



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

Notice	CP104
Tax period	December 31, 2016
Notice date	January 8, 2018
Employer ID number	NN-NNNNNNNN
To contact us	Phone xxx-xxx-xxxx

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

We've made changes to your Form 720 for the tax period ended December 31, 2016

Adjusted amount due: \$10,544.99

We believe there are miscalculations on your Form 720 for the tax period ended December 31, 2016. We made changes for the following reason:

- tax deposits

As a result, you owe \$10,544.99.

Billing Summary

Tax you owe	\$19,197.99
Payments you made	\$9,000.00
Failure-to-pay penalty	99.00
Failure-to-file penalty	50.00
Interest charges	99.00
Failure to make proper federal tax deposit	99.00
Amount due by February 8, 2018	\$10,544.99

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 \$10,197.99 by January 18, 2018, and the full balance of \$10,544.99 by February 7, 2018, 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

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0150

**Amount due by
February 7, 2018**

\$10,544.99

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What you need to do immediately — continued

Pay immediately--continued

- You must pay the full balance you owe by February 7, 2018, 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-xxx-xxxx 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-xxx-xxxx. 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 \$10,197.99 by January 8, 2018, we will charge an additional 5% failure-to-deposit penalty.



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

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Contact information

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0150

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

- Please check here if you've included any correspondence. Write your Employer ID number (NN-NNNNNNN), the tax period (December 31, 2016), and the form number (720) on any correspondence.

a.m. a.m.
 p.m. p.m.

Primary phone Best time to call Secondary phone Best time to call

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Changes to your December 31, 2016 tax return

Information was changed because of the following:

- We found an error in the amount reported as total Federal Tax Deposits for the quarter and/or overpayment from the previous quarter.

Tax calculations

Description	IRS calculations
Total taxes before claims	\$19,107.99
Claims from Schedule C	90.00
Total taxes after claims	\$19,197.99

Deposits, credits and payments

Description	IRS calculations
Total tax deposits	8800.02
Overpayment applied from previous quarters	99.99
Other credits and payments	99.99
Total tax deposits, credits, and payments	\$9,000.00

Payments credited to your account for tax period ending December 31, 2016

The total amount of your payments, including deposits and credits, shown below, were applied to any change in taxes owed. Please call 1-800-xxx-xxxx if any information is incorrect or missing.

Date received	Payment description	Amount
1/19/15	Federal tax deposit	\$999.99
2/19/15	Federal tax deposit	999.99
3/19/15	Federal tax deposit	999.99
5/19/15	Federal tax deposit	999.99
4/15/15	Credit elect	999.99
4/15/15	Other	999.99
6/19/15	Estimated tax payment	999.99
8/27/15	Federal tax deposit	999.99
9/03/15	Federal tax deposit	1,008.99
Total		\$9,000.00

Penalties

We are required by law to charge any applicable penalties.

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Failure-to-pay

Date filed	Months late	Unpaid amount	Penalty rate	Amount
02/15/2017	1	\$10,197.99	0.5%	\$50.00
Total failure-to-pay				\$50.00

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 required to be 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 payment of that tax. (Internal Revenue Code Section 6651)

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Failure to make a proper federal tax deposit

Date filed	Months late	Unpaid amount	Penalty rate	Amount
02/15/17	1	\$10,197.99	0.5%	\$99.99
Total failure to make a proper federal tax deposit				\$99.99

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 IRS
 - You deposited your tax to an unauthorized financial institution
 - You did not deposit your tax electronically, as required by law
- For information about depositing taxes, see Publication 15 (Circular E), Employer's Tax Guide; or Publication 51 (Circular A), Agricultural Employer's Tax Guide. (Internal Revenue Code section 6656)

Failure-to-file

Date filed	Months late	Unpaid amount	Penalty rate	Amount
02/15/17	1	\$10,197.99	0.5%	\$99.99

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)

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Removal or reduction of penalties

We understand that circumstances—such as a serious illness or injury, 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.

We can generally process your request for penalty removal or reduction quicker if you contact us at the number listed above with the following information:

- Identify which penalty charges you would like us to reconsider (e.g., 2016 late filing penalty).
- For each penalty charge, explain why you believe it should be reconsidered.

If you write us, include a signed statement and supporting documentation for penalty abatement request.

We’ll review your request 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 written 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:

- You wrote us asking for written advice on a specific issue
- You gave us adequate and accurate information
- You received written advice from us
- You reasonably 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 address shown above. For a copy of the form, go to www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

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Interest charges

Description	Amount
Total interest	99.00

When you pay your taxes after the due date, we charge a penalty of 0.5% of the unpaid amount due per month, up to 25% of the amount due. We count part of a month as a full month. (Internal Revenue Code section 6651) We are required by law to charge interest on unpaid tax from the date the tax return was due to the date the tax is paid in full. The interest is charged as long as there is an unpaid amount due, including penalties, if applicable. (Internal Revenue Code section 6601)

The table below shows the rates used to calculate the interest on your unpaid amount due. For a detailed calculation of your interest, call [E-01].

Period	Interest rate
April 1, 1999 through March 31, 2000	8%
April 1, 2000 through March 31, 2001	9%
April 1, 2001 through June 30, 2001	8%
July 1, 2001 through December 31, 2001	7%
January 1, 2002 through December 31, 2002	6%
January 1, 2003 through September 30, 2003	5%
October 1, 2003 through March 31, 2004	4%
April 1, 2004 through June 30, 2004	5%
July 1, 2004 through September 30, 2004	4%
October 1, 2004 through March 31, 2005	5%
April 1, 2005 through September 30, 2005	6%
October 1, 2005 through June 30, 2006	7%
July 1, 2006 through December 31, 2007	8%
January 1, 2008 through March 31, 2008	7%
April 1, 2008 through June 30, 2008	6%
July 1, 2008 through September 30, 2008	5%
October 1, 2008 through December 31, 2008	6%
January 1, 2009 through March 31, 2009	5%
April 1, 2009 through December 31, 2010	4%
January 1, 2011 through March 31, 2011	3%
April 1, 2011 through September 30, 2011	4%
Beginning October 1, 2011	3%

Beginning January 1, 1999, the interest rate we pay on overpayment of taxes, except for corporate taxes, is the same as the rate of interest we charge on the underpayment of taxes. The law requires us to determine these interest rates quarterly.

Effective January 1, 1995, we pay a reduced rate of interest on corporate overpayments that exceed \$10,000. This reduced rate is the short-term federal interest rate plus 1/2 %.

Interest charges—continued

Corporate Interest – We charge additional interest of 2% if, according to our records, you didn't make your corporate tax payment within 30 days after the IRS notified you of the underpayment of tax. This interest begins on the 31st day after we notify you of the underpayment on tax amounts you owe over \$100,000, minus your timely payments and credits.

Additional interest charges

If the amount you owe is \$100,000 or more, please make sure that we receive your payment within 10 workdays from the date of your notice. If the amount you owe is less than \$100,000, please make sure that we receive your payment within 21 calendar days from the date of your 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.

Additional information

- Visit www.irs.gov/cp104
 - For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- Keep this notice for your records.

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