

**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)

Delmonico's Winery, Inc.
182 15th Street
Brooklyn, NY 11215

OFFER IN COMPROMISE

2. ORIGINATING OFFICE

National Revenue Center

3. AMOUNT OF OFFER

57,000.00

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

[REDACTED]

5. SYSTEM CONTROL NUMBER(S)

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

\$ 97,527.31

7. TAXPAYER IDENTIFICATION NUMBER

[REDACTED]

8. CHARGE

The law allows a winery to take a small producer's credit on the first 100,000 gallons of wine removed during the year for consumption or sale if the winery produces not more than 250,000 gallons of wine during the calendar year. This credit applies only to wine which was produced at a qualified bonded wine premises in the U.S. and is available only to eligible proprietors engaged in the business of producing wine. See 26 U.S.C. 5041(c) and 27 CFR 24.278. During the period January 16, 2002 through March 31, 2004, the proponent took the small producer's credit on wine removed, however, the proponent had no production during that period, making the winery ineligible to take the credit. Since the proponent improperly took the credit and did not pay the correct amount of tax, this is a violation of 26 U.S.C. Sections 5041(a), 5043, 5061 and 27 CFR 24.271.

BUSINESS IN WHICH ENGAGED:

The proponent was a duly qualified winery at the time the violation occurred. The winery discontinued business in 2004.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:

The violations occurred during the period January 16, 2002 through March 31, 2004 at the proponent's premises located at 182 15th Street, Brooklyn, NY.

AMOUNT AND TERMS OF OFFER:

The proponent has submitted an offer of \$57,000.00, the amount of their cash bond, in compromise of the above violation incurred under the Internal Revenue Code.

RECOMMENDATIONS:

The Director, National Revenue Center recommends acceptance of the offer. In view of the hazards of litigation, 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 SIGNATURE]

Thomas R. Crons, Deputy Assistant Administrator
Field Operations

11. DATE

3-20-07