



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

<b>Notice</b>	CP114
<b>Tax period</b>	December 31, 2017
<b>Notice date</b>	January 8, 2018
<b>Employer ID number</b>	NN-NNNNNNN
<b>To contact us</b>	Phone 1-800-xxx-xxxx

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

We made changes to your December 31, 2017 Form 720

## Refund: \$8,592.51

We believe there are miscalculations on your December 31, 2017 Form 720. We made changes to it for the following reason:

- tax deposits

As a result, you're due a refund of \$8,592.51

### Summary

Payments you made	\$10,000.00
Tax you owe	999.74
Failure-to-pay penalty	99.00
Failure-to-file penalty	210.00
Interest	99.00
Credit Interest on Refund	.25
<b>Refund</b>	<b>\$8,592.51</b>

Continued on back...



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

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## Contact information

If your address has changed, please call 1-800-xxx-xxxx or visit [www.irs.gov](http://www.irs.gov).  
 Please check here if you've included any correspondence. Write your Employer ID number (NN-NNNNNNN), the tax period (December 31, 2017), and the form number (720) on any correspondence.

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

INTERNAL REVENUE SERVICE  
CINCINNATI, OH 45999-0150

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## What you need to do

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

### If you agree with the changes we made

- Keep this notice for your records. You don't need to take any action at this time.
- You should receive a refund check within 4–6 weeks as long as you don't owe other tax or debts we're required to collect. Your refund amount may include interest. Keep in mind that any interest you receive on tax refunds are considered taxable income during the year you receive it.

### If you don't agree with the changes

- Call 1-800-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 we don't hear from you, we'll assume you agree with the information in this notice.

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## Changes to your December 31, 2015 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.

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## Tax calculations

Description	IRS calculations
<b>Total taxes before claims</b>	<b>\$900.00</b>
Claims from Schedule C	\$99.74
<b>Total taxes after claims</b>	<b>\$999.74</b>

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## Deposits, credits and payments

Description	IRS calculations
Total tax deposits	7,500.00
Overpayment applied from previous quarters	2,000.00
Other credits and payments	500.00
<b>Total tax deposits, credits, and payments</b>	<b>\$10,000.00</b>

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

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
1/19/17	Federal tax deposit	\$1,000.00
2/19/17	Federal tax deposit	1,000.00
4/19/17	Federal tax deposit	1,000.00
5/19/17	Federal tax deposit	1,000.00
4/15/17	Credit elect	2,000.00
6/15/17	Estimated tax payment	250.00
7/19/17	Estimated tax payment	250.00
8/27/17	Federal tax deposit	2,000.00
9/03/17	Federal tax deposit	1,500.00
<b>Total</b>		<b>\$10,000.00</b>

**Penalties**

We are required by law to charge any applicable penalties.

**Failure-to-pay**

Description	Amount
<b>Total failure-to-pay</b>	<b>\$99.99</b>

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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Penalties-continued

**Failure-to-file**

Description	Amount
<b>Total failure-to-file</b>	<b>\$210.00</b>

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 6651)

**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](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

## Interest charges

Period	Days	Interest rate	Interest rate factor	Amount due	Interest charge
05152017	30	8	%	99.00	99.00
<b>Total interest</b>					<b>99.00</b>

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)

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

## Additional information

- Visit [www.irs.gov/cp114](http://www.irs.gov/cp114)
- For tax forms, instructions, and publications, visit [www.irs.gov](http://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.