

Form **4549**  
(December 2020)

Department of the Treasury-Internal Revenue Service

**Report of Income Tax Examination Changes**

Name and address of taxpayer		Taxpayer identification number	Return form number	
[REDACTED]		[REDACTED]	1040	
Person with whom examination changes were discussed.		Name and title		
		Period Ended	Period Ended	Period Ended
<b>1. Adjustments to income</b>		12/31/2020		
a.	Payment card and third party network	117,674.00		
b.	SE AGI Adjustment	(8,314.00)		
c.	Standard Deduction	(12,400.00)		
d.				
e.				
f.				
g.				
h.				
i.				
j.				
k.				
l.				
m.				
n.				
o.				
p.				
<b>2. Total adjustments</b>		96,960.00		
3. Taxable income per return or as previously adjusted		0.00		
<b>4. Corrected taxable income</b>		96,960.00		
Tax method		TAX TABLE		
Filing status		Single		
<b>5. Tax</b>		17,354.00		
<b>6. Additional taxes/Alternative minimum tax</b>				
7. Corrected tax liability		17,354.00		
<b>8. Less credits</b>				
a.				
b.				
c.				
d.				
<b>9. Balance (line 7 less lines 8a through 8d)</b>		17,354.00		
10. Plus other taxes		16,627.00		
a.	Self Employment Tax			
b.				
c.				
d.				
11. Total corrected tax liability (line 9 plus lines 10a through 10d)		33,981.00		
12. Total tax shown on return or as previously adjusted		0.00		
13. Adjustments to:				
a.				
b.				
c.				
14. Deficiency-Increase in tax or (overassessment-decrease in tax) (line 11 less line 12 adjusted by lines 13a through 13c)		33,981.00		
15. Adjustments to prepayment credits - increase (decrease)				
<b>16. Balance due or (overpayment) - (line 14 adjusted by line 15) (excluding interest and penalties)</b>		33,981.00		

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filing the necessary forms.

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income you earned and do not pay the required tax. The IRS may order backup withholding (withholding of a percentage of your dividend and/or interest payments) if the tax remains unpaid after it has been assessed and four notices have been issued to you over a 120-day period.

Name of taxpayer [REDACTED]	Taxpayer identification number [REDACTED]	Return form number 1040	
<b>17. Penalties, additions to tax, and additional amounts -- IRC sections</b>	<b>Period Ended</b> 12/31/2020	<b>Period Ended</b>	<b>Period Ended</b>
a. Delq-IRC 6651(a)(2)	4,757.34		
b. Delq-IRC 6651(a)(1)	7,645.73		
c. Estimated Tax-IRC 6654	521.00		
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<b>18. Total penalties, additions to tax, and additional amounts</b>	12,924.07		
<b>19. Summary of taxes, penalties and interest</b>			
a. Balance due or (overpayment) taxes - (line 16, page 1)	33,981.00		
b. Penalties and additions (line 18) - computed to 08/28/2023	12,924.07		
c. Interest** (IRC § 6601) - estimated and computed to 09/27/2023	5,096.18		
d. Amount due or (refund) - (sum of lines a, b, and c)	52,001.25		

\*\*Interest, as provided by law, will be charged on any unpaid amount until it is paid in full.

Other information

Make sure items adjusted on this report are reported properly on previously filed and future returns. If the same deductions/credits adjusted on this report are present on returns you already filed, you can file amended returns to correct them and minimize related penalties and interest.

Examiner's signature Tax Examiner - MS 4388	Employee ID 298-82000	Office Ogden Service Center	Date 08/28/2023
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Consent to Assessment and Collection- I do not wish to exercise my appeal rights with the Internal Revenue Service or to contest in the United States Tax Court the findings in this report. Therefore, I give my consent to the immediate assessment and collection of any increase in tax and penalties, and accept any decrease in tax and penalties shown above, plus additional interest as provided by law. It is understood that this report is subject to acceptance by the Area Director, Area Manager, Specialty Tax Program Chief, or Director of Field Operations.

**PLEASE NOTE: If a joint return was filed, BOTH taxpayers must sign**

Signature of taxpayer	Date	Signature of taxpayer	Date
By	Title		Date

Name of Taxpayer: [REDACTED]  
Identification Number: [REDACTED]

08/28/2023  
24,30.00

Total

**EXPLANATION OF THE DELINQUENCY PENALTY**

Since your income tax return was not filed within the time limit prescribed by law and/or the tax was not paid, and you have not shown that such failure was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) and/or Section 6651(a)(2) of the Internal Revenue Code.

2020 - DELINQUENCY PENALTY

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1. Delinquency penalty abated		0.00
2. Date return due	10/15/2021	
3. Date return filed	08/28/2023	
4. Failure to File penalty rate	0.225	
5. Failure to Pay penalty rate	0.140	
6. Total corrected tax liability less Shared Responsibility Payment (SRP)		33,981.00
7. Allowable payments on or prior to due date of return		0.00
8. Net Amount Due (line 6 less line 7)		33,981.00
9. Failure to File Penalty - line 8 multiplied by line 4		7,645.73
10. Minimum penalty if over 60 days delinquent		435.00
11. Failure to File Penalty - Greater of line 9 or line 10		7,645.73
12. Previously assessed/previously agreed Failure to File Penalty		0.00
13. Net Failure to File Penalty - line 11 less line 12		7,645.73
14. Failure to Pay Penalty - line 8 multiplied by line 5		4,757.34
15. Previously assessed/previously agreed Failure to Pay Penalty		0.00
16. Net Failure to Pay Penalty - line 14 less line 15 *		4,757.34
17. Total Delinquency Penalty - Sum of line 13 and 16		12,403.07

- If an amount appears as the Failure to Pay Penalty, the amount only reflects the addition to tax under Internal Revenue Code section 6651(a)(2) through the date of this notice. The addition to tax will continue to accrue from the due date of the return at a rate of 0.5 percent each month, or fraction thereof, of nonpayment, not exceeding 25 percent.

Name of Taxpayer: [REDACTED]  
 Identification Number: [REDACTED]

Total

08/28/2023  
 24.30.00

2020- EXPLANATION OF THE ESTIMATED TAX PENALTY

Since you did not pay sufficient estimated tax, addition to the tax is charged as shown below, in accordance with Section 6654(a) of the Internal Revenue Code.



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1. Total corrected tax liability, Form 4549, line 11 (Tax Per Return, if a return was filed)					33,981.00
2. Refundable Credits					0.00
3. Withholding taxes					0.00
4. Line 1 less sum of lines 2 & 3 (if less than \$1000, estimated penalty does not apply)					33,981.00
5. 90% of the sum of line 1 less line 2					30,582.90
6. Prior year tax liability (100% of prior year tax except*) (if applicable)					29,873.00
7. Amount from line 5 or the smaller of line 5 or 6 (as adjusted if applicable)					29,873.00
8. Payment Due Date	Jul 15, 2020	Jul 15, 2020	Sep 15, 2020	Jan 15, 2021	
9. Payment Required		14,936.50	7,468.25	7,468.25	
10. Payments & Credits		0.00	0.00	0.00	
11. Overpayment from line 17		0.00	0.00	0.00	
12. Total of lines 10 & 11		0.00	0.00	0.00	
13. Previous Qtr Underpayment		0.00	14,936.50	22,404.75	
14. Line 12 less line 13		0.00	0.00	0.00	
15. Remaining Underpayment		0.00	14,936.50		
16. Underpayment		14,936.50	7,468.25	7,468.25	
17. Overpayment		0.00	0.00	0.00	
18. Penalty		335.81	129.95	55.24	
19. Previously Assessed/Previously Agreed Estimated Tax Penalty					0.00
20. Estimated Tax Penalty					521.00

\* If the prior year AGI was > \$150,000 (\$75,000 if MFS): use 110% of prior year tax.

Name Of Taxpayer: [REDACTED]  
 Identification Number: [REDACTED]

08/28/2023  
 24.30.00

Total

2020 TAX YEAR INTEREST COMPUTATION

Interest computed to 09/27/2023  
 Total Tax Deficiency \$33,981.00

Plus Penalties\*  
 Failure to File - IRC 6651 \$7,645.73  
 Accuracy Related Penalty - IRC 6662 \$.00  
 Accuracy Related Penalty - IRC 6662A \$.00  
 Civil Fraud - IRC 6663 \$.00  
 Manually Computed Penalty \$.00

Total Penalties Subject to Interest \$7,645.73  
 Tax Deficiency and Penalties Subject to Interest \$41,626.73

Type	Effective Dates	Days	Rate	Interest
Compound	04/15/2021--12/31/2021	260	3%	\$782.49
Compound	01/01/2022--03/31/2022	90	3%	\$314.86
Compound	04/01/2022--06/30/2022	91	4%	\$428.18
Compound	07/01/2022--09/30/2022	92	5%	\$547.24
Compound	10/01/2022--12/31/2022	92	6%	\$665.85
Compound	01/01/2023--09/27/2023	270	7%	\$2,357.56
Total Interest				<u>\$5,096.18</u>

Interest on penalties is computed from the due date of the return (including extensions) until the date of payment. The interest shown on this report is estimated. Interest is computed from the due date of the return (including extensions) and will continue to accrue until the date paid in full. Interest on the failure to pay penalty is computed from the date of assessment and is therefore not considered in this report.



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