

**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) Smith & Wesson Sales Company 2100 Roosevelt Avenue Springfield, MA 01104	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TAD	3. AMOUNT OF OFFER \$1,729,000.00
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	
	5. CASE NUMBER NA	
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ 3,544,031.28	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE

VIOLATIONS:
 Smith & Wesson Sales Company (fka Smith & Wesson Corp.) (Proponent) allegedly:
 (1) failed to maintain records showing that its tax treatment of certain promotional programs and/or discounts was proper and specifically failed to maintain the supporting evidence required in case of price readjustments, in violation of 27 CFR. 53.24(a), 53.176; and
 (2) improperly treated rebates issued to end-consumers of its products as price readjustments and claimed credit based on those rebates even though the price charged to Proponent's direct customer(s), and upon which Proponent based the tax, was not reduced by the rebate, in violation of 26 USC 6416(b)(1), 27 CFR 53.173, 53.174

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

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
 Violation 1 occurred on or between January 1, 2016, through March 31, 2020, and Violation 2 occurred on or between January 1, 2016 through December 31, 2018, at Proponent's premises located at:
 2100 Roosevelt Avenue
 Springfield, MA 01104

AMOUNT AND TERMS OF OFFER:
 Proponent has submitted an offer in compromise (OIC) in the amount of \$1,729,000. Proponent submitted \$1,729,000 with the OIC.

RECOMMENDATION:
 The Deputy Assistant Administrator (DAA), Business Operations, Office of Permitting and Taxation, believes that doubt as to liability has been established and, as such, the DAA, recommends acceptance of the OIC.

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 <small>Date: 2021.06.18 14:30:51 -0400</small>	11. DATE 6/18/2021
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