



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

Notice	CP107
Tax period	December 31, 2017
Notice date	January 28, 2019
Employer ID number	nn-nnnnnnn
To contact us	xxx-xxx-xxxx

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

We've made changes to your 2017 Form 1042

Amount Due: \$9,198.00

We believe there is a miscalculation on your 2017 Form 1042, which affects the following area of your return:

- tax computation

We made changes to your return that corrects this error. As a result, you owe \$9,198.00.

Billing Summary

Tax you owed	\$9,999.99
Payments you made	999.99
Failure-to-pay penalty	99.00
Interest charges	99.00
Amount due by February 19, 2019	\$9,198.00

What you need to do Immediately

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

Continued on back...



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

Notice	CP107
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Payment

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0150

- Make your check or money order payable to the United States Treasury.
- Write your Taxpayer ID number (nn-nnnnnnn), the tax period (December 31, 2017) and the form number (1042) on your payment and any correspondence.

**Amount due by
February 19, 2019**

\$9,198.00

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What you need to do immediately
— continued

If you agree with the changes we made

- You must pay the full balance you owe by February 19, 2019, 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 xxx-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 don't agree with the changes

- Call xxx-xxx-xxxx. Have your account information 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 you contact us in writing within 60 days of the date of this notice, we'll reverse the change we made to your account. You don't need to provide an explanation or additional documents when you request the reversal, but we'll consider any information you provide us. However, if you don't provide us additional information that justifies the reversal and we believe the reversal is in error, we may forward your case for audit. After we forward your case, the audit staff will contact you within 5 to 6 weeks to fully explain the audit process and your rights, and you may need to provide an explanation or additional documents. After the audit, you'll have formal appeal rights, including the right to appeal our decision to the United States Tax Court before you have to pay the additional tax.
- If you don't contact us within 60 days, the change will not be reversed and you must pay any additional tax. You'll have no right to appeal our decision before payment of any additional tax. Following payment of the tax, however, you may file a claim for refund to dispute the change. Generally, you must submit the claim within 3 years of the date you filed the tax return, or within 2 years of the date of your last payment for this tax, whichever is later.

If we don't hear from you

If you don't pay the full balance of \$9,198.00 by February 19, 2019, interest will increase.

**Changes to your
December 31, 2017 tax
return**

Information was changed because of the following:

- We found an error in the computation of your total tax.

Tax calculations

Description	IRS calculations
Total taxes before adjustments	\$9,198.00

Tax adjustments	Description	IRS calculations
	Total Tax deposits	310.99
	Other credits and payments	290.00
	Overpayment applied from prior tax period	399.00
	Total tax deposits, credits, and payments	\$999.99

Penalties We're required by law to charge any applicable penalties

Failure-to-pay

Date due	Date received	Days late	Payment method	Penalty rate	Unpaid amount	Penalty amount
11/15/2018	Not received	--	--	10%	\$999.99	\$50.00
12/15/2018	Not received	--	--	10%	900.99	40.00
1/15/2018	Not received	--	--	10%	99.99	9.00
Total failure-to-pay						\$99.00

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 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.

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 800-TAX-FORM (800-829-3676).

Interest charges

We are required by law to charge interest when you don't 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).

Description	Amount
Total interest	\$99.00

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

Period	Interest rate
October 1, 2011 through March 31, 2017	3%
Beginning April 1, 2017	4%

Additional interest charges

If the amount you owe is \$100,000 or more, please make sure that we receive your payment within 10 business 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.

Additional information

- Visit www.irs.gov/cp107
- For tax forms, instructions, and publications, visit www.irs.gov or call 800-TAX-FORM (800-829-3676).
- Keep this notice for your records.

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