



Department of the Treasury
Internal Revenue Service

P.O. Box 219236 Stop P-4 5000
Kansas City MO 64121-9236

In reply refer to: 0870171906
June 17, 2024 LTR 2273C 3
***-**-7133 201312 30 1
00008683
BODC: WI

CHARLES A NICKOSON
% DAVID W COLLINS
9301 OCOEE ST UNIT 64
OOLTEWAH TN 37363-7722

026361

Taxpayer identification

number: ***-**-7133
Forms: 1040
Tax periods: Dec. 31, 2013 Dec. 31, 2014

Dear Taxpayer:

This letter responds to our conversation on June 06, 2024, when you asked about ways to resolve your account balance.

Based on your proposal, we established your installment agreement for the tax periods listed at the top of this letter. Your monthly payment of \$175.00 is due on the 15th of each month, beginning on July 15, 2024.

WHAT YOU NEED TO KNOW ABOUT YOUR INSTALLMENT AGREEMENT

WHAT YOU NEED TO DO

You must meet all conditions of your installment agreement. If you don't, your installment agreement could go into default and we may terminate it and take enforcement action to collect the full amount of your tax liability. Enforcement action could include:

- Filing a Notice of Federal Tax Lien (which notifies your creditors of our lien against your property) or
- Placing a levy on your wages or bank accounts.

If we terminate your installment agreement and you later apply for and receive reinstatement, you'll have to pay a reinstatement user fee.

If you are a low-income taxpayer:

- The reinstatement user fee is reduced.
- You qualify for a waiver of the reinstatement user fee if you agree to make electronic payments through a debit instrument by reinstating your installment agreement as a direct debit installment agreement (DDIA). But, if you are a low-income taxpayer and are unable to make electronic payments through a debit

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instrument by reinstating your installment agreement as a DDIA, then you would qualify for a reimbursement of the reinstatement user fee upon completion of the installment agreement.

The other conditions of this agreement are:

- You must file all federal tax returns and pay on time all federal taxes due during the term of this agreement.
- We'll apply all installment agreement payments to the oldest tax assessments first, then penalties, then interest on those assessment.
- You must pay all installment agreement user fees.
- You must provide a current financial statement when we request one. If you have a change in your ability to pay, we can modify or terminate your installment agreement.

We'll send you a monthly statement with a payment voucher and return envelope shortly before each payment is due. The statement will show your remaining balance and your monthly payment amount. We must receive your payment by the due date. If you don't receive your statement at least 10 days before your payment due date, you should mail us your payment with a copy of the last page of this letter.

If you send payments by mail, make your check or money order payable to the United States Treasury and provide on each payment your:

- Name
- Address
- Taxpayer identification number
- Daytime telephone number
- Tax period
- Tax form

Please use the return envelope provided with your statement.

Any time you can afford to pay more than the required payment amount, you should do so. Extra payments help you avoid additional penalty and interest charges on the amount you still owe.

If your address changes, send a completed:

- Form 8822, Change of Address, to the address on page 2 of that form for individual changes, or
- Form 8822-B, Change of Address or Responsible Party - Business, to the address on page 1 of that form for business changes.

We'll apply any refunds you're due to the amount you owe until you pay

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your balance due in full. A refund offset isn't a substitute for a monthly payment. You must still make your regular monthly payment if we apply a refund to your account.

You must timely file all required federal tax returns.

We've provided a general explanation of the possible penalties and/or interest we may have included in the current balance due on your account. If you want a specific explanation of how we computed the balance on your account, call us at the toll-free number in this letter and we will send you a detailed computation.

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

We assess a 5% monthly penalty for filing your return late and a 1/2% monthly penalty for not paying the tax you owe by the due date. When both penalties apply for the same month, the amount of the penalty for filing late for that month is reduced by the amount of the penalty for paying late for that month.

The Failure to File or Failure to Pay penalty may not apply where you've shown that the failure is due to reasonable cause and not willful neglect.

We base the monthly penalty for filing late on the tax required to be shown on the return that you didn't pay by the original return due date, without regard to extensions.

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.

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

Income tax returns are subject to a minimum late filing penalty when filed more than 60 days after the return due date, including extensions. The minimum penalty is the LESSER of two amounts - 100% of the tax required to be shown on the return that you didn't pay on time, or a specific dollar amount that is adjusted annually for inflation. The specific dollar amounts are:

- \$485 for returns due on or after 1/1/2024
- \$450 for returns due between 1/1/2023 and 12/31/2023
- \$435 for returns due between 1/1/2020 and 12/31/2022

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- \$210 for returns due between 1/1/2018 and 12/31/2019
- \$205 for returns due between 1/1/2016 and 12/31/2017
- \$135 for returns due between 1/1/2009 and 12/31/2015
- \$100 for returns due before 1/1/2009

The penalty for paying late applies even if you filed the return on time. The due date for payment of the tax shown on the return generally is the return due date, without regard to extensions. You must pay increases in tax within 21 days from 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 from the date of the notice, the penalty for paying late increases to 1% per month.

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.

**** Interest -- IRC Section 6601 ****


We're required by law to charge interest when you don't 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 applicable 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 the penalty for 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.


Federal income tax is a pay-as-you-go tax. You must pay the tax, as you earn or receive income during the year, in one of three ways:

1. Withholding - If you're an employee, your employer will withhold income tax from your pay. Payers also withhold tax from other types of income, including pensions, bonuses, commissions, and gambling winnings. In each case, the amount withheld is paid to the United States Treasury in your name.

If you had too little tax withheld from your wages, you should give your employer a new Form W-4, Employee's Withholding Certificate, to increase the amount of withholding. You can



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calculate the proper withholding status and rate by using the Tax Withholding Estimator at www.irs.gov/w4app.

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When you do not have enough tax withheld from your wages, the IRS can issue a Withholding Compliance "lock-in" letter to your employer directing them to withhold federal income tax at the highest rate.

If you received a lock-in letter, you must continue to file returns and pay your tax due by the due date of the return, generally April 15th for most taxpayers. If you timely meet all your filing and payment obligations for three consecutive years, you can request the IRS release you from the Withholding Compliance Program.

An installment agreement does NOT meet the requirements for a release from the Withholding Compliance Program.

2. Estimated tax payments - If you don't pay your tax through withholding or don't pay enough, you might have to pay estimated tax. Self-employed individuals generally pay their tax this way. Refer to Form 1040-ES, Estimated Tax for Individuals.

If you need more information about changing your Form W-4 or making estimated tax payments, let us know. For more information view Publication 334, Tax Guide for Small Business, or Publication 505, Tax Withholding and Estimated Tax at www.irs.gov/forms-pubs. Publication 505 explains both methods in detail.

3. Federal tax deposits - If you have employees, you may be required to make federal tax deposits for employment taxes. As an employer, you must withhold federal income tax, Social Security tax, and Medicare tax from wages you pay your employees. You must also pay the employer portion of Social Security and Medicare taxes, and pay Federal Unemployment Tax Act (FUTA) tax. Employers required to make deposits must deposit electronically using the Electronic Federal Tax Payment System (EFTPS).

If you need more information about making federal tax deposits, let us know. Publication 15, Circular E, Employer's Tax Guide, and Publication 15-A, Employer's Supplemental Tax Guide, explain in detail an employer's responsibilities. You can also visit www.EFTPS.gov or call EFTPS Customer Service at 800-316-6541 (individual) or 800-555-4477 (business).

HOW TO PAY THE TAX YOU OWE

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You can send your payments by mail each month or use one of several other payment options.

Pay in person

You can pay at a local IRS office by personal check, cashier's check, certified check, or money order. When you pay in person, be sure to bring this letter with you. Some offices also accept cash (but they can't provide change). Check www.irs.gov/appointments to find the services available at each site and the hours of operation.

Pay electronically

Visit www.irs.gov/payments for information on paying your taxes electronically. If you don't have access to the internet, call EFTPS Customer Service at 800-316-6541 (individual) or 800-555-4477 (business).

For credit or debit card payments, fees may vary between the service providers.

HOW TO CONTACT US

If you have questions, you can call 800-829-0922.

If you are out of the country and need assistance, please call us at +1-267-941-1000 (not toll-free).

You can also find more information on our website at www.irs.gov.

You can get the forms or publications mentioned in this letter by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

When you write, include a copy of this letter, and write your telephone number and the hours we can reach you in the spaces below.

Telephone Number () _____ Hours _____

Keep a copy of this letter for your records.

Thank you for your cooperation.



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Sincerely yours,

A handwritten signature in cursive script that reads "William C. Smits". The signature is written in black ink and is positioned below the "Sincerely yours," text.

William C. Smits, A/Director
Campus Collection, Andover

Enclosures:
Envelope

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