

Internal Revenue Service
PO Box 12190
Ogden, UT 84412

Department of the Treasury

Person to Contact:

Employee ID Number: [REDACTED]
Tel: [REDACTED]
Fax: [REDACTED]
Contact Hours: 7 am to 4 pm MDT

Date: August 17, 2012

[REDACTED]
BLOOMFIELD IN 47424

In Re:
Penalty Appeals

Amount of Assessed Penalty(s):
\$22,633.65

I.R.C. Section(s):
6651(a)(2)
6656

Abatement

\$6,140

Tax Period(s) Ended:
09/2010 12/2010 03/2011 06/2011
09/2011

Dear Taxpayer:

Your case was referred to me for consideration of your protest to the assessed penalty(s) shown above. I have reviewed the information related to this matter, including your previous communications explaining why you do not believe the penalty(s) apply(s).

Based on the information provided, I am proposing to fully abate the penalties for the 09/2010 tax period. Reduce the failure to deposit penalty for the 12/2010 the failure to deposit penalty from \$4,334.72 to \$2,932.47. I am proposing the remaining penalties be sustained for the following reasons:

- The most recent information submitted by your representative only shows shutoff notices, court documents, and letters concerning the third quarter of 2010.
- No reason has been given for an officer of the company to receive a wage of \$70,910.00. This is an excessive salary for a company that is struggling financially.
- The bank statements show positive amounts available, as discussed with your representative.
- The funds withheld from the employees' wages are to be kept in trust to pay the employment taxes. These funds cannot be used for other obligations.

If you have additional information you would like me to consider, please forward it to me at the address shown above within 30 days from the date of this letter. If you prefer you may contact me at the above telephone number during the times listed. If you are