

**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) Southern Cross Tobacco Company, Inc. 956 Wilkes Barre Township Blvd Wilkes Barre Township PA 18702	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE NRC	3. AMOUNT OF OFFER \$20,000.00
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	
	5. CASE NUMBER	
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ 91,706.96	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE

BUSINESS IN WHICH ENGAGED:
Southern Cross Tobacco Company, Inc. (Proponent), operates as a manufacturer of tobacco products.

VIOLATIONS:
Between June 16, 2019 and March 15, 2021, the Proponent failed to adhere to the statutory and regulatory procedures for withdrawal of tobacco products from the market for destruction by failing to file a claim for refund as required by 26 USC 5705 and 27 CFR 40.283, resulting in Federal excise tax not having been paid in violation of 26 U.S.C. 5061. Proponent took decreasing adjustments on filed tax returns instead of filing the claim for allowance or refund as required by 27 CFR 40.313, 40.282, and/or 40.283. A Manufacturer of Tobacco products is required to file a Withdrawn from Market Schedule, TTB F 5200.7, and receive TTB approval prior to withdrawing the product from the market. Once the product is withdrawn from the market, the manufacturer has 6 months to file a claim, TTB F 5620.8, with TTB in order to recover the FET previously paid on that product. A credit for product withdrawn from the market may not be taken on a subsequent tax return until a claim has been filed and approved by TTB.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
The violation occurred between June 16, 2019 and March 15, 2021, at Proponent's premises located at 100 Oak Hill Rd, Mountain Top, PA 18707.

AMOUNT AND TERMS OF OFFER:
The proponent has submitted an Offer-in-Compromise (OIC) in the amount of \$20,000.00, remitted in full upon submission of OIC.

RECOMMENDATION:
The Director, Tax Services Division, Office of Permitting and Taxation, believes the Proponent has presented sufficient evidence to establish doubt as to liability and thus recommends acceptance.

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] DAA, Office of Permitting and Taxation	11. DATE 6/4/2024
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INSTRUCTIONS

Item No:

1. Complete name and address along with any name the proponent is doing business as (d/b/a), operating as, or trading as (t/a).
2. Indicate the office originating the offer.
3. State the dollar amount of the offer submitted by the proponent.
4. This block should show the permit, license, or registry number of the proponent, if the proponent has such a number. If there is no license, permit, or registry number, identify the type of business and the state of operation, e.g., RLD-PA or FAET-NJ.
5. This block should indicate the case number assigned by the Office of Assistant Administrator, Field Operations.
6. For those IRC cases where TTB is reviewing an offer to compromise, an outstanding tax liability due to doubt as to collectibility and/or liability, the full amount of the tax liability (including any penalties, interest and/or additional amounts) should be entered in this block. This amount must agree with the amount shown on the offer form, TTB F 5640.1.
7. This block must contain the proponent's employer identification number (EIN) or, if the proponent has no EIN, the proponent's social security number (SSN).
8. Describe, in separate paragraphs:
 - The business in which the proponent is engaged and to which the offer applies;
 - The violation(s) and number of instances, if appropriate, including all law citation(s) and regulation citation(s);
 - The liabilities to be compromised, if any, and the sections of law and regulations applicable to those liabilities;
 - A statement of the facts, to include the date or tax period, as applicable, and place of the violation(s);
 - The reason for submitting the offer (which may include the amount and terms of the offer) and, if applicable, the basis for doubt as to liability and/or collectibility; and
 - Additional comments, conclusions, and the recommendation of the appropriate TTB official.

Additional pages may be attached to TTB F 5640.3 describing the condition(s) of the offer.

9. The appropriate TTB official signing in Item 10 must check either the "ACCEPT" or "REJECT" block.
10. The signature and title of the appropriate TTB official must appear in this block.
11. The date the offer is accepted or rejected must be indicated in this block.