

**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)  Travis G. Heron, Gary C. Sanden d/b/a Seneca Manufacturing 175 Rochester St. Salamanca, NY 14779	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TAD	3. AMOUNT OF OFFER \$91,588.29
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	
	5. CASE NUMBER [REDACTED]	
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ 254,627.83	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE

**BUSINESS IN WHICH ENGAGED:**  
Travis G. Heron, Gary C. Sanden (Proponent) engages in business as a tobacco products manufacturer.

**VIOLATION(S):**  
Between July 1, 2020 to December 15, 2023, the Proponent failed to correctly calculate the constructive sales price for large cigars in violation of 26 U.S.C. 4216(b)(1)(C) and 27 CFR 40.22(b). The proponent did not calculate the constructive sales price on large cigars according to the guidance set forth in Revenue Ruling 62-68, when the large cigars were sold in a not at arms length transaction or at a fair market price to a third party who then sold them to both retailers and wholesaler. Proponent also overstated its allowable tax-free small cigarettes for employees in violation of 26 U.S.C. 5701, 26 U.S.C 5703(a)(1), 27 CFR 40.231, and 27 CFR 40.161.

**DATE OR PERIOD AND LOCATION OF VIOLATIONS:**  
The violations occurred between July 1, 2020 to December 15, 2023, at the Proponent's premises located at 175 Rochester St, Salamanca, NY 14779.

**AMOUNT AND TERMS OF OFFER:**  
Proponent has submitted an Offer-in-Compromise (OIC) in the amount of \$91,588.29 to be remitted in 36 monthly installments.

**RECOMMENDATION:**  
The Director, Tax Services Division, Office of Permitting and Taxation, believes the Proponent has established 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] Deputy Asst. Administrator Field Operations	11. DATE February 10, 2025
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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.