



Department of Treasury  
**Internal Revenue Service**  
 PO BOX 621505  
 ATLANTA, GA 30362-1505

AUR Control: 50059-1542

Notice: CP2000  
 Notice Date: August 13, 2012

Social Security Number:  
 [REDACTED]

Form: 1040EZ  
 Tax Year: 2010

To call for assistance:  
 1-800-829-3009 Toll Free  
 1-877-477-0967 FAX  
 between 7:00 AM - 8:00 PM

028996.233154.0269.007 3 AT 0.624 2094



DAVID H [REDACTED]  
 [REDACTED] TN [REDACTED]



028996

Contact:  
 R Colenburg

**You Must Return the Response Form by September 12, 2012**

**1 Why are you getting this notice?**

The income and payment information (e.g., wages, miscellaneous income, interest, income tax withheld, earned income credit, etc.) that we have on file does not match entries on your 2010 Form 1040EZ. If this information is correct, you will owe \$37,415.

The proposed changes to your tax are listed below.

Summary of Proposed Changes	
2010 Tax Increase	\$ 29,749
Payment Increase	\$ 0
Penalties - may not include all applicable penalties	\$ 5,950
Interest - if paid by September 12, 2012	\$ 1,716
<b>Proposed Balance Due</b>	<b>\$ 37,415</b>

**2 What steps should you take?**

Following these steps can help you understand this notice.

1. Review your 2010 tax return.
2. Compare your return to the information in the *Explanation Section* -- page 7.
3. Decide if the information in the *Explanation Section* is correct.
4. Check the answers to *Frequently Asked Questions* -- page 2.
5. Complete and return the *Response Form* in the enclosed envelope -- page 3.
6. Complete and return the *Installment Agreement Request* (enclosed) if you need to set up a payment plan.
7. Review your rights in *The Examination Process Booklet* (enclosed).

**3 What happens if you don't respond by September 12, 2012?**

We will send you a final notice, followed by a bill. During this time, interest will increase and certain penalties may apply.

## Frequently Asked Questions

**Why did it take IRS so long to contact me?**

Tax years generally end on December 31, but we may not receive complete information from employers, banks, businesses, and other payers until much later.

**Will I need to file amended returns (federal/state/local) if I agree with some or all of the proposed changes?**

1. You do not need to file an amended federal tax return to include the proposed changes shown on this notice. We will correct this tax year when we receive your response. If you choose to file an amended tax return, write "CP2000" along the top of the 1040X, attach it behind the Response Form page and send to the address shown on this notice.
2. If the changes on this notice apply to your state tax return, file an amended state/local tax return as soon as possible. We send information about changes based on this notice to your state and local tax agencies.
3. File amended returns for any prior or subsequent tax years in which the same error occurred. You'll limit the penalty and interest you owe.

**What should I do if I am currently in bankruptcy?**

If you filed for bankruptcy, please complete and return the response page, including any applicable supporting documentation if you checked Option 2 or Option 3. Please be sure to also include a copy of your bankruptcy petition.

**What steps do I take if I do not agree?**

We need you to tell us why you do not agree and send us information to support your statement. Please refer to *The Examination Process Booklet* (enclosed) for tips about what information you should send with your response.

**What if I need more time to collect my supporting documentation?**

If you cannot respond by **September 12, 2012**, please call us at 1-800-829-3009 to request an extension. *Remember: If the tax increase is correct, then we will add interest and penalties to your bill during the extension.*

**Why do I have to pay interest and penalties?**

We are required by law to charge interest and penalties, if applicable, on all tax owed that is not paid in full by its due date (usually April 15). By law, interest will continue to increase until you have fully paid the tax owed and certain penalties may apply.

**How can I prevent an error in the future?**

1. Include all income you've received during the year on your tax return.
2. Wait to file your return until you receive all income statements to be sure your return is complete. If you do not receive an income statement in time to meet the April 15th deadline, estimate the amount of income using pay stubs, bank statements, etc.
3. Check the records (for example, W-2s, 1098s, 1099s, etc.) you receive from your employer, mortgage company, bank, or other source of income to be sure the information they're reporting is correct. (Some states pay taxable unemployment benefits, so report that as income as well.)
4. If you receive any additional information after you filed your return, you should amend your return with the corrected information as soon as possible to avoid any interest or penalties.
5. Keep accurate and complete records. Normally, keeping your records for three years is sufficient.

**What if I have more questions?**

If we haven't answered your question here, you can find other Frequently Asked Questions on our website, [www.irs.gov](http://www.irs.gov), or you can call 1-800-829-4477, topic 652, for pre-recorded responses.

**Response Form #1 - Payment Enclosed**

Use this form to respond ONLY if you are enclosing a FULL or PARTIAL payment. If you are NOT sending a payment please complete Response Form #2 located on the next page.

1. Review the Explanation Section to decide whether you agree or do not agree with IRS's proposed changes.
2. Complete and return the Response Form by September 12, 2012.
3. If you need additional time, call us at 1-800-829-3009.



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**STEP A Check only one of the three options. Then go to Step B.**

*If you agree with the changes IRS is proposing, return this form with your FULL or PARTIAL payment along with the completed Installment Agreement Request for the remaining balance (if applicable).*

**OPTION 1** | I Agree with all Changes

I agree with the changes to my 2010 tax return.  
 I understand that I owe \$ 37,415 in additional tax, penalties, and interest.  
 I understand that the law requires IRS to charge interest on taxes that are not paid in full by April 18, 2011. In addition, I understand that the IRS will charge interest until I have paid the tax in full. Certain penalties may also apply.  
 I understand that I can challenge these changes in the U.S. Tax Court only if IRS determines after the date I sign this form that I owe additional taxes for 2010.  
 I understand that I can file for a refund at a later date.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

*If you do not agree with the changes IRS is proposing, return this form. When you return this form, include a signed statement that explains what you do not agree with. Also include copies of any documents, such as a corrected W-2, 1099, or missing forms, that support your statement.*

**OPTION 2** | I Do Not Agree with Some of the Changes

I've enclosed documentation to support the entries on my original return.

**OPTION 3** | I Do Not Agree with Any of the Changes

I've enclosed documentation to support the entries on my original return.

**STEP B Check the applicable payment options. Then go to Step C.**

*Tip! Pay as much as you can now to keep penalty and interest charges low.  
 Make your check or money order payable to "United States Treasury." Write "Tax Year 2010 CP2000," this Social Security Number \_\_\_\_\_, and your phone number on your check or money order.*

**OPTION 1** | I'm paying the proposed balance due of \$ 37,415.

*Balance may not include all applicable penalties - refer to the Explanation Section.*

**OPTION 2** | I'm making a payment of \$ \_\_\_\_\_ because either:

- I'm paying the amount I agree with or
- I'm making a partial payment at this time and would like to request a payment plan for the balance. Complete the Installment Agreement Request (Form 9465) and mail it along with this form. Please refer to Form 9465 instructions for applicable fees.



\* \_\_\_\_\_ \*

<b>STEP C</b> Contact Information	
1. Please verify your address and note any corrections in the space below. <i>(Print clearly.)</i>	
DAVID H [REDACTED] [REDACTED] TN [REDACTED]	Make any address corrections here.
2. Please list your phone numbers and the best time to call below.	
Home	Best Time to Call
Work	Best Time to Call
3. If you would like to authorize someone, in addition to you , to contact IRS concerning this notice, please include the person's contact information and sign below.	
Name	Phone
Address	
I authorize the person listed above to discuss information with and provide information to IRS about this notice.	
Signature	Date
<i>The authority granted in Step C 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.</i>	

**Before Mailing** Please make sure you have:

- Completed Steps A, B, and C (both sides of this form).
- Included this form and your payment (if applicable) in the envelope provided.
- Included the *Installment Agreement Request* (if applicable) in the envelope provided.
- Made a copy for your records of the *Response Form* and the *Installment Agreement Request* if you used it.
- Checked that the IRS address shows through the envelope window.

**Please Fold Here. Do not detach. Please be sure our address shows through the envelope window.**

{RF04}

AUR Control Number: 50059-1542

Notice Number: CP2000  
Notice Date: 08/13/2012

INTERNAL REVENUE SERVICE  
KANSAS CITY, MO 64999-0204

DAVID H  
[REDACTED]  
[REDACTED] TN [REDACTED]



**Response Form #2 - No Payment Enclosed**

Use this form to respond **ONLY** if you are **NOT** enclosing a payment. If you are sending a payment please complete Response Form #1 located on the previous page.

1. Review the Explanation Section to decide whether you agree or do not agree with IRS's proposed changes.
2. Complete and return the Response Form by **September 12, 2012**.
3. If you need additional time, call us at **1-800-829-3009**.



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**STEP A** Check only one of the three options. Then go to Step B.

If you agree with the changes IRS is proposing, but are unable to send a payment at this time check Option 1 below and proceed to Step B, Option 1.

**OPTION 1** | I Agree with All Changes

I agree with the changes to my 2010 tax return.  
 I understand that I owe \$37,415 in additional tax, penalties, and interest.  
 I understand that the law requires IRS to charge interest on taxes that are not paid in full by April 18, 2011. In addition, I understand that the IRS will charge interest until I have paid the tax in full. Certain penalties may also apply.  
 I understand that I can challenge these changes in the U.S. Tax Court only if IRS determines after the date I sign this form that I owe additional taxes for 2010.  
 I understand that I can file for a refund at a later date.

Signature \_\_\_\_\_

Date \_\_\_\_\_

If you do not agree with the changes IRS is proposing, return this form. When you return this form, include a signed statement that explains what you do not agree with. Also include copies of any documents, such as a corrected W-2, 1099, or missing forms, that support your statement.

**OPTION 2** | I Do Not Agree with Some of the Changes

I've enclosed documentation to support the entries on my original return.

**OPTION 3** | I Do Not Agree with Any of the Changes

I've enclosed documentation to support the entries on my original return.

**STEP B** Check the appropriate option below, and proceed to Step C.

**OPTION 1** | I agree with ALL of the changes but am unable to pay the amount I owe. I'd like to request a payment plan for the full amount.

Complete the *Installment Agreement Request (Form 9465)* and mail it along with this form.

**OPTION 2** | I agree with SOME of the changes but am unable to pay the amount I owe. I'd like to request a payment plan for \$\_\_\_\_\_.

Complete the *Installment Agreement Request (Form 9465)* and mail it along with this form.

**OPTION 3** | I do NOT agree with ANY of the changes and am not making a payment at this time.



⌘ \_\_\_\_\_ ⌘

<b>STEP C</b>		<b>Contact Information</b>	
1. Please verify your address and note any corrections in the space below. <i>(Print clearly.)</i>			
DAVID H [REDACTED] [REDACTED] TN [REDACTED]		Make any address corrections here.	
2. Please list your phone numbers and the best time to call below.			
Home		Best Time to Call	
Work		Best Time to Call	
3. If you would like to authorize someone, in addition to you , to contact IRS concerning this notice, please include the person's contact information and sign below.			
Name		Phone	
Address			
I authorize the person listed above to discuss information with and provide information to IRS about this notice.			
Signature		Date	
<small>The authority granted in Step C 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.</small>			

**Before Mailing** Please make sure you have:

- Completed Steps A, B, and C (both sides of this form).
- Included this form and your payment (if applicable) in the envelope provided.
- Included the *Installment Agreement Request* (if applicable) in the envelope provided.
- Made a copy for your records of the *Response Form* and the *Installment Agreement Request* if you used it.
- Checked that the IRS address shows through the envelope window.

**Please Fold Here. Do not detach. Please be sure our address shows through the envelope window.**

(RF05) AUR Control Number: 50059-1542

Notice Number: CP2000  
Notice Date: 08/13/2012

INTERNAL REVENUE SERVICE  
ATLANTA IRS CENTER  
PO BOX 621505  
ATLANTA, GA 30362-1505

[REDACTED]  
DAVID H [REDACTED]  
[REDACTED] TN [REDACTED]



**Explanation Section**

**How to Review This Section**

1. Compare your records with the records we received under **Information Reported to IRS**.
2. Review the **Reasons for the Changes** to see why we changed your return.
3. Proceed to **Changes to Your Return** to see how your new tax was calculated.
4. Once you have fully reviewed the **Explanation Section**, please complete and return the **Response Form** in the envelope provided.

**1. Information Reported to IRS that differs from the amounts shown on your return.**



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This section tells you specifically what income information IRS has received about you from others (including your employers, banks, mortgage holders, etc.). The information listed below does not match the information you listed on your tax return. Use this table to compare the data IRS has received from others to the information you listed on your tax return to understand where the discrepancy, or difference, occurred. To assist you in reviewing your income amounts, the table may include both reported and unreported amounts from the same payer.

If this information is correct, your tax increase is \$ 29,749 plus all applicable penalties, interest and payment adjustments such as federal tax withholding, excess social security tax withheld, etc. If you pay in full by September 12, 2012 you'll owe \$ 37,415.

NONEMPLOYEE COMPENSATION Account Information	Amount Reported to IRS by Others	Amount Included on Your Return	Difference
#001 EIN: [REDACTED] Form 1099-MISC DESC: SALES DATE: 05-23-2011 [REDACTED] [REDACTED] TN [REDACTED]	\$ 96,390	\$ 0	\$ 96,390
<b>NONEMPLOYEE COMPENSATION Total</b>	<b>\$ 96,390</b>	<b>\$ 0</b>	<b>\$ 96,390</b>

## 2. Reasons for the Changes

This section provides explanations to help you understand the proposed changes to your tax return.

The paragraphs that follow provide explanations for:

- the items listed in Section 1. *Information Reported to IRS*
- the changes to your tax computation listed in Section 3. *Changes to Your Return*
- the penalty and interest charges listed in Section 3. *Changes to Your Return*
- *Payment Instructions*
- *Additional Information* that will help you understand this notice and what action you need to take to resolve the tax discrepancy

Within each subsection below, the paragraphs are organized by topic to help you review them.

These paragraphs explain the items listed in Section 1. *Information Reported to IRS.*

### Other Income

#### General

##### MISIDENTIFIED INCOME

If any of the income shown on this notice is not yours, send us the name, address, and social security number of the person who received the income. Please notify the payers to correct their records to show the name and social security number of the person who actually received the income, so that future reports to us are accurate.

##### FORM W-2 OR 1099 NOT RECEIVED

The law requires you to report your income correctly. If your payers did not send you a yearly income statement (Form W-2, Form 1099, etc.), you must use the information you have (pay stubs, monthly income statements, deposit slips, etc.) to estimate the total amount of income you received during the year.

### Tax & Credits

#### Taxable Income

##### NEGATIVE TAXABLE INCOME

The taxable income per return (TXI) on this notice differs from your original return. This notice reflects the actual amount of your taxable income to ensure proper credit for deductions and exemptions.



**Other Taxes**

**Self-Employment Tax - Schedule SE**

**SELF-EMPLOYMENT TAX ON SELF-EMPLOYMENT (SE) INCOME**  
 Self-Employment(SE) income generally includes nonemployee compensation and other income from part-time or full-time work and is subject to Self-Employment Tax. We figured the Self-Employment Tax on the net SE income reported on your return and/or on the underreported SE income. Self-Employment Tax consists of Social Security Tax of 12.4% and Medicare Tax of 2.9%. (Even if you have paid the maximum amount of Social Security Tax, you are still liable for additional Medicare Tax.) The deduction for one-half of the Self-Employment Tax is based on the change we made to your Self-Employment Tax. If you were an employee, you will be liable for income tax and the employee's share of Social Security (6.2%) and Medicare taxes (1.45%). Your social security account will be credited with the amount of Self-Employment income shown on this notice.



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**Payments & Credits**

**Refundable Miscellaneous Credits**

**MAKING WORK PAY CREDIT**  
 The Making Work Pay Credit is based on earned income and modified adjusted gross income (MAGI). The credit may be increased if your earned income was originally less than \$6,451 (\$12,903 if married filing jointly). The credit begins to decrease when your MAGI exceeds \$75,000 (\$150,000 if married filing jointly) and is eliminated completely when your MAGI reaches or exceeds \$95,000 (\$190,000 if married filing jointly).

**Penalty & Interest Charges**

**Penalties**

**ACCURACY PENALTY FOR SUBSTANTIAL TAX UNDERSTATEMENT - IRC SECTION 6662(d)**  
 If we increase your tax, and the increase exceeds 10% of the corrected tax and is also equal to or greater than \$5,000, the law requires an accuracy-related penalty due to substantial understatement of tax. The penalty is 20% of your tax increase. The penalty may be reduced or not charged if you:

- \* Provide the substantial authority (such as, Internal Revenue Code, Regulations, Revenue Rulings, Revenue Procedures, etc.) you used to decide how to treat your income or deduction, or
- \* Tell us where on your return you clearly show the facts supporting your treatment of the income or deduction, or
- \* Submit a signed statement that clearly outlines the facts supporting your treatment of the understated income.

**Interest Charges**

**INTEREST PERIOD - IRC SECTION 6601**  
 We are required by law to charge interest on unpaid tax from the due date of the tax return to the date the tax is paid in full. The law requires that interest continue to be charged on the unpaid balance, including penalties, until paid in full.

**Penalty & Interest Charges****For More Information about Your Penalty & Interest Charges****DETAILED PENALTY/INTEREST COMPUTATION**

If you require a detailed penalty or interest computation for this notice, please call the toll-free telephone number listed on page 1.

**Additional Information****FORMS, SCHEDULES, OR ASSISTANCE AVAILABILITY**

If you need forms or schedules to respond to this notice, you may get them by:

- \* Visiting local offices and some public libraries,
- \* Calling 1-800-TAX-FORM (1-800-829-3676), or
- \* Visiting the IRS Web site at [www.irs.gov](http://www.irs.gov)

If you have questions about this notice you may:

- \* Call the telephone number provided on the notice,
- \* Visit your local Taxpayer Assistance Center or Low Income Clinic (refer to [www.irs.gov](http://www.irs.gov) for locations), or
- \* Obtain professional assistance (Attorney, Certified Public Accountant, Enrolled Agent, Tax Preparer/Practitioner, etc).

**3. Changes to your Return**

*Note: We only show the items that have been affected by the information we received in the following chart. All other items are correct as shown on your return. Unless noted, line numbers always refer to the line number on your tax return.*



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Changes to Your Income and Deductions	Shown on Return	Reported to IRS, or as Corrected	Difference
<b>NONEMPLOYEE COMPENSATION</b>	\$ 0	\$ 96,390	\$ 96,390
<b>Income Net Difference</b>			\$ 96,390
<b>SELF-EMPLOYMENT TAX DEDUCTION</b>	\$ 0	\$ 6,810	\$ 6,810
<b>(*1)Deductions Net Difference</b>			\$ 6,810
<b>Total Change to Taxable Income</b>			\$ 89,580

Changes to Your Tax Computation	Shown on Return	As Corrected By IRS	Difference
Taxable Income, line 6	\$ -9,350	\$ 80,230	\$ 89,580
Tax, line 11	\$ 0	\$ 16,238	\$ 16,238
Self-Employment Tax	\$ 0	\$ 13,619	\$ 13,619
Total Tax, line 11	\$ 0	\$ 29,857	\$ 29,857
Making Work Pay Credit, line 8	\$ 0	\$ 108	\$ 108
<b>(*2)Net Tax Increase</b>			\$ 29,749

Summary of Proposed Changes	
Amount of Tax Increase	\$ 29,749
Accuracy-Related Penalty, IRC Section 6662(a)	\$ 5,950
Interest, IRC Section 6601, From 04/18/2011 To 09/12/2012	\$ 1,716
<b>Total Amount You Owe</b>	<b>\$ 37,415</b>

(\*1)Increases to Deductions result in a decrease to Taxable Income.  
 (\*2)Increases to Credits result in a decrease to Tax.

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