

**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)

North American Arms
2150 South 950 East
Provo, Utah 84606

OFFER IN COMPROMISE

2. ORIGINATING OFFICE
NRC

3. AMOUNT OF OFFER
\$100,000.00

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

5. CASE NUMBER

6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable)
\$ 188,821.22

7. TAXPAYER IDENTIFICATION NUMBER
[REDACTED]

8. CHARGE

VIOLATIONS:

The proponent allegedly (1) failed to use the formula provided in the Code of Federal Regulations for tax included sales to determine the taxable sale price of excise tax in violation of Title 27 C.F.R. 53.92(a) (2); (2) failed to use the formula provided in the Code of Federal Regulations to determine the excludable excise tax from the sale price in violation of Title 27 C.F.R. 53.92(b) (2); (3) failed to pay tax on all firearms removed for sale in violation of Title 27 C.F.R. 53.61(a) and Title 26 U.S.C. Section 4181; and (4) failed to update the change in sales prices in computing excise tax in violation of Title 27 C.F.R. 53.61(d).

BUSINESS IN WHICH ENGAGED:

The proponent is a duly qualified Manufacturer of Firearms and Ammunition.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:

The alleged violations occurred from January 1, 2007 to June 30, 2008 at the proponent's premises located at 2150 South 950 East, Provo, Utah 84606

AMOUNT AND TERMS OF OFFER:

The proponent has submitted an offer of \$100,000.00 in compromise of the above alleged violations incurred under the Internal Revenue Code.

RECOMMENDATIONS:

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.

10. SIGNATURE AND TITLE

11. DATE

9/29/10