Department of the Treasury
Internal Revenue Service
PO BOX 9012
HOLTSVILLE NY 11742-9012

IRS Notice: CP3219A

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[redacted]
C/O LOGAN E ALLEC
[redacted]
1001 WILSHIRE BLVD # 1370
LOS ANGELES CA 90017-2415

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January 27, 2025

Notice of Deficiency - proposed change to your tax

This notice serves as a **Notice of Deficiency**, outlining the proposed changes to your **2022** income tax and **informing you of your right to challenge** these changes.

Your income tax needs to be adjusted because of information we received from others like your employer or bank. We noticed differences between what you told us on your tax form and what we received from them.

You can contest the changes by filing a petition in the U.S. Tax Court. **The last date to file a petition with the Tax Court is April 28, 2025**.

Summary of proposed changes

2022 tax return

Proposed tax you owe (deficiency)	$103,290*
Failure-to-file penalty	$25,822
Substantial tax understatement penalty	$20,658

***For a detailed description of what we received, see "What caused the differences" section**

Next steps

- **If you agree** with our changes, fill out and return the enclosed Form 5564 to indicate your agreement.
- Scan the QR code or visit IRS.gov/DUTReply and use access code: [redacted] to respond.
- If you have questions or would like additional reply options, go to IRS.gov/CP3219A or contact our help line at 800-829-8310.
- To contact us by mail, use the address at the top of this page.
- **If you disagree** with our changes submit a statement explaining why you disagree by **April 28, 2025**.

IRS.gov/DUTReply

You have the Right to Petition the U.S. Tax Court

You can contest the changes we made to your tax, including any penalties and interest, before making any payment by submitting a petition to the U.S. Tax Court. If you choose to file a petition, **you must do so within 90 days (or 150 days if you're outside the United States)** from the date of this letter, by **April 28, 2025**. Filing the petition late will result in the U.S. Tax Court being unable to consider your case. You can access a fillable petition form and find filing information at **ustaxcourt.gov**. The U.S. Tax Court recommends electronic filing, and you can e-file your completed petition by following the instructions on **ustaxcourt.gov/dawson.html** and registering for a DAWSON account. Alternatively, you can send the completed petition to:

United States Tax Court
400 Second Street, NW
Washington, DC 20217

Remember to include a copy of this notice and any attachments with the petition, along with the filing fee. The filing fee can be paid online, by mail, or in person using a check or money order made out to Clerk, U.S. Tax Court. **Don't send your petition to the IRS**; it must be filed with the U.S. Tax Court. For more details, visit the U.S. Tax Court website at **ustaxcourt.gov**.

Changes to your 2022 tax return

Your income and deductions	Shown on return	Reported to IRS	Difference
Nonemployee compensation	$0	$5,479	**$5,479**
Partnership/trust/small business	$0	$253,829	**$253,829**
Taxable wages	$24,664	$28,037	**$3,373**
Income net difference			**$262,681**
Self-employment tax deduction	$0	$12,010	**$12,010**
Deduction net difference *1			**$12,010**
Change to taxable income			**$250,671**

Your tax computations	Shown on return	As corrected by IRS	Difference
Taxable income, Form 1040, line 15	$186,088	$436,759	**$250,671**
Tax, Form 1040, line 16	$32,332	$100,372	**$68,040**
Child tax credit and other dependent, Form 1040, line 19	$6,000	$2,850	**-$3,150**
Self-Employment tax, Schedule 2, line 4	$0	$24,019	**$24,019**
Net investment income tax, Schedule 2, line 12	$0	$8,081	**$8,081**
Total tax, Form 1040, line 24	$49,486	$152,776	**$103,290**
Tax you owe *2			**$103,290**

Payments	Shown on return	As corrected by IRS	Difference
Income tax withheld, Form 1040, line 25d	$171	$171	**$0**
Total payments			**$0**

(*1) Increases to deductions result in a decrease to taxable income.
(*2) Decreases to credits result in an increase to tax.

Additional information

Form W-2 or 1099 not received

The income reported on your return doesn't match the documents we received from your employer or payers. The law requires you to accurately report all income you receive. If your employers don't send proper information documents or forms (for example, Form W-2, Wage and Tax Statement, Form 1099), you must estimate your income based on your paycheck stubs, bank statements, or other records and include your

Additional information — **Continued**
estimate on your tax return.

Child Tax Credit or Credit for Other Dependents
The allowable amount of the Child Tax Credit or Credit for Other Dependents is based on your filing status, the number of qualifying persons, your modified adjusted gross income and tax. Either credit is adjusted when your modified adjusted gross income changes. The credit can't be more than the tax.

If you filed and claimed credits for mortgage interest, adoption credit, residential clean energy credit or the District of Columbia first-time homebuyer credit with your original tax return, send us recomputed worksheets from Form 1040 schedule 8812 Credits for Qualifying Children and other Dependents. To apply any unused credits from these sources, send us the recomputed forms. If you've already applied these unused credits to any other tax years, you need to file a Form 1040X, Amended U.S. Individual Tax Return, for the other years.

If you haven't filed the tax return for the affected period, send us a signed statement that you've corrected your records.

001318

Net Investment Income Tax
We're proposing a change to your investment income and your net investment income tax (NIIT). In general, net investment income includes the excess of interest, dividends, capital gains, gains from trading in financial instruments or commodities, rental and royalty income, annuities, and income from passive activities and trading in financial instruments or commodities over allowable deductions.

A 3.8% tax applies when you have net investment income and your modified adjusted gross income exceeds:

- $200,000 for single or head of household
- $250,000 for married filing jointly or qualifying surviving spouse
- $125,000 for married filing separately

Amendments or adjustments to your return have been included in this notice
We considered previous changes to your original tax return in figuring the amounts under "Changes to your tax return". This may include adjustments we made when you filed or changes from an amended return.

Power Of Attorney
We sent a copy of this notice to your representative as shown in your Power of Attorney.

Penalties

We are required by law to charge any applicable penalties.

Description	Amount
Failure to file penalty - Internal Revenue Code Section 6651	**$25,822**

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. When an income tax return is more than 60 days late, the minimum penalty is $450.00 or 100% of the tax required to be shown on the return that you didn't pay on time, whichever is less.
(Internal Revenue Code Section 6651)

Description	Amount
Accuracy-related penalty substantial understatement of tax - IRC 6662(b)(2); 6662(d)	**$20,658**

If you understate your tax liability and the understatement is more than the greater of 10 percent of your correct tax liability or $5,000, an accuracy-related penalty generally applies for the substantial understatement of tax. The penalty is 20 percent of the portion of the underpayment

Penalties — **Continued**

of tax attributable to the substantial understatement of income tax.

We may reduce or eliminate the penalty if you send a signed statement with one of the following:

- Facts that support your treatment of the understated income and the authority for your position, such as the Internal Revenue Code, Treasury Regulations, Revenue Rulings, Revenue Procedures, etc. or
- An explanation showing you clearly disclosed the item, such as by attaching Form 8275, Disclosure Statement, or Form 8275-R, Regulation Disclosure Statement and there is a reasonable basis for your position.

Interest charges

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 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).

IRS help

- For online assistance, visit IRS.gov/help.
- For more information about this notice, visit IRS.gov/CP3219A or contact our help line at 800-829-8310.
- We're here to help you resolve the tax matters on this notice as quickly and easily as possible. Review Publication 5181, Tax Return Reviews by Mail CP2000, Letter 2030, CP2501, Letter 2531, for more information.
- For information about your rights, see the enclosed Publication 1, Your Rights as a Taxpayer.
- **We send information about these changes to state and local tax agencies.** If the changes we made to your tax return impact your state or local tax return, file an amended state or local tax return as soon as possible.

Taxpayer Rights and Sources for Assistance

The Taxpayer Bill of Rights groups rights from the Internal Revenue Code into ten fundamental taxpayer rights. IRS employees are responsible for knowing and following these rights. See IRC § Section 7803(a)(3). For additional information about your taxpayer rights, please see Publication 1, Your Rights as a Taxpayer, or visit TaxpayerAdvocate.IRS.gov/taxpayer-rights.

The IRS office whose phone number appears on the notice can best address and access your tax information and help get you answers. However, you may be eligible for free help from the Taxpayer Advocate Service (TAS) if you can't resolve your tax problem with the IRS or if you believe an IRS procedure just isn't working as it should. TAS is an independent organization within the IRS that helps taxpayers and protects taxpayer rights. Visit TaxpayerAdvocate.IRS.gov/contact-us or call 877-777-4778 (TTY/TDD 800-829-4059 to find the location and phone number of your local advocate. Learn more about TAS and your rights under the Taxpayer Bill of Rights at **TaxpayerAdvocate.IRS.gov. Don't send your Tax Court petition to TAS. Use the Tax Court address provided earlier in the notice.** Contacting TAS doesn't extend the time to file a petition.

Tax professionals who are **independent** from the IRS may be able to help you. Low Income Taxpayer Clinics (LITCs) can represent low-income persons before the IRS or in court. LITCs can also help persons who speak English as a second language. Any services provided by an LITC must be for free or a small fee. To find an LITC near you:

- Visit TaxpayerAdvocate.IRS.gov/LITC;
- Download IRS Publication 4134, Low Income Taxpayer Clinic List, at IRS.gov/forms-PUBS; or
- Call the IRS toll-free at 800-TAX-FORM (800-829-3676) and request Publication 4134.

State bar associations, state or local societies of accountants or enrolled agents, or other nonprofit tax professional organizations may also be able to provide referrals.

001318

If you agree with the proposed changes

- Complete and sign Form 5564 below
  - Sign and date on the provided line. We require **both** spouses' signatures if you filed a joint tax return.
- To pay the proposed amount due
  - You can pay online now or after you receive the billing notice showing we've adjusted your account. Visit IRS.gov/payments for information about online payment options.
- Interest and penalties continue to accrue until the amount due is paid in full.

If you disagree with the proposed changes

- We will continue to work with you. To resolve your dispute with the IRS, it is important you contact us **immediately**. Our consideration of any additional information will not extend the April 28, 2025 deadline to file a petition with the U.S. Tax Court.
- Submit an explanation for your disagreement by visiting IRS.gov/DUTReply and use access code: [redacted] to respond. Include a signed statement explaining your disagreement and documentation supporting your claim.
- For additional reply options go to IRS.gov/CP3219A or contact our help line at 800-829-8310.
- **You have the right to petition the U.S. Tax Court to challenge your notice of deficiency and penalties.**

FORM 5564 (November 2016)	Department of the Treasury --- Internal Revenue Service **Notice of Deficiency - Waiver**	Symbols BSC AUR M/S 620
Name and address of taxpayer(s)	[redacted] C/O LOGAN E ALLEC 1001 WILSHIRE BLVD # 1370 LOS ANGELES CA 90017-2415	January 27, 2025
Kind of Tax **Individual Income**	☐ Copy to Authorized Representative	

001318

Tax year ended	Deficiency	
December 31, 2022	Increase in tax $103,290	Penalties
		Failure-to-file Penalty, IRC Section 6651(a)(1) $25,822
		Accuracy-Related Penalty, IRC Section 6662(a) $20,658

For internal use only
AUR control number
[redacted]

I consent to the immediate assessment and collection of the deficiencies (increase in tax and penalties) shown above, plus any interest. Also, I waive the requirement under section 6532 (a) (1) of the Internal Revenue Code that a notice of claim disallowance be sent to me by certified mail for any overpayment shown on the attached report.

I understand that the filing of this waiver is irrevocable and it will begin the 2-year period for filing suit for refund of the claims disallowed as if the notice of disallowance had been sent by certified or registered mail.

Signature		
		Date
		Date
By	Title	Date

Note: If you consent to the assessment of the deficiencies shown in this waiver, sign and return this form to limit the interest charge and expedite our bill to you. Don't sign and return any prior notices you've received. Your consent signature is required on this waiver, even if fully paid.

Your consent won't prevent you from filing a claim for refund (after you pay the tax). It also won't extend the time provided by law for such action. We may also determine you owe additional tax at a later date.

If you later file a claim and the Service disallows it, you may file suit for refund in a District Court or in the United States Claims Court, but you may not file a petition with the United States Tax Court.

Who Must Sign: If you filed jointly, both you and your spouse must sign. Your attorney or agent may sign this waiver provided the action is specifically authorized by a power of attorney. Which, if not previously filed, must accompany this form.

If this waiver is signed by a person acting in a fiduciary capacity (for example, an executor, administrator, or a trustee), Form 56, Notice Concerning Fiduciary Relationship, should accompany this form, unless previously filed.

If you agree, sign and return this form; keep a copy for your records.

What caused the differences

Your income tax needs to be adjusted because of information we received from others like your employer or bank. We noticed differences between what you told us on your tax form and what we received from them.

Taxable Wages Received from	Address	Account Information	Shown on your return	Reported by third parties	Difference
[redacted]	[redacted]	SSN XXX-XX[redacted] Form W-2	$0	$3,373	**$3,373**

Nonemployee Compensation Received from	Address	Account Information	Shown on return	Reported by third parties	Difference
[redacted] 001318	[redacted]	[redacted] SSN XXX-XX[redacted] Form 1099-NEC	$0	$271	**$271**
[redacted]	[redacted]	[redacted] SSN XXX-XX[redacted] Form 1099-NEC	$0	$5,208	**$5,208**
Nonemployee Compensation Total			$0	$5,479	**$5,479**

Partnership/Trust/Small Business Received from	Address	Account Information	Shown on return	Reported by third parties	Difference
[redacted]	[redacted]	SSN XXX-XX[redacted] Form PTK-1 Date Sold or Disposed 9/6/23	$0	$115,500	**$115,500**
[redacted]	[redacted]	SSN XXX-XX[redacted] Form PTK-1 Date Sold or Disposed 9/12/23	$0	$138,329	**$138,329**
Partnership/Trust/Small Business Total			$0	$253,829	**$253,829**

If the income displayed above doesn't belong to you, inform the payer listed above to update their records to avoid future inaccurate reporting to the IRS. Please provide us with the name and taxpayer identification number of the individual who received the income if known.

Self-Employment Tax on Self-Employment (SE) income

We computed the self-employment (SE) tax on the net SE income from your reported and underreported SE income. SE income generally includes nonemployee compensation, merchant card payments, third-party network payments, and other income from part-time or full-time work. Net earnings from SE income are subject to SE tax.

SE tax consists of Social Security tax of 12.4% and Medicare tax of 2.9% and, for SE income more than the thresholds for your filing status, an additional Medicare tax of 0.9%. Even if you paid the maximum amount of Social Security tax, you're still liable for Medicare tax and additional Medicare tax if you're over the applicable threshold. The deductible part of the SE tax is based on the change we made to your SE tax. If you were an employee, you're liable for income tax and the employee's share of Social Security (6.2%), Medicare taxes(1.45%), and additional Medicare tax, if applicable. We'll credit your Social Security account with the amount of SE income shown on this notice. See Form 1040, Schedule SE, Self-Employment Tax, for more information.