



Department of the Treasury
Internal Revenue Service
P.O. Box 480
Holtsville, NY 11742-0480

| | |
|------------------------|----------------------|
| Notice | CP71C |
| Tax year | 2017 |
| Notice date | January 30, 2018 |
| Social security number | nnn-nn-nnnn |
| To contact us | Phone 1-800-xxx-xxxx |
| Your caller ID | nnnn |

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JOHN AND MARY SMITH
123 N HARRIS ST
HARVARD, TX 12345

Annual reminder of balance due taxes for tax year 2017

Amount due: \$9,999.99

The law requires us to send you this annual reminder notice explaining the amount you still owe for your 2017 Form 1040 taxes.

If you are already working with us to address the amount you owe or you have an installment agreement, you don't need to do anything. However, if you have questions about this notice, you should ask your IRS representative.

To prevent interest and applicable penalties from continuing to increase, pay the amount due by February 20, 2018.

Billing Summary

| | |
|--|-------------------|
| Amount you owe | \$8,450.00 |
| Failure-to-pay | 550.00 |
| Interest charges | 999.99 |
| Amount due by February 20, 2018 | \$9,999.99 |

Continued on back...



John and Mary Smith
123 N Harris Street
Harvard, TX 12345

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Payment

- Make your check or money order payable to the United States Treasury.
- Write your social security number, the tax year (2017), and the form number (1040) on your payment.

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0149

**Amount due by
February 20, 2018**

| |
|-------------------|
| \$9,999.99 |
|-------------------|

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What you need to do immediately

If you agree with the amount due and you're not working with an IRS representative

- Pay the amount due of \$9,999.99 by February 20, 2018, to prevent interest and applicable penalties from continuing to increase.
- Pay online or mail a check or money order with the attached payment stub. You can pay online now at www.irs.gov/payments.

If we notified you that we suspended enforced collection on your account because it would create a financial hardship (meaning you would be unable to pay basic reasonable living expenses if we levied) and your financial situation has not changed, you don't need to do anything.

If you disagree with the amount due

Call us at 1-800-xxx-xxxx to review your account with a representative. Be sure to have your account information available when you call.

We'll assume you agree with the information in this notice if we don't hear from you.

Payment options

Pay now electronically

We offer free payment options to securely pay your tax bill directly from your checking or savings account. When you pay online or with your mobile device, you can:

- Receive instant confirmation of your payment
- Schedule payments in advance
- Modify or cancel a payment before the due date

You can also pay by debit or credit card for a small fee. To see all of our payment options, visit www.irs.gov/payments.

Payment plans

If you can't pay the full amount you owe, pay as much as you can now and make arrangements to pay your remaining balance. Visit www.irs.gov/paymentplan for more information on installment agreements and online payment agreements. You can also call us at 1-800-xxx-xxxx to discuss your options.

Back of contact stub

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Payment options—continued

Offer in Compromise

An offer in compromise allows you to settle your tax debt for less than the full amount you owe. If we accept your offer, you can pay with either a lump sum cash payment plan or periodic payment plan. To see if you qualify, use the Offer in Compromise Pre-Qualifier tool on our website. For more information, visit www.irs.gov/offers.

Account balance and payment history

For information on how to obtain your current account balance or payment history, go to www.irs.gov/balancedue.

If you already paid your balance in full within the past 21 days or made payment arrangements, please disregard this notice.

If you think we made a mistake, call 1-800-xxx-xxxx to review your account.

If we don't hear from you

Pay \$9,999.99 by February 20, 2018, to avoid interest and any applicable penalty charges.

If you don't pay the amount due or call us to make payment arrangements, we will continue to send you annual reminder notices of your balance due until the statute of limitations for collection expires.

If a lien is already in place, you may find it difficult to sell or borrow against your property. The tax lien would also appear on your credit report—which may harm your credit rating.

Penalties

Failure-to-pay

| Description | Amount |
|-----------------------------|-----------|
| Total failure-to-pay | \$ 550.00 |

We assess a 1/2% monthly penalty for not paying the tax you owe by the due date. 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. This penalty applies even if you filed the return on time.

We charge the penalty for each month or part of a month the payment is late; however, the penalty can't be more than 25% in total.

- The due date for payment of the tax shown on a return generally is the return due date, without regard to extensions
- The due date for paying increases in tax is within 21 days of the date of our notice demanding payment (10 business days if the amount in the notice is \$100,000 or more)

If we issue a Notice of Intent to Levy and you don't pay the balance due within 10 days of the date of the notice, the penalty for paying late increases to 1% per month.

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Failure-to-pay - continued

For individuals who filed on time, the penalty decreases to 1/4% per month while an approved installment agreement with the IRS is in effect for payment of that tax.

For a detailed computation of the penalty call 1-800-xxx-xxxx. (Internal Revenue Code Section 6651)

Removal or reduction of penalties

We understand that circumstances—such as a serious illness or injury, a family member’s death, or loss of financial records due to natural disaster—may make it difficult for you to meet your taxpayer responsibility in a timely manner.

We can generally process your request for penalty removal or reduction quicker if you contact us at the number listed above with the following information:

- Identify which penalty charges you would like us to reconsider (e.g., 2016 late filing penalty).
- For each penalty charge, explain why you believe it should be reconsidered.

If you write us, include a signed statement and supporting documentation for penalty abatement request.

We’ll review your request and let you know whether we accept your explanation as reasonable cause to reduce or remove the penalty charge(s).

Removal of penalties due to erroneous written advice from the IRS

If you were penalized based on written advice from the IRS, we will remove the penalty if you meet the following criteria:

- You wrote us asking for written advice on a specific issue
- You gave us adequate and accurate information
- You received written advice from us
- You reasonably relied on our written advice and were penalized based on that advice

To request removal of penalties based on erroneous written advice from us, submit a completed Claim for Refund and Request for Abatement (Form 843) to the address shown above. For a copy of the form, go to www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

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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)

| Description | Amount |
|-----------------------|-----------------|
| Total interest | \$999.99 |

The table below shows the rates used to calculate the interest on your unpaid amount due. For a detailed calculation of your interest, call 1-800-xxx-xxxx.

| Period | Interest rate |
|---|---------------|
| April 1, 2016 through December 31, 2016 | 4% |
| Beginning January 1, 2017 | 3% |

Additional Information

- Visit www.irs.gov/cp71c
- For tax forms, instructions, and publications, visit www.irs.gov/formpubs or call 1-800-TAX-FORM (1-800-829-3676).
- You can contact us by mail at the address at the top of the first page of this notice. Be sure to include your social security number and the tax year and form number you are writing about.
- Keep this notice for your records.

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. Please note: Only pay the amount due once.

If you need assistance, please don't hesitate to contact us.

Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 1-877-xxx-xxxx.

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Additional Information - **continued**

Low Income Taxpayer Clinic

Low Income Taxpayer Clinics (LITCs) are independent from the IRS. LITCs serve individuals whose income is below a certain level and who need to resolve a tax problem with the IRS. LITCs provide professional representation before the IRS or in court on audits, appeals, tax collection disputes, and other issues for free or for a small fee. For more information and to find an LTC near you, see the LTC page at www.taxpayeradvocate.irs.gov/litcmap or IRS Publication 4134, Low Income Taxpayer Clinic List. This publication is also available by calling the IRS at 1-800-829-3676 or visiting your local IRS office.