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IDRS
CORRESPONDEX
Internal
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Service

Title: Automated IMF FTF/FTP Penalty Abatement Request for Additional
Information (For use with AMS/RCA systems ONLY!)

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OMB Clearance Number | Expires |
- | | IMF

Letters Considered in Revision:

A Taxpayer Identification Number: []
B Tax Period: []
C Tax Periods: [] []
D []
E [] []
F Form: []
F Kind of Penalty(s): []
F

Dear []

G [] that asked us to
G remove the []
G

H This is in response to the inquiry [], from
H []. We have no record that you authorized []
H that we have replied
H directly to you. If you wish to authorize a third party to represent
H you, please complete Form 2848, Power of Attorney and Declaration of
H Representative. If you wish an appointee to inspect and/or receive
H confidential tax information, please complete Form 8821, Tax
H Information Authorization. For more information about these forms,
H visit our website at www.irs.gov or call the telephone number listed
H at the end of this letter.

H
I We can consider removing the penalty(s) if you can demonstrate that
I the inability to meet your tax obligations was because of
I circumstances beyond your control. []
I

I In the meantime, we have suspended the processing of your case. The
I purpose of this letter is to describe all of the information needed to
I consider your request for penalty relief. When you respond, please be
I sure to include []
I

J [] removing the penalty(s) if you can demonstrate that
J the inability to meet your tax obligations was because of
J circumstances beyond your control. However, the person who contacted
J us on your behalf did not provide us with enough information to
J determine if your penalty(s) could be removed.

J
J For now, we have suspended the processing of your case. The purpose of
J this letter is to describe all of the information needed to consider
J your request for penalty relief. When you respond, please be sure to
J include a copy of this letter. If you wish to have someone else act on
J your behalf, please provide them with the appropriate power of
J attorney (Form 2848, Power of Attorney and Declaration of
J Representative).

J
K To support the claim that an absence prevented you from meeting your
K tax obligations, please provide:

- K * Dates on which the absence began and ended,
- K * The name of the person who was absent. If not the taxpayer, please
K give their relationship to the taxpayer,
- K * Reason for the absence and how it prevented the taxpayer from
K filing and/or paying,
- K * Why the absence was unforeseen and unavoidable, and
- K * Documentation to support your claim.

K
L To support the claim that an absence prevented you from meeting your
L tax obligations, please provide:

- L * Dates on which the absence began and ended,
- L * The name of the person who was absent. If not the taxpayer, please
L give their relationship to the taxpayer,
- L * Documentation to support your claim.

L
M To support the claim that an absence prevented you from meeting your
M tax obligations, please provide:

- M * Dates on which the absence began and ended,
- M * The name of the person who was absent. If not the taxpayer, please
M give their relationship to the taxpayer,
- M * Reason for the absence and how it prevented the taxpayer from
M filing and/or paying,
- M * Why the absence was unforeseen and unavoidable, and
- M * Documentation to support your claim.

M
N To support the claim that bankruptcy prevented you from meeting your
N tax obligations, please provide:

- N * Documentation to prove that you were under bankruptcy court
N protection at the time the tax payment was due.

N
O To support the claim that a casualty prevented you from meeting your
O tax obligations, please provide:

- O * The date(s) the casualty or disaster began and ended,
- O * Cause of the casualty (fire, earthquake, etc.),
- O * What was destroyed or lost,
- O * Impact of the casualty on your tax records (were they destroyed,
O lost, etc.),
- O * Whether you were in a casualty area recognized by the Federal
O Emergency Management Agency (FEMA), and
- O * If not in a FEMA designated casualty area, give proof of the
O casualty (an insurance claim, police report, a newspaper story

O that shows the casualty affected you directly, etc.).

O

P To support the claim that a death prevented the taxpayer from meeting
P their tax obligations, please provide:

- P * The name of the person who died (if not the taxpayer, please give
P their relationship to the taxpayer),
- P * The date of death, and
- P * Proof of death (a copy of the death certificate, obituary notice,
P etc.).

P

P If the death occurred after the return was due, also provide:

- P * The date the illness or injury stopped the taxpayer from taking
P care of normal financial activities (making a mortgage payment,
P paying monthly utility bills, etc.), and
- P * Documentation of the illness or injury (including dates) from a
P doctor or hospital.

P

Q To support the claim that age-related infirmities prevented the
Q taxpayer from meeting their tax obligations, please provide:

- Q * Name of the person who has taken responsibility for managing the
Q taxpayer's affairs and their relationship to the taxpayer (legal
Q guardian, relative, etc.),
- Q * Date this responsibility was assumed, and
- Q * Documentation of the taxpayer's infirmity (letter from a nursing
Q home or doctor that confirms the taxpayer's condition).

Q

R To support the claim that you requested a timely extension of time to
R file, please provide:

- R * A copy of the extension request.

R

S To support the claim that your request for an additional extension of
S time to file was incorrectly denied, please provide:

- S * A copy of your request for an automatic extension of time to file,
S and
- S * A copy of your request for an additional extension of time.

S

T To support the claim that you paid the tax due along with your request
T for an extension of time to file, please provide:

- T * A copy of your request for an extension of time to file,
- T * The amount and date of the payment, and
- T * Proof that you stopped payment on the check.

T

U To support the claim that you requested an additional extension of
U time to file, please provide:

- U * A copy of the approved extension stamped by IRS

U

OR

- U * A copy of both the first and second extension requests, and
- U * Proof that the second extension request was mailed timely.

U

V To support the claim that you paid the tax due along with your request
V for an additional extension of time to file, please provide:

- V * A copy of your request for an additional extension of time to file
V with proof of timely mailing (or a copy of your approved extension
V stamped by the IRS),
- V * The amount and date of the payment, and
- V * Proof that you stopped payment on the check.

V

W To support the claim that you were not aware of some taxable income
W when you filed your tax return, please provide:

- W * A description of the type of income and whether you have received
W similar income in the past, and
- W * Documentation that shows what information you received and the
W date you received it.

X To support the claim of illness, please provide[]

- X * The date the illness stopped the taxpayer from taking care of
X normal financial activities (making a mortgage payment, paying
X monthly utility bills, etc.),
- X * The date the taxpayer was able to resume normal financial
X activities, and
- X * Documentation of the illness (including dates) from a doctor or
X hospital.

Y To support the claim, please document the illness of your
Y [] by providing:

- Y * The date their illness stopped the taxpayer from taking care of
Y normal financial activities (making a mortgage payment, paying
Y monthly utility bills, etc.), and
- Y * Documentation of the illness (including dates) from a doctor or
Y hospital.

Z To support the claim of impairment, please provide:

- Z * Name of person who has taken responsibility for managing the
Z taxpayer's affairs and their relationship to the taxpayer (legal
Z guardian, relative, etc.)
- Z * Date this responsibility was assumed, and
- Z * Documentation of the taxpayer's impairment (a letter from a
Z nursing home or doctor that confirms the taxpayer's condition).
- Z * If the impairment is temporary, identify when the impairment began
Z and when it ended or is expected to end.

0 We are pleased to inform you that your request to remove the []
0 has been granted. However, this
0 action has been taken based solely on []
0 This type of penalty
0 removing any future Failure to File and Failure to Pay penalties on
0 any information you provide that meets reasonable cause criteria. You
0 should receive a notice of penalty adjustment within the next few
0 weeks.

1 Before we can consider removal of a failure to pay penalty, your tax
1 must be paid in full. When the tax is paid, please re-submit your
1 claim.

2 To support the claim that an error in an IRS publication prevented you
2 from meeting your tax obligations timely, please identify:

- 2 * The relevant section(s) of the publication, and
- 2 * The date you discovered the tax return and/or payment was
2 required.

3 To support the claim that IRS gave you incorrect advice, please
3 provide[]

- 3 * The identity of the IRS employee who gave you the advice (name,
3 employee number, etc.),

- 3 * The date you requested the advice,
- 3 * The information you provided to the IRS,
- 3 * The information or advice the IRS gave you, and
- 3 * The date you discovered the tax return and/or payment was
- 3 required.

4 To support the claim that IRS gave you incorrect advice, please
4 provide[]

- 4 * A copy of the correspondence you sent the IRS,
- 4 * A copy of the response from the IRS, and
- 4 * The date you discovered the tax return and/or payment was
- 4 required.

5 To support the claim that your income tax return and/or payment were
5 lost in the mail or lost by IRS, please provide[]

- 5 * Proof of timely mailing

5 If a payment was mailed, please also provide:

- 5 * The amount of the payment and proof of stop payment on the check.

6 To support the claim that your income tax return and/or payment were
6 delayed in the mail or by IRS, please provide:

- 6 * Proof of timely mailing.

7 To support the claim that a postal error caused the loss or
7 destruction of your income tax return and/or payment, please provide[]

- 7 * Proof of timely mailing, and
- 7 * The amount of the payment and proof of stop payment on the check,
- 7 if a payment was lost or destroyed

7 OR

- 7 * Documentation of an error on the part of the post office that
- 7 shows your payment was mailed timely.

8 To support the claim that your tax return and/or payment were sent
8 timely to a lock box, please provide:

- 8 * Documentation of timely mailing to the lock box.

9 To support your claim, please identify:

- 9 * The date you were first prevented from taking care of normal
- 9 (financial activities (making a mortgage payment, paying monthly
- 9 utility bills, etc.),
- 9 * The date you were able to resume normal financial activities,
- 9 * The impact the situation had on you, and
- 9 * Any documentation that will support your claim.

a To support the claim that your tax records were unavailable because of
a the death of your [] who had the records, please
a provide:

- a * The date you gave your tax records to them,
- a * The date they died, and
- a * Proof of death (a copy of the death certificate, obituary notice,
- a etc.).

a If the death occurred after the return was due, also provide:

- a * The date the illness or injury stopped the taxpayer from taking
- a care of normal financial activities (making a mortgage payment,
- a paying monthly utility bills, etc.), and

a * Documentation of the illness or injury (including dates) from a
a doctor or hospital.

b To support the claim that your tax records were unavailable because of
b the illness of your [] who had the records, please
b provide:

- b * The date you gave your tax records to them,
- b * The date they became too ill to handle normal business activities,
- b * The date they were able to resume normal business activities, and
- b * Documentation of the illness (including the dates) from a doctor
b or hospital.

c To support the claim that your tax records were unavailable because
c your [] who had the records went out of business,
c please provide:

- c * The date you gave your tax records to them,
- c * The date they went out of business, and
- c * Proof or documentation of the closure.

d To support the claim that it was necessary for you to rely on
d [] for advice that turned out to be inaccurate, please
d provide:

- d * A copy or detailed account of the advice they gave you,
- d * A description of your complex tax issue(s) that required use of a
d professional tax consultant,
- d * The nature of your reliance on them, and
- d * The date you discovered the return and/or tax payment was
d required.

e To support the claim that you did not file a tax return and/or pay tax
e because of a change in the tax law, please provide:

- e * The relevant section(s) of the tax law on which you based your
e decision not to file and/or pay, and
- e * The date you discovered the tax return and/or payment was
e required.

f []

g Please note, our records do not show an []
g processed on your account for the tax period(s)
g referenced at the beginning of this letter. If your records show you
g filed Form [] extension of time to file for
g the referenced tax period(s), please also provide a copy of your
g extension request, with proof of timely mailing, with your reply.

h You also requested removal of the Estimated Tax Penalty based on your
h reasonable cause explanation. We can only waive the penalty if you
h failed to pay because:

- h 1) a casualty, disaster, or other unusual circumstance occurred, and
h the imposition of the penalty would be against equity and good
h conscience,
- h OR
- h 2) you retired during the tax year after reaching age 62
- h OR
- h 3) you became disabled during a tax year that estimated payments were
h due or during the previous year,

h AND

h 4) the underpayment was due to reasonable cause and not to willful
h neglect.

i You asked us to remove interest as well as the penalty(s) on your
i account. However, the law does not permit us to remove interest for
i reasonable cause. We charge interest on any unpaid tax, regardless of
i whether you had reasonable cause.

j Your total balance due currently []. This amount
j includes penalty(s) and interest figured []. Interest
j will continue to accrue until your account is paid in full.

j We've provided a general explanation of the possible penalties
j and/or interest included in the current balance due on your
j account. If you would like a specific explanation of how the
j amounts were computed on your account, please contact us at the
j toll-free number shown in this letter and we will send you a
j detailed computation.

j ** Filing and/or Paying Late -- IRC Section 6651 **

j We charge a 5% penalty for filing late, and a 1/2% penalty for
j paying late, when a return is filed late and the tax is not paid
j by the date it was due. When both penalties apply for the same
j month, the penalty for filing late is reduced by the amount of
j the penalty for paying late for that month.

j The penalty for filing late is based on the tax ultimately due,
j which was not paid by the original return due date without regard
j to extensions.

j The penalty for paying late is based on the net unpaid tax at
j the beginning of each penalty month following the payment due
j date for that tax.

j The penalties are charged for each month or part of a month the
j return or payment is late; however, neither penalty can be more
j than 25% in total.

j Income tax returns are subject to a minimum penalty if filed
j late and received more than 60 days after the due date. The
j minimum penalty is \$135 (\$100 for returns due before 1/1/2009) or
j 100% of the tax paid late, whichever is less.

j The penalty for paying late applies when tax is paid late, even
j if the return was filed on time. The due date for payment of
j tax shown on a return generally is the return due date without
j regard to extensions. Increases in tax must be paid within 21
j days of notice and demand for payment (10 business days if the
j amount in the notice is \$100,000 or more).

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

j For individuals who filed on time, the penalty decreases to 1/4%

j per month while an approved installment agreement with the IRS
j is in effect for payment of that tax.

j ** Interest -- IRC Section 6601 **

j We charge interest when tax is not paid on time. We figure
j interest from the due date of the return (regardless of
j extensions) to the date we receive full payment or the date
j of the notice.

k This total is the sum of balances due from multiple tax periods. The
k specific breakdown for each of the tax periods involved is as follows:
k []

l If you wish to send the information by fax, our fax number is
l []. Please include a cover sheet containing the following
l information:

l Date: _____

l Attention:

l Name: []

l Control Number: []

l Phone Number: []

l Your name: _____

l Your Social Security Number: _____

l Tax Period(s): _____

l Number of pages of faxed material: _____

m If you have any questions, please call us toll free at 1-800-829-[].

n If you have any questions, please call []

If you prefer, you may write to us at the address shown at the top of
the first page of this letter.

Whenever you write, please include this letter and, in the spaces
below, give us your telephone number with the hours we can reach you.
Also, you may want to keep a copy of this letter for your records.

Telephone Number () _____ Hours _____

Sincerely yours,

Enclosures:

Copy of this letter

Envelope

o Original Correspondence

p []

t Notice 746

u Penalty and/or Interest Computation

DECLARATION

v
v
v
v
v
v
v
v
v
v

Under penalties of perjury, I declare that the facts presented in my written protest, which are set out in the accompanying statement of facts, schedules, and other attached statements, are to the best of my knowledge and belief, true, correct, and complete.

Signature Title Date

Letter 3503C (Rev. 02-2012)

Sample