

**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) Civitas Therapeutics 190 Everett Avenue Chelsea, MA 02150	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TID	3. AMOUNT OF OFFER \$516,636.78
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	
	5. CASE NUMBER	
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ 1,772,721.98	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE

VIOLATIONS:
 The proponent allegedly incurred the following violations:
 27 CFR § 22.57 (a)-(c) "Changes affecting applications and permits."
 27 CFR § 22.58(b) "Automatic termination of permits."
 26 U.S.C. § 5271(d) "Permits - Changes after issuance of permit."
 27 CFR § 22.41 (a)-(c) "Application for Industrial alcohol user permit."
 26 U.S.C. § 5271(a)(1) "Permits – Requirements."
 26 U.S.C. § 5001(a)(4) "Imposition, rate and attachment of tax. Rate of tax – Distilled spirits withdrawn free of tax."
 26 U.S.C. § 5214 (a)(3)(B) "Withdrawal of distilled spirits from bonded premises free of tax or without payment of tax."
 26 U.S.C. § 5275 "Records and reports."
 26 U.S.C. § 5555(a)-(c) "Records, statements, and returns."

BUSINESS IN WHICH ENGAGED:
 The proponent was an industrial alcohol user.

DATE OR PERIOD AND LOCATION VIOLATIONS:
 The violations occurred from January 1 ,2014 through December 31, 2018 at the proponent's premise located at 190 Everett Avenue, Chelsea, MA 02150

AMOUNT AND TERMS OF OFFER:
 The proponent has submitted a doubt to liability offer of \$516,636.78 to compromise the tax liability associated with the terminated permit and use of tax-free spirits to manufacture a commercial product. The offer will be paid upon acceptance of the OIC.

RECOMMENDATION:
 The Deputy Assistant Administrator, Business Operations, Office of Permitting and Taxation recommends acceptance of the offer. In view of potential Litigation hazards , acceptance of this doubt to liability 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 Asst. Administrator Field Operations	11. DATE October 27, 2020
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