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

[redacted]

026512

Notice	CP2000
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
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[redacted]

We're proposing changes to your 2021 Form 1040 tax return. This is not a bill.

Proposed amount due: $47,116

We haven't received a response to our previous notice about your 2021 Form 1040. This notice:

- Proposes a change to tax and/or payments and credits (such as federal income tax withheld, earned income credit, etc.) that you originally reported.
- Provides you with an opportunity to agree or disagree with the proposed changes.

If our information is correct, you'll owe $47,116 (including interest), which you will need to pay by [redacted]

Summary of proposed changes

Tax you owe	$35,797
Payments	$0
Substantial tax understatement penalty	$7,159
Interest	$4,160
Proposed amount due by November 1, 2023	**$47,116**

Reminder: This is not a bill. We haven't charged the proposed amount due.

What you need to do immediately

If you need more time to respond to this notice, contact us at 1-800-829-8310. Interest will continue to accrue during this period if the information in this notice is correct.

[redacted]

Review this notice, and compare our changes to the information on your 2021 tax return.

If you agree with the proposed changes

- Complete, sign, and date the Response form on Page 7 **(we require both spouses' signatures if you filed married filing jointly)**, and mail it to us along with your payment of $47,116 so we receive it by November 1, 2023.
- **Do not file an amended return (Form 1040X) if you fully agree with our changes.** We'll make the correction when we receive your signed response.

If you don't agree with the proposed changes

- Complete the Response form on Page 7, and send it to us along with a signed statement explaining your disagreement and include any documentation that supports your claim so we receive it by November 1, 2023.
- If you have allowable costs or expenses related to the unreported income that will change our proposal, it may benefit you to include the applicable form or schedule with your response.

Continued on back...

- It is **not** necessary to file an amended return (Form 1040X) for 2021 if you don't agree with our changes. We'll review your response and make any applicable corrections. However, if you choose to file an amended return, write "CP2000" on top of it and attach it **behind** your completed Response form.

If you need assistance contact us at 1-800-829-8310.

If we don't hear from you

If we don't receive your response by November 1, 2023, we'll send you a Statutory Notice of Deficiency followed by a final bill for the proposed amount due. During this time, interest will continue to accrue and penalties may apply.

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	Shown on return	Reported by others	Difference
WELLS FARGO MERCHANT SERVICES LLC	[redacted]	**$0**	**$122,370**	**$122,370**

Cancellation of Debt

Received from	Address	Shown on return	Reported by others	Difference
SYNCHRONY BANK	[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.

Next steps

If you agree with our proposed changes, send us your signed Response form so we receive it by the due date of this notice. After you receive the billing notice showing we've adjusted your account, you can use the following online payment options:

- Visit www.irs.gov/payments for information about online payment options including:
  - Pre-assessed installments and payment agreements
  - Payroll deductions
  - Credit card payments
  - Direct debit payments
  - Applicable fees
- To apply for an installment agreement plan by mail, send in your signed Response form AND a completed Form 9465, Installment Agreement Request.

If the same error has occurred in another tax year, file a Form 1040X for that tax year.

We send information about these changes to state and local tax agencies. If the changes we made to your federal tax return also impact your state or local tax return, file an amended state or local tax return as soon as possible.

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:

Continued on back...

- 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.

Description	Amount
Total Interest	**$4,160**

The table below shows the rates used to calculate the interest on your unpaid amount from the date the tax return was due until the tax is paid in full. For a detailed calculation of your interest, call 1-800-829-8310.

Period	Interest rate
April 1, 2022 through June 30, 2022	4%
July 1, 2022 through September 30, 2022	5%
October 1, 2022 through December 31, 2022	6%
January 1, 2023 through March 31, 2023	7%
April 1, 2023 through June 30, 2023	7%
July 1, 2023 through September 30, 2023	7%
Beginning October 1, 2023	8%

Additional information

- For information about your rights, see the enclosed Publication 1, Your Rights as a Taxpayer.
- Visit www.irs.gov/cp2000 for more information about this notice, frequently asked questions, and to review the following:
  - Publication 5181, Tax Return Reviews by Mail CP2000, Letter 2030, CP2501, Letter 2531, for more information about filing an Appeal.
- For tax forms, instructions, and publications, visit www.irs.gov/forms-pubs or call 800-TAX-FORM (800-829-3676).
- This isn't an audit; your return may be subject to an examination.
- Keep a copy of this notice for your records.

The Taxpayer Bill of Rights describes ten basic rights that all taxpayers have when dealing with the IRS. To help you understand what these rights mean to you and how they apply, visit www.irs.gov.

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Social security number	[redacted]
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To contact us	Phone 1-800-829-8310 Fax 1-877-477-9640

INTERNAL REVENUE SERVICE
1973 N RULON WHITE BLVD
OGDEN UT 84201-0021

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Fold here

Response form

Complete both sides of this form, and send it to us in the enclosed envelope so we can receive it by November 1, 2023. If making a payment, use the provided voucher to ensure proper application of your payment. Be sure our address shows through the window.

Provide your contact information

If your address has changed, please make the changes below.

[redacted]

Primary phone | Best time to call ☐ a.m. ☐ p.m. | Secondary phone | Best time to call ☐ a.m. ☐ p.m.

1. Indicate your agreement or disagreement

☐ **I agree with all changes**

I consent to the assessment of my 2021 income tax, and understand that:

- I owe $47,116 in additional tax, payment adjustments, and interest.
- The IRS is required by law to charge interest on taxes that weren't paid in full by April 18, 2022.
- The IRS will continue to charge interest until I've paid the tax in full. Certain penalties may also apply.
- I can file a claim for a refund at a later date.
- By signing this form, I cannot challenge these changes in the U.S. Tax Court unless the IRS determines after the date I sign this form that I owe additional taxes for 2021.

Please sign and return this form with your payment.

Signature Date

Spouse's Signature **(required if you filed a joint tax return)** Date

Continued on back...

Indicate your agreement or disagreement—**Continued**

☐ **I don't agree with some or all of the changes**
Please return this form and include a statement signed by you that explains what you don't agree with. Also include copies of any documents, such as corrected W-2, 1099, or missing forms that support your statement.

Note: You can fax this Response form, documentation and/or signed statement explaining the items you don't agree with to 1-877-477-9640

2. Indicate your payment option

Check all that apply:

☐ Payment in the form of a check or money order.
- Write your Taxpayer Identification number (265-55-3786), the tax year (2021), and the notice number (CP2000) on your payment and any correspondence.
- Make your check or money order payable to the United States Treasury.

☐ A completed Installment Agreement Request (Form 9465).

☐ I made an online payment.

3. Authorization optional

If you would like to authorize someone, in addition to you, to contact the IRS concerning this notice, please include the person's information, your signature, and the date.

The authority granted is limited as indicated by the statement above the signature line. The contact may not sign returns, enter into agreements, or otherwise represent you before the IRS. If you want to have a designee with expanded authorization, see IRS Publication 947, Practice Before the IRS and Power of Attorney.

Full name of authorized person

Address

City | State | Country | Zip code

Primary phone | Best time to call ☐ a.m. ☐ p.m. | Secondary phone | Best time to call ☐ a.m. ☐ p.m.

I authorize the person listed above to discuss and provide information to the IRS about this notice.

Signature | Date

Spouse's Signature (**required if you filed a joint tax return**) | Date

IRS

[redacted]

Notice CP2000
Tax Year 2021
Notice date [redacted]
Social Security number

026512

IRS

[redacted]

Notice CP2000
Notice date [redacted]
Social security number

- Make your check or money order payable to the United States Treasury.
- Write your Taxpayer Identification number (265-55-3786), the tax year (2021), and the notice number (CP2000) on your payment and any correspondence.

Payment

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

[redacted]

$47,116

[redacted]