UT 84634 Premise: 550 N Cemetery Road, Bldg #1 Gunnison, UT 84634	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE NRC	3. AMOUNT OF OFFER \$750,000.00
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	5. SYSTEM CONTROL NUMBER(S)
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ 1,949,342.22	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE

VIOLATIONS:
 TTB alleges that TDJ, Inc., dba Christensen Arms (Proponent) violated 26 U.S.C. § 4181 and 27 C.F.R. § 53.61 in that it failed to pay federal firearms and ammunition excise tax (FAET) at the appropriate rate in the following instances: (A) Proponent incorrectly computed the FAET by utilizing a weapon's base price. This base price did not include the cost for optional items such as custom coatings, and triggers, (B) Proponent further manufactured firearms and failed to compute the FAET based on the actual sales price of these weapons. These violations resulted in additional FAET liability incurred by Proponent. TTB further alleges that Proponent: (C) failed to file required quarterly returns for each period prior to July 2010 in violation of 27 C.F.R. § 53.151 and (D) failed to make required semi-monthly deposits prior to August 16, 2010 in violation of 27 C.F.R. § 53.159.

BUSINESS IN WHICH ENGAGED:
 The Proponent is a firearms manufacturer.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
 The alleged violations occurred at the Proponent's premises located at 550 N Cemetery Road, Building #1, Gunnison, UT 84634 on or around and between February 1, 2005 through December 31, 2013.

AMOUNT AND TERMS OF OFFER:
 The Proponent has submitted an offer of \$750,000.00 in compromise of the above violations incurred under the Internal Revenue Code. A payment of \$11,335.32 was submitted to TTB on August 31, 2018. A payment of \$100,000 was submitted to TTB on September 12, 2018. A final payment of \$638,664.68 was submitted to TTB on October 10, 2018.

RECOMMENDATION:
 The Director, National Revenue Center, recommends acceptance of the offer on the basis of Doubt as to Liability. The Director believes that the amount being offered, representing 69% of the additional FAET liability uncovered by TTB, is commensurate with the expected litigation hazards and warrants acceptance of the offer. In making this recommendation the Director has also considered the Proponent's apparent compliance with the statutory and regulatory provisions, outlined above, subsequent to the period for which these violations are being compromised.

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] Acting Asst. Administrator Field Operations	11. DATE 10/15/2018
---	------------------------