

Internal Revenue Service

Department of the Treasury

Date: _____

Taxpayer Identification Number: _____

Form: _____

Person to Contact: _____

Contact Telephone Number: _____

Employee Identification Number: _____

Refer Reply to: _____

Last Date to Respond to This Letter: _____

Tax Year Ended: _____

We have enclosed an examination report showing proposed changes to your tax for the period(s) shown above. Please read the report, and tell us whether you agree or disagree with the changes by the date shown above. (This report may not reflect the results of later examinations of partnerships, "S" Corporations, trusts, etc., in which you may have an interest. Changes to those accounts could also affect your tax.)

If you agree with the proposed changes

1. Sign and date the enclosed agreement form. If you filed a joint return, both taxpayers must sign the form.
2. Return the signed agreement form to us.
3. Enclose payment for the tax, interest, and any penalties due. Make your check or money order payable to the **United States Treasury**. You can call the person identified above to determine the total amount due as of the date you intend to make payment.
4. After we receive your signed agreement form, we will close your case.

If you pay the full amount due now, you will limit the amount of interest and penalties charged to your account. If you agree with our findings, but can only pay part of the bill, please call the person identified above to discuss different payment options. You can also write to us or visit your nearest IRS office to explain your circumstances. We may ask you to complete a collection information statement to determine your payment options, such as paying in installments. You can also write to us or visit your nearest IRS office to explain your circumstances. If you do not enclose payment for the additional tax, interest, and any penalties, we will bill you for the unpaid amounts.

If you are a "C" Corporation, Section 6621(c) of the Internal Revenue Code provides that an interest rate 2% higher than the standard rate of interest will be charged on deficiencies of \$100,000 or more.

IF YOU DO NOT AGREE with the proposed changes

1. You may request a meeting or telephone conference with the supervisor of the person identified in the heading of this letter. If you still do not agree after the meeting or telephone conference, you can:
2. Request a conference with our Appeals Office. If the total proposed change to tax is:
 - \$25,000 or less for *each* referenced tax period, send us a letter requesting consideration by Appeals. Indicate the issues you do not agree with and the reasons why you do not agree. If you do not want to write a separate letter, you can complete the Statement of Disputed Issues at the end of this letter and return it to us.

- More than \$25,000 for *any* referenced tax period, you must submit a formal protest.

If you request a conference with our Appeals Office, an Appeals Officer will call you (if necessary) for an appointment to take a fresh look at your case. The Appeals Office is an independent office and most disputes considered by the Appeals Office are resolved informally and promptly. By requesting a conference with our Appeals Office, you may avoid court costs (such as the Tax Court \$60 filing fee), resolve the matter sooner, and/or prevent interest and any penalties from increasing on your account.

If you decide to bypass the Appeals Office and petition the Tax Court directly, your case will usually be sent to an Appeals Office first to resolve the issue. Certain procedures and rights in court (for example, the burden of proof and potential recovery of litigation costs) depend on you fully participating in the administrative consideration of your case, including consideration by the Internal Revenue Service Appeals Office.

If you do not reach an agreement with our Appeals Office or if you do not respond to this letter, we will send you another letter that will tell you how to obtain Tax Court review of your case.

You must mail your signed agreement form, completed Statement of Disputed Issues, or a formal protest to us by the response date shown in the heading of this letter. If you decide to request a conference with the examiner's supervisor, your request should also be made by the response date indicated.

Mail Responses to:

If you have any questions, please contact the person identified in the heading of this letter. We will be glad to discuss your options with you.

Sincerely yours,