



Department of the Treasury
Internal Revenue Service
Cincinnati, OH 45999-0039

Notice	CP102
Tax period	December 31, 2016
Notice date	February 9, 2017
Employer ID number	nn-nnnnnnn
To contact us	Phone 1-800-829-0115

s018999546711s
ABC-XYZ COMPANY
22 BOULDER STREET
HANSON, CT 00000-7253

Changes to your Form 941 for tax period ended December 31, 2016

Amount due: \$6,698.72

We believe there's a miscalculation on your Form 941 for the tax period ended December 31, 2016, which affects the following area of your return:

- **Tax deposits**

We made changes to your return that correct this error. As a result, you owe \$6,698.72.

Billing Summary

Tax you owed	\$4,913.04
Failure-to-file penalty	1,105.43
Failure-to-pay penalty	130.62
Failure to make a proper federal tax deposit penalty	373.20
Interest charges	176.43
Amount due by March 2, 2017	\$6,698.72

What you need to do immediately

Review this notice, and compare our changes to the information on your tax return.

Pay immediately

- You must pay the unpaid tax of \$4,913.04 by February 19, 2017 and the full balance of \$6,698.72 by March 2, 2017 to avoid additional interest charges on the unpaid balance and additional penalty charges on any unpaid tax

Continued on back



ABC-XYZ Company
22 Boulder Street
Hanson, CT 00000-7253

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Payment

- Make your check or money order payable to the United States Treasury.
- Write your Employer ID number (nn-nnnnnnn), the tax period (12/31/16), and the form number (941) on your payment and any correspondence.

**Amount due by
March 2, 2017**

\$6,698.72

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0039
s018999546711s

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**What you need to do immediately—
continued**

Pay immediately--continued

- You must pay the full balance you owe by March 2, 2017 to avoid additional interest charges.
- If you're enrolled in the Electronic Federal Tax Payment System (EFTPS), you may use that method of payment instead of paying by check or money order.
- If you can't pay the amount due, pay as much as you can now and call us at 1-800-829-0115 to discuss your options for paying the remaining balance.
- We have received notification that a petition in bankruptcy has been filed by or against you. Any tax incurred before the date of the petition should not be paid at this time. We may file a proof of claim in the bankruptcy proceeding for this amount.
- If the tax (or any portion of it) was incurred after the filing of the bankruptcy petition, the balance (or the post-petition portion) should be paid in full.

If you think there's been a mistake

- Call 1-800-829-0115. Have your payment information and a copy of your tax return available to review with us. You can also contact us by mail. Fill out the Contact information section, detach, and send it to us with any correspondence or documentation.

If we don't hear from you

If you don't pay the unpaid tax of \$4,913.04 by February 19, 2017 we will charge an additional 5% failure-to-deposit penalty.



Contact information

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0150
s018999546711s

ABC-XYZ Company
22 Boulder Street
Hanson, CT 00000-7253

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If your address has changed, please call 1-800-829-0115 or visit www.irs.gov.

Please check here if you've included any correspondence. Write your Employer ID number (nn-nnnnnnn), the tax period (12/31/2016) and the form number (941) on any correspondence.

<input type="checkbox"/> a.m.	<input type="checkbox"/> a.m.
<input type="checkbox"/> p.m.	<input type="checkbox"/> p.m.
Primary phone	Best time to call
Secondary phone	Best time to call

Changes to your December 31, 2016 tax return

Information was changed because of the following:

- We found the amount reported as total Federal Tax Deposits for the quarter differs from the amount we have credited to your account.

Your tax calculations

Description	IRS calculations
Income tax withheld	\$0.00
Taxable social security wages	1,914.34
Taxable social security tips	0.00
Taxable Medicare wages & tips	447.70
Total taxes before adjustment	\$4,913.04

Your tax adjustments

Description	IRS calculations
Fractions of cents	\$0.00
Current year's adjustments	
Sick pay adjustment	0.00
Adjustment for tips and group term life insurance	0.00
Current year's income tax withholding	0.00
Prior years' income tax adjustments	0.00
Prior quarter's social security and Medicare taxes	0.00
Prior year's social security and Medicare tax adjustments	0.00
Special additions to federal income tax	0.00
Special additions to social security and Medicare	0.00
Total adjustments	\$0.00
Total taxes after adjustments	\$4,913.04
Total tax deposits	\$0.00
COBRA premium assistance payments	0.00
Overpayment applied from prior tax period	0.00
Other credits and payments	0.00
Total tax deposits, credits and payments	\$0.00

Payments credited to your account for tax period ending December 31, 2017

Our records show no payments, deposits, or credits for this account. Please call 1-800-829-0115 if our information is incorrect.

Penalties

We are required by law to charge any applicable penalties.

Failure-to-file

Date filed	Months late	Unpaid amount	Penalty rate	Amount
12/31/16	5	\$4,913.04	5.0%	\$1,105.43

We assess a 5% monthly penalty for filing your return late for each month or part of a month the return is late, for up to 5 months. When a penalty for paying late applies for the same month, the amount of the penalty for filing late for that month is reduced by the amount of the penalty for paying late for that month. The penalty for paying late is 1/2% for each month or part of a month. We base the monthly penalty for filing late on the tax required to be shown on the return that you didn't pay by the original return due date, without regard to extensions. We base the monthly penalty for paying late on the net unpaid tax at the beginning of each penalty month following the payment due date for that tax. (Internal Revenue Code Section 6651)

Penalties--continued

Failure to make a proper federal tax deposit

Due date	Date received	Days late	Payment type	Penalty rate	Unpaid amount	Penalty amount
05/15/16	Not received	-	-	10%	\$471.24	\$47.12
06/16/16	Not received	-	-	10%	1,854.52	185.45
07/15/16	Not received	-	-	10%	1,406.26	140.63
Total failure to make a proper federal tax deposit						\$373.20

We charged a penalty because you did not make a proper tax deposit. Common reasons why we charge this penalty are:

- You did not deposit your tax on time
- You did not deposit enough tax
- You paid your tax directly to the IRS
- You did not deposit your tax electronically, as required by law

For information about depositing taxes, see Employer's Tax Guide (Publication 15) or Agricultural Employer's Tax Guide (Publication 51)". (Internal Revenue Code section 6656)

Failure-to-pay

Date filed	Months late	Unpaid Amount	Penalty Rate	Amount
02/28/16	7	\$3,732.02	0.5%	\$130.62

We assess a 1/2% monthly penalty for not paying the tax you owe by the due date. We base the monthly penalty for paying late on the net unpaid tax at the beginning of each penalty month following the payment due date for that tax. This penalty applies even if you filed the return on time. We charge the penalty for each month or part of a month the payment is late; however, the penalty can't be more than 25% in total.

- The due date for payment of the tax shown on a return generally is the return due date, without regard to extensions.
- The due date for paying increases in tax is within 21 days of the date of our notice demanding payment (10 business days if the amount in the notice is \$100,000 or more).

If we issue a Notice of Intent to Levy and you don't pay the balance due within 10 days of the date of the notice, the penalty for paying late increases to 1% per month.

For sole proprietors who filed on time, the penalty decreases to 1/4% per month while an approved installment agreement with the IRS is in effect for the payment of that tax. (Internal Revenue Code Section 6651)

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Removal or reduction of penalties

We understand that circumstances—such as economic hardship, a family member’s death, or loss of financial records due to natural disaster—may make it difficult for you to meet your taxpayer responsibility in a timely manner.

If you would like us to consider removing or reducing any of your penalty charges, please do the following:

- Identify which penalty charges you would like us to reconsider (e.g., 2005 late filing penalty).
- For each penalty charge, explain why you believe it should be reconsidered.
- Sign your statement, and mail it to us.

We’ll review your statement and let you know whether we accept your explanation as reasonable cause to reduce or remove the penalty charge(s).

Removal of penalties due to erroneous advice from the IRS

If you were penalized based on written advice from the IRS, we will remove the penalty if you meet the following criteria:

- If you asked the IRS for written advice on a specific issue
- You gave us complete and accurate information
- You received written advice from us
- You relied on our written advice and were penalized based on that advice

To request removal of penalties based on erroneous written advice from us, submit a completed Claim for Refund and Request for Abatement (Form 843) to the IRS service center where you filed your tax return. For a copy of the form or to find your IRS service center, go to www.irs.gov or call 1-800-829-0115.

Interest Charges

We are required by law to charge interest when you do not pay your liability on time. Generally, we calculate interest from the due date of your return (regardless of extensions) until you pay the amount you owe in full, including accrued interest and any penalty charges. Interest on some penalties accrues from the date we notify you of the penalty until it is paid in full. Interest on other penalties, such as failure to file a tax return, starts from the due date or extended due date of the return. Interest rates are variable and may change quarterly. (Internal Revenue Code section 6601)

We multiply your unpaid tax, penalties, and interest (the amount due) by the interest rate factor to determine the interest due each quarter.

Period	Days	Interest rate	Interest rate factor	Amount due	Interest charge
12/31/2016	30	5%	2.0	\$2,004.00	\$176.43
Total interest					\$176.43

Additional interest charges

If the amount you owe is \$100,000 or more, please make sure that we receive your payment within 10 work days from the date of this notice. If the amount is less than \$100,000, please make sure that we receive your payment within 21 calendar days from the date of this notice. If we don't receive full payment within these time frames, the law requires us to charge interest until you pay the full amount you owe.

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Additional information

- Visit www.irs.gov/cp102
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- If you believe your small business has experienced excessive compliance or enforcement actions from any federal agency, you have the right to file a complaint with the Small Business Administration ombudsman. To learn more about your options and the Small Business Regulatory Enforcement Fairness Act, visit www.sba.gov and search for keyword: “ombudsman.”
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.