



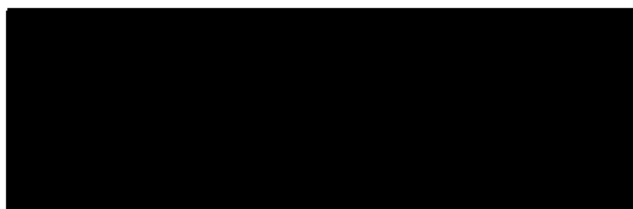
Department of the Treasury
Internal Revenue Service
1973 N RULON WHITE BLVD
OGDEN UT 84201-0021



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Notice CP3219A
Tax year 2021
Notice date [REDACTED]
Social Security number [REDACTED]
AUR control number [REDACTED]
To contact us Phone 1-800-829-8310
Fax 1-877-477-9640
Last date to petition April 1, 2024
Tax Court
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027737

Notice of Deficiency

Proposed increase in tax and notice of your right to challenge

We determined there is a deficiency (increase) in your 2021 income tax based on information we received from third parties (such as employers or financial institutions) that doesn't match the information you reported on your tax return. See below for an explanation of how we calculated this increase. This letter is your NOTICE OF DEFICIENCY, as required by law.

If you disagree:

You have the right to challenge this determination in U.S. Tax Court. If you choose to do so, you must file your petition with the Tax Court by April 1, 2024. This date can't be extended. See below for details about how and where to file a petition.

If you agree:

You can pay now or receive a bill. See the section below titled "If you agree with the proposed changes, you can pay now or receive a bill."

You have the right to petition the Tax Court

Summary of proposed changes

Increase in tax (deficiency)	\$35,797
Substantial tax understatement penalty	\$7,159

If you want to resolve this matter with the IRS

You may be able to resolve this matter without going to the U.S. Tax Court if you contact us directly. See the "You may be able to resolve your dispute with the IRS" section below.

If you want assistance

You may be able to receive assistance from a Low-Income Taxpayer Clinic or from the Taxpayer Advocate Service. See the "Additional information" section below.

You have the right to challenge our deficiency determination, including penalties, before making any payment by filing a petition with the U.S. Tax Court. You must file your petition within **90 days** (or **150 days** if the notice is addressed to a person outside of the United States) from the date of this letter, which is **April 1, 2024**. The Tax Court can't consider your case if you file the petition late. If you decide to file a petition, you can download a fillable petition form and get information about filing at ustaxcourt.gov. The Tax Court encourages petitioners to electronically file petitions. You can efile your completed petition by following the instructions and user guides available on the Tax Court website at ustaxcourt.gov/dawson.html. You will need to register for a DAWSON account to do so. Or you may send the completed petition to:

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

Be sure to include a copy of this notice and any attachments with the petition and the filing fee payable online, or by mail or in person using a check or money order made out to Clerk, U.S. Tax Court.

Don't send your petition form to the IRS; you must file your petition with the Tax Court.

Time Limits on Filing a Petition

The Court can't consider your case if you file the petition late.

A petition is considered timely filed if the Tax Court receives it within:

- 90 days from the date this letter was mailed to you, or
- 150 days from the date this letter was mailed to you if this letter is addressed to you outside of the United States.

A petition is also generally considered timely if the United States Postal Service postmark is within the 90 or 150-day period and the envelope containing the petition is properly addressed with the correct postage. The postmark rule doesn't apply if mailed using the mail service of a foreign country.

A petition is also generally considered timely if the date recorded by a designated private delivery service is within the 90 or 150-day period. Note not all services offered by private delivery companies are designated private delivery services. For a list of designated delivery services available for domestic and international mailings, see Notice 2016-30 on the IRS website at [IRS.gov/irb201618](https://www.irs.gov/irb201618). Please note the list of approved delivery companies is subject to change.

The Tax Court has a simplified procedure for small tax cases when the amount in dispute is \$50,000 or less (including penalties) for any one tax year. You can get a copy of these simplified procedures on the Tax Court's website or by contacting the Tax Court.

Review this notice and compare our suggested changes to the information on your tax return for the tax year in question. NOTE: The amounts shown above may differ from your previous notice because not all items can be challenged in the Tax Court.

You may be able to resolve your dispute with the IRS.

If you don't agree with the proposed changes and want us to consider additional information, you can mail or fax additional information to us.

- Mail additional information with the enclosed Form 5564 (or signed statement explaining which items you disagree with and why) to:

1973 N RULON WHITE BLVD
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- Fax additional information with the enclosed Form 5564 (or signed statement



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explaining which items you disagree with and why) to 1-877-477-9640 using either a fax machine or an online fax service. Protect yourself when sending digital data by understanding the fax service's privacy and security policies.

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 1, 2024 deadline to file a petition with the U.S. Tax Court.

027737 **If you agree with the proposed changes, you can pay now or receive a bill**

If you agree with the proposed changes, you can pay your tax liability now or choose to receive a bill:

- If you choose to pay some or all your tax liability now, you can enclose a check or money order payable to the United States Treasury Department with the enclosed Form 5564, Notice of Deficiency Waiver, to the address below. We'll send you a bill for any unpaid tax, interest, and applicable penalties.

Internal Revenue Service
1973 N RULON WHITE BLVD
OGDEN UT 84201-0021

- If you're not paying your tax liability now, sign the enclosed Form 5564, Notice of Deficiency Waiver, and mail it to the IRS at:

Internal Revenue Service
1973 N RULON WHITE BLVD
OGDEN UT 84201-0021

We'll send you a bill for the amount due (including any interest and applicable penalties).

- NOTE: If you filed your tax return married filing jointly, **both** spouses must sign Form 5564.
- Do **NOT** mail the Form 5564 or any payment of your liability to the Tax Court.

If we don't hear from you

If we don't hear from you and you don't petition the U.S. Tax Court, we'll assess the additional tax you owe plus any applicable penalties and interest and send you a bill.

Additional information

Visit [IRS.gov/cp3219a](https://www.irs.gov/cp3219a) for more information about this notice, frequently asked questions, and to review the following:

- Publication 1, Your Rights as a Taxpayer
- Publication 5181, Tax Returns Reviewed by Mail: CP2000, Letter 2030, CP2501, Letter 2531

For tax forms, instructions, and publications, visit [IRS.gov/forms-pubs](https://www.irs.gov/forms-pubs) or call 800-TAX-FORM (800-829-3676).

You can fax your response to the number above using either a fax machine or an online fax service. Protect yourself when sending digital data by understanding the fax service's privacy and security policies

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Keep this notice for your records.

If you'd like to authorize someone to represent you before the IRS, please complete and send us the Power of Attorney and Declaration of Representative (Form 2848), before your representative contacts us on your behalf.

The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help get you answers. If you filed a joint return, we're required to send a copy of this notice to both you and your spouse. Each copy contains the same information about your joint account.

If you lack access to a computer or the internet and want to file a paper petition, you may get a copy of the petition form and filing information by contacting the Office of the Clerk at the address previously stated and repeated below or by calling 202-521-0700.

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

Low Income Taxpayer Clinics

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 LTC must be for free or a small fee. To find an LTC near you:

- Go to taxpayeradvocate.irs.gov/litcmap;
- Download IRS Publication 4134, Low Income Taxpayer Clinic List, available at irs.gov/forms-pubs; or
- Call the IRS toll-free at 800-829-3676 and ask for a copy of 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.

Taxpayer Advocate Service

The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help you get 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 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. Contact your local Taxpayer Advocate office at:

1999 Broadway, MS 1005DEN
Denver CO 80202
303-603-4600
855-829-3838

Or call TAS at 877-777-4778. For more information about TAS and your rights under the Taxpayer Bill of Rights, go to taxpayeradvocate.irs.gov. Do not send your Tax Court petition to the TAS address listed above. Use the Tax Court address provided earlier in the letter. Contacting TAS does not extend the time to file a petition.



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Changes to your 2021 tax return

Your income and deductions	Shown on return	As corrected by IRS	Difference
Cancellation of debt	\$0	\$851	\$851
Payment card and third party network transactions	\$0	\$122,370	\$122,370
Income net difference			\$123,221
Self-employment tax deduction	\$0	\$8,645	\$8,645
Deduction net difference *1			\$8,645
Change to taxable income			\$114,576

Your tax computations	Shown on return	As corrected by IRS	Difference
Taxable income, Form 1040, line 15	-\$12,550	\$102,026	\$114,576
Tax, Form 1040, line 16	\$0	\$18,507	\$18,507
Self-Employment tax, Schedule 2, line 4	\$0	\$17,290	\$17,290
Total tax, Form 1040, line 24	\$0	\$35,797	\$35,797
Recovery rebate credit, Form 1040, line 30	\$1,400	\$1,400	\$0
Tax you owe			\$35,797

(*1) Increases to deductions result in a decrease to taxable income.

Explanation of changes to your 2021 Form 1040

This section tells you specifically what income information the IRS received about you from others (including your employers, banks, mortgage holders, etc.). This information doesn't match the information you reported on your tax return.

Use the table to compare the data the IRS received from others to the information you reported on your tax return to understand where the difference(s) occurred. To assist you in reviewing your income amounts, the table may include both reported and unreported amounts.

Payment Card/Third Party Trans

Received from	Address	Account Information	Shown on return	Reported by others	Difference
WELLS FARGO MERCHANT SERVICES LLC	[REDACTED]	[REDACTED]	\$0	\$122,370	\$122,370

Cancellation of Debt

Received from	Address	Account Information	Shown on return	Reported by others	Difference
SYNCHRONY BANK	[REDACTED]	[REDACTED]	\$0	\$851	\$851

Payment card and third-party network transactions

You received Form 1099-K, Payment Card and Third-Party Network Transactions, because you accepted merchant cards for payments, or because you received payments through a third-party network. The amount included on this notice for Form 1099-K reflects the gross reportable transaction amount and not the taxable amount of merchant card and third-party network payments. The taxable amount from Form 1099-K should be reported on your Form 1040 Schedule C, Schedule E or Schedule F.

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Misidentified income

If any of the income shown on this notice isn't yours, send us the name, address, and taxpayer identification number of the person who received the income. To prevent future incorrect reporting to the IRS, notify the payer to adjust their records to show the correct name and taxpayer identification number.

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 estimate on your tax return.

Cancellation of Debt - Form 1099-C

If a federal government agency, financial institution, credit union, or other lender cancels or forgives a debt you owe, you may receive a Form 1099-C, Cancellation of Debt. In most cases, you must include the canceled or forgiven amount in your income. There are several situations in which you don't have to include the canceled amount as income, but these exclusions aren't automatic. You must claim the benefit of any exclusion by filing Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment).

You can only exclude debt cancellation up to the insolvent amount. If you can exclude the canceled debt due to insolvency, provide a detail of your total assets and liabilities immediately before the discharge. You're insolvent to the extent your total liabilities exceeded your total assets. For more information and a worksheet to help calculate insolvency, see Publication 4681, Canceled Debts, Foreclosures, Repossessions and Abandonments (for Individuals). You must include any canceled debt that exceeds the amount of your insolvency as income on your tax return, unless another exclusion applies.

If you filed for bankruptcy, provide to us a copy of your bankruptcy paperwork to show you included the canceled debt in the bankruptcy. If you don't make payments you owe on a loan secured by property, the lender may foreclose on the loan or repossess the property, which is treated as a sale or exchange from which you may realize a gain or loss. If the lender foreclosed on your principal residence, you may realize ordinary income from cancellation of debt if the loan balance is more than the fair market value of the property. If the amount of principal you owed on your home mortgage was reduced as part of a loan modification, you may be able to exclude the amount of canceled debt from income.

For more information on these topics, see Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments (for Individuals), or Publication 544, Sales and Other Dispositions of Assets.

Negative taxable income

You had a zero or negative taxable income amount on your original or amended return. To ensure proper credit for deductions, this notice reflects the actual amount of your taxable income in the "Shown on return" column of the "Changes to your tax return" section.



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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.

Penalties

We are required by law to charge any applicable penalties.

Substantial tax understatement

Description	Amount
Accuracy-related penalty substantial understatement of tax - IRC 6662(b)(2); 6662(d)	\$7,159

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 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)

Interest is calculated to 30 days from the date of the notice for domestic addresses and 60 days from the date of the notice for foreign and APO/FPO/DPO addresses. Interest will continue to accrue until you pay the amount you owe in full.

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FORM 5564 (November 2016)		Department of the Treasury -- Internal Revenue Service Notice of Deficiency - Waiver		Symbols Ogden AUR M/S 6652	
Name and address of taxpayer(s) 		January 2, 2024			
Kind of Tax Individual Income		☐ Copy to Authorized Representative			
Tax year ended 		Deficiency			
		Increase in tax \$35,797		Penalties	
		Accuracy-Related Penalty, IRC Section 6662(a) \$7,159			

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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.