

00012199
BODC: SB

[REDACTED]

Taxpayer identification number: [REDACTED]
Form: 941
Tax periods ending: Sep. 30, 2017 Dec. 31, 2017
Dec. 31, 2018 June 30, 2019
Sep. 30, 2019 Dec. 31, 2019

Dear Taxpayer:

Thank you for making arrangements to resolve your account. This letter responds to your correspondence dated Jan. 10, 2022, requesting a direct debit installment agreement.

We accepted your proposal to have your monthly installment payments automatically deducted from your checking account. We'll deduct your payment of \$6,000.00 on the 28th of each month.

We charge a \$107.00 user fee to cover the cost of an installment agreement. We'll deduct the fee from your first payment. Even though your approved installment agreement payments may be less, your first payment must be at least \$107.00 to cover the fee.

If your adjusted gross income for the most recent year is at or below 250% of the federal poverty guidelines (low-income taxpayer) as shown in the Low-Income Taxpayer Adjusted Gross Income Guidance table on Form 13844, Application for Reduced User Fee For Installment Agreements, then the user fee is reduced to \$43.00.

On February 9, 2018, the President signed the Bipartisan Budget Act of 2018 (Act) into law, which amended Internal Revenue Code Section 6159. The Act limits user fees for installment agreements entered into on or after April 10, 2018. We'll waive or reimburse the reduced installment agreement user fee if you're a low-income taxpayer for installment agreement user fee purposes and meet certain requirements.

We won't increase installment agreement user fees above the amounts that were effective as of February 9, 2018. However, based on a user fee cost review we conduct every two years, we may lower the fees periodically.

If you are a low-income taxpayer, you qualify for a waiver of the installment agreement user fee because you have agreed to make electronic payments through a debit instrument by entering into a

direct debit installment agreement.

If you believe you meet the requirements for low-income taxpayer status, complete and mail Form 13844 within 30 days to:

Internal Revenue Service
P.O. Box 219236, Stop 5050
Kansas City, MO 64121-9236

We'll notify you by mail of our decision.

If you already paid the full user fee and we approve your request, we'll apply the difference to the tax you owe.

Before we can deduct your monthly payments automatically, we must verify your account information.

We scheduled your first automatic withdrawal payment to be deducted from your checking account on Apr. 28, 2022. If this payment withdrawal doesn't happen as planned, allow one more month before contacting us to report any problems.

WHAT YOU NEED TO KNOW ABOUT YOUR INSTALLMENT AGREEMENT

WHAT YOU NEED TO DO

You must meet all conditions of your installment agreement. If you don't, your installment agreement could go into default and we may terminate it and take enforcement action to collect the full amount of the tax liability. Enforcement action could include filing a Notice of Federal Tax Lien (which notifies your creditors of our lien against your property) or placing a levy on your wages or bank accounts. If we terminate your installment agreement or pursue any enforcement actions, you'll have Collection Appeal rights through the Collection Appeals Program (CAP) (see Publication 1660, Collection Appeal Rights, for complete information). If we terminate your installment agreement and you later apply for and receive reinstatement, you'll have to pay a reinstatement user fee.

If you are a low-income taxpayer, the reinstatement user fee is reduced. As a low-income taxpayer, you would qualify for a waiver of the reinstatement user fee if you agree to make electronic payments through a debit instrument by reinstating your installment agreement as a direct debit installment agreement (DDIA). But if you are a low-income taxpayer and are unable to make electronic payments through a debit instrument by reinstating your installment agreement as a DDIA,

then you would qualify for a reimbursement of the reinstatement user fee upon completion of the installment agreement.

The other conditions of this agreement are:

- You must pay on time all federal taxes that become due during the term of this agreement.
- We'll apply all installment agreement payments to the oldest tax assessments first, then penalties, then interest on those assessments.
- You must pay all installment agreement user fees.
- You must provide a current financial statement when we request one. If you have a change in your ability to pay, we may revise or terminate your installment agreement.

If you send payments by mail, make your check or money order payable to the United States Treasury and provide on each payment your:

- Name
- Address
- Taxpayer identification number
- Tax year
- Tax form
- Daytime telephone number

Because we'll deduct the monthly payments automatically from your checking account, we won't send any reminders. Be sure you have sufficient funds in your bank account to cover the payments on their due dates and keep your records up to date. We charge an additional fee when insufficient funds in an account cause a late or missing payment, and your installment agreement will default for non-payment.

You must contact our office at least 15 days before your monthly due date to stop an automatic payment withdrawal from your checking account.

The direct debit installment agreement system will automatically calculate the amount of the final installment payment. You won't need to contact us for a "final pay-off" amount.

Any time you can afford to pay more than the required amount, you should do so. Extra payments will help you avoid additional penalty and interest charges on the amount you still owe.

[REDACTED]

To maintain your electronic installment agreement, we must have current information. If your banking information changes, submit a new Form 433-D, Installment Agreement, with your new routing and account numbers. We can't change your routing and account numbers over the phone. You must contact us 15 days before the due date to stop the payments from your old account. If you don't notify us in time, your installment agreement will default for non-payment, and we may file a Notice of Federal Tax Lien or take other enforcement action. If we propose a default, decide to file a Notice of Federal Tax Lien, or take other enforcement action, you'll be entitled to a CAP appeal before we do so.

If your address changes, you should send a complete Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party - Business, to the address on page 2 of the form. You must also promptly notify our installment agreement office at the address at the top of this letter of any change in your address or marital status to ensure we can communicate with you. We must have your current address to maintain your installment agreement.

We'll apply any refunds you're due to the amount you owe until you pay your balance due in full. A refund offset isn't a substitute for a monthly payment. You must still make your regular monthly payment if we apply a refund to your account.

To reduce the amount of penalty and interest you'll pay on the unpaid balance, you can send in monthly payments until we start automatically deducting payments from your checking account.

You must timely file all required federal tax returns.

We've provided a general explanation of the penalties and/or interest we may have included in the current balance due on your account. If you want a specific explanation of how we computed the balance on your account, call us at the toll-free number in this letter and we will send you a detailed computation.

**** Filing and/or Paying Late -- IRC Section 6651 ****

We charge a 5% monthly penalty for filing your return late, and a 1/2% monthly penalty for not paying the tax you owe by the due date. When both penalties apply 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 failure-to-file or failure-to-pay penalty may not apply where

you've shown that the failure is due to reasonable cause and not willful neglect.

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.

We charge the penalties for each month or part of a month the return or payment is late; however, neither penalty can be more than 25% in total.

Income tax returns are subject to a minimum late filing penalty when filed more than 60 days after the return due date, including extensions. The minimum penalty is the LESSER of two amounts - 100% of the tax required to be shown on the return that you didn't pay on time, or a specific dollar amount that is adjusted annually for inflation. The specific dollar amounts are:

- \$435 for returns due on or after 1/1/2020
- \$210 for returns due between 1/1/2018 and 12/31/2019
- \$205 for returns due between 1/1/2016 and 12/31/2017
- \$135 for returns due between 1/1/2009 and 12/31/2015
- \$100 for returns due before 1/1/2009

The penalty for paying late applies even if you filed the return on time. The due date for payment of the tax shown on the return generally is the return due date without regard to extensions. You must pay increases in tax within 21 days 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 individuals 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.

**** Interest -- IRC Section 6601 ****

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 applicable 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.

For more information on penalties and interest, you can review Notice 746, Information About Your Notice, Penalty, and Interest.

HOW TO PAY FEDERAL TAX

Federal income tax is a pay-as-you-go tax. You must pay the tax, as you earn or receive income during the year, in one of three ways:

1. **WITHHOLDING** - If you're an employee, your employer will withhold income tax from your pay. Payers also withhold tax from other types of income, including pensions, bonuses, commissions, and gambling winnings. In each case, the amount withheld is paid to the United States Treasury in your name.

If you had too little tax withheld from your wages, you should give your employer a new Form W-4, Employee's Withholding Certificate, to increase the amount of withholding. You can calculate the proper withholding status and rate by using the Tax Withholding Estimator at www.irs.gov/w4app.

When you do not have enough tax withheld from your wages, the IRS can issue a Withholding Compliance "lock-in" letter to your employer directing them to withhold federal income tax at the highest rate.

If you received a lock-in letter, you must continue to file returns and pay your tax due by the due date of the return, generally April 15th for most taxpayers. If you timely meet all your filing and payment obligations for three consecutive years, you can request the IRS release you from the Withholding Compliance Program.

An installment agreement does NOT meet the requirements for a release from the Withholding Compliance Program.

2. **ESTIMATED TAX PAYMENTS** - If you don't pay your tax through withholding or don't pay enough, you might have to pay estimated



tax. Self-employed individuals generally pay their tax this way. Refer to Form 1040-ES, Estimated Tax for Individuals.

If you need more information about changing your Form W-4 or making estimated tax payments, let us know. For more information view Publication 334, Tax Guide for Small Business, or Publication 505, Tax Withholding and Estimated Tax at www.irs.gov/forms-pubs. Publication 505 explains both methods in detail.

3. FEDERAL TAX DEPOSITS - If you have employees, you may be required to make federal tax deposits for employment taxes. As an employer, you must withhold federal income tax, Social Security tax, and Medicare tax from wages you pay your employees. You must also pay the employer portion of Social Security and Medicare taxes, and pay Federal Unemployment Tax Act (FUTA) tax. Employers required to make deposits must deposit electronically using the Electronic Federal Tax Payment System (EFTPS).

If you need more information about making federal tax deposits, let us know. Publication 15, Circular E, Employer's Tax Guide, and Publication 15-A, Employer's Supplemental Tax Guide, explain in detail an employer's responsibilities. You can also visit www.EFTPS.gov or call EFTPS Customer Service at 800-316-6541 (individual) or 800-555-4477 (business).

HOW TO CONTACT US

If you have questions, you can call 800-829-0115.

If you prefer, you can write to the address at the top of the first page of this letter.

If you're out of the country and need assistance call us at +1-267-941-1000 (not toll-free).

You can get the forms or publications mentioned in this letter by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

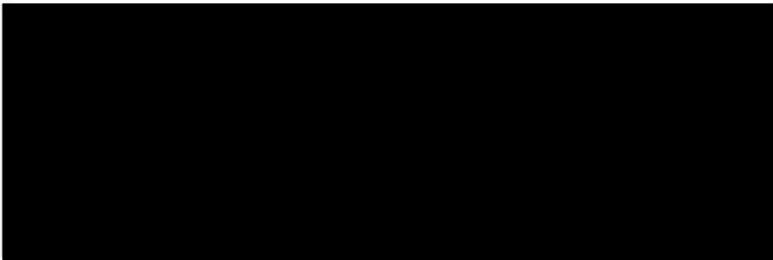
When you write, include a copy of this letter, and provide your telephone number and the hours we can reach you in the spaces below.

Telephone number () _____ Hours _____

Keep a copy of this letter for your records.

Mar. 25, 2022 LTR 1962C 3

00012206



Thank you for your cooperation.

Sincerely yours,



Program Manager, CCP

Enclosures:

Envelope

.

Mar. 25, 2022 LTR 1962C 3

00012207

Send payments to:

Internal Revenue Service
OSC
Ogden UT 84201





IRS Department of the Treasury
Internal Revenue Service

P.O. Box 9941 Stop 5500
Ogden UT 84490



CUT OUT AND RETURN THE VOUCHER IMMEDIATELY BELOW IF YOU ONLY HAVE AN INQUIRY.
DO NOT USE IF YOU ARE MAKING A PAYMENT.

CUT OUT AND RETURN THE VOUCHER AT THE BOTTOM OF THIS PAGE IF YOU ARE MAKING A PAYMENT,
EVEN IF YOU ALSO HAVE AN INQUIRY.



