



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

031322.281497.485938.16648 2 AB 0.419 1434



RAJU PUSAPATI & V BHUPATHIRAJU
1506 BRADEN CIR
FRANKLIN TN 37067-8595



031322



Notice CP2000
Tax year 2018
Notice date November 2, 2020
Social Security number 607-17-0964
AUR control number 50033-1774
To contact us Phone 1-800-829-8310
Fax 1-877-477-0967

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60717096420181

We are proposing changes to your 2018 Form 1040 tax return. This is not a bill.

Proposed amount due: \$18,577

We received information from third parties such as employers or financial institutions that doesn't match the information you reported on your tax return. This notice:

- Proposes a change to tax and/or payments and credits (such as federal income tax withheld, earned income credit, etc.) that you originally reported.
- Provides you with an opportunity to agree or disagree with the proposed changes. If our information is correct, you will owe \$18,577 (including interest), which you need to pay by December 2, 2020.

Summary of proposed changes

Tax you owe	\$14,360
Payments	\$0
Substantial tax understatement penalty	\$2,872
Interest	\$1,345
Proposed amount due by December 2, 2020	\$18,577

Reminder: This is not a bill. We haven't charged the proposed amount due.

What you need to do immediately

If you need more time to respond to this notice, contact us at 1-800-829-8310. Interest will continue to accrue during this period if the information in this notice is correct.

Review this notice, and compare our changes to the information on your 2018 tax return.

If you agree with the proposed changes

- Complete, sign, and date the Response form on Page 9 (**we require both spouses' signatures if you filed married filing jointly**), and mail it to us along with your payment of \$18,577 so we receive it by December 2, 2020.
- Do not file an amended return (Form 1040X) if you fully agree with our changes.** We'll make the correction when we receive your signed response.

If you don't agree with the proposed changes

- Complete the Response form on Page 9, and send it to us along with a signed statement explaining your disagreement and include any documentation that supports your claim so we receive it by December 2, 2020.
- If you have allowable costs or expenses related to the unreported income that will change our proposal, it may benefit you to include the applicable form or schedule with your response.

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- It is **not** necessary to file an amended return (Form 1040X) for 2018 if you don't agree with our changes. We'll review your response and make any applicable corrections. However, if you choose to file an amended return, write "CP2000" on top of it and attach it **behind** your completed Response form.

If you need assistance contact us at 1-800-829-8310.

If we don't hear from you

If we don't receive your response by December 2, 2020, we'll send you a Statutory Notice of Deficiency followed by a final bill for the proposed amount due. During this time, interest will continue to accrue and penalties may apply.



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Changes to your 2018 tax return

Your income and deductions	Shown on return	As corrected by IRS	Difference
Interest	\$0	\$3	\$3
Retirement income taxable	\$0	\$40,187	\$40,187
Health savings account distribution	\$0	\$2,351	\$2,351
Income net difference			\$42,541
Change to taxable income			\$42,541

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Your tax computations	Shown on return	As corrected by IRS	Difference
Taxable income, Form 1040, line 10	\$97,605	\$140,146	\$42,541
Tax, Form 1040, line 11	\$13,357	\$22,711	\$9,354
Education credits, Schedule 3, line 50	\$1,500	\$1,190	-\$310
Child tax credit/credit for other dependents, Form 1040, line 12a	\$2,500	\$2,500	\$0
Tax on qualified plans	\$0	\$4,489	\$4,489
Total tax, Form 1040, line 15	\$9,357	\$23,510	\$14,153
American opportunity credit, Form 1040, line 17c	\$1,000	\$793	-\$207
Tax you owe *1			\$14,360

Payments	Shown on return	As corrected by IRS	Difference
Income tax withheld, Form 1040, line 16	\$8,788	\$8,788	\$0
Total payments			\$0

(*1) Decreases to credits result in an increase to tax.

Explanation of changes to your 2018 Form 1040

This section tells you specifically what income information the IRS received about you from others (including your employers, banks, mortgage holders, etc.). This information doesn't match the information you reported on your tax return.

Use the table to compare the data the IRS received from others to the information you reported on your tax return to understand where the difference(s) occurred. To assist you in reviewing your income amounts, the table may include both reported and unreported amounts.

Interest			Shown on return	Reported by others	Difference
Received from	Address	Account Information			
CHARLES SCHWAB & CO., INC.	9800 SCHWAB WAY LONE TREE CO 80124	91216345 SSN 607-17-0964 Form 1099-INT	\$0	\$3	\$3

Retirement Income Taxable			Shown on return	Reported by others	Difference
Received from	Address	Account Information			
GREAT-WEST TRUST COMPANY LLC	PO BOX 173764 D999 DENVER CO 802173764	98986 SSN 607-17-0964 Form 1099-R Distrib CD L	\$0	\$40,187	\$40,187

Health Savings Account Distribution			Shown on return	Reported by others	Difference
Received from	Address	Account Information			
DIGITAL FEDERAL CREDIT UNION	220 DONALD LYNCH BLVD MARLBOROUGH MA 01752	5081747 SSN 607-17-0964 Form 1099-SA	\$0	\$2,351	\$2,351

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Refundable American Opportunity Credit

We decreased or eliminated the American Opportunity Credit you claimed on your tax return because it phased out when we adjusted your modified adjusted gross income (MAGI). We phase the credit out when MAGI exceeds \$80,000 (\$160,000 if married filing jointly) and eliminate it completely when MAGI reaches or exceeds \$90,000 (\$180,000 if married filing jointly).

20% Tax on Health Savings Account distributions

Your premature distributions from a health savings account are subject to an additional 20% tax. A distribution is premature if it was paid before you reached age 65. The 20% tax is based on the taxable portion of the distribution. Exceptions may apply as shown in Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans. If the distributions shown on this notice are exempt from the additional tax, please send us a signed explanation.

10% additional tax on premature distributions from a qualified retirement plan

Premature distributions from a qualified retirement plan are subject to a 10% additional tax. A distribution is considered premature if it was paid before you reached age 59 1/2. Exceptions may apply as shown in the instructions for Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts. If the distributions shown on this notice qualify for an exemption, send us a completed Form 5329.

Education credits

Based on proposed changes to your income and tax, we're also proposing an adjustment to the amount of education credits (American Opportunity and Lifetime Learning Credits) you can claim on your tax return.

Health savings account distribution

The health savings account distribution reported on your return doesn't agree with the information provided to us on Forms 1099-SA, Distributions From an HSA, Archer MSA, or Medicare Advantage MSA. Send us a completed Form 8889, Health Savings Accounts (HSAs). Use Part II of Form 8889 to calculate the taxable distribution amount.

Form W-2 or 1099 not received

The income reported on your return doesn't match the documents we received from your employer or payers. The law requires you to accurately report all income you receive. If your employers don't send proper information documents or forms (for example, Form W-2, Wage and Tax Statement, Form 1099), you must estimate your income based on your paycheck stubs, bank statements, or other records and include your estimate on your tax return.

Misidentified income

If any of the income shown on this notice isn't yours, send us the name, address, and taxpayer identification number of the person who received the income. To prevent future incorrect reporting to the IRS, notify the payer to adjust their records to show the correct name and taxpayer identification number.





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Health Savings Account distributions - Form 8889

You can exclude health savings account (HSA) distributions used exclusively to pay qualified medical expenses. However, in your gross income you should include any part of a distribution not used to pay qualified medical expenses. That amount is subject to an additional 20% tax unless an exception applies.

We need more information to determine the taxable portion of the HSA distribution shown on this notice. Complete and send to us Part II, HSA Distributions, on Form 8889, Health Savings Accounts (HSAs).

Retirement distributions

We couldn't identify the retirement distribution reported on your return based solely on information your payers reported to us. We need to know if the reported income is a pension, an annuity, an IRA, a lump sum distribution, or an employee savings plan.

If it's a pension, an annuity, or an employee savings plan and you're recovering your contributions using the Simplified Method or General Rule, send us a signed statement with the date of your first payment, the amount you receive monthly, and the total amount you contributed.

If it's an IRA or lump sum distribution which you rolled over, send us Form 5498, IRA Contribution Information or similar documentation.

If the income is an employee savings plan, send us a copy of the document showing the gross and non-taxable amount of the distribution you received.

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Borrowing from pension/annuity plan

You may need to treat money you borrowed from an employer's qualified pension or annuity plan as a distribution for tax purposes. If the borrowed amount was reported to you on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., with a distribution code L, the loan is taxable. For exceptions to this rule, see Publication 575, Pension and Annuity Income. If you disagree with our proposed adjustment, send us a signed, detailed statement explaining why you disagree and the amount you believe is taxable, even if it's zero.

Next steps

If you agree with our proposed changes, send us your signed Response form so we receive it by the due date of this notice. After you receive the billing notice showing we've adjusted your account, you can use the following online payment options:

- Visit www.irs.gov/payments for information about online payment options including:
 - Pre-assessed installments and payment agreements
 - Payroll deductions
 - Credit card payments
 - Direct debit payments
 - Applicable fees
- To apply for an installment agreement plan by mail, send in your signed Response form AND a completed Form 9465, Installment Agreement Request.

If the same error occurred in another tax year, file a Form 1040X for that tax year.

We send information about these changes to state and local tax agencies. If the changes we made to your federal tax return also impact your state or local tax return, file an amended state or local tax return as soon as possible.

Penalties

We are required by law to charge any applicable penalties.

Substantial tax understatement

Description	Amount
Accuracy-related penalty substantial understatement of tax - IRC 6662(b)(2); 6662(d)	\$2,872

If we increase your tax and the increase is more than the greater of 10% of your correct tax liability or \$5,000, we're required to charge an accuracy-related penalty for the substantial understatement of tax. The penalty is 20% of the portion of the underpayment of tax attributable to a substantial understatement of income tax. We may reduce or eliminate the penalty if you send a signed statement with one of the following:

- Facts that support your treatment of the understated income and the authority for your decision, such as the Internal Revenue Code, Treasury Regulations, Revenue Rulings, Revenue Procedures, etc.
- An explanation as to how you clearly disclosed the item, such as by attaching Form 8275, Disclosure Statement, or Form 8275R, Regulation Disclosure Statement, and that there is a reasonable basis for your position.



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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)

Interest is calculated to 30 days from the date of the notice for domestic addresses and 60 days from the date of the notice for foreign and APO/FPO/DPO addresses. Interest will continue to accrue until you pay the amount you owe in full.

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Description	Amount
Total Interest	\$1,345

The table below shows the rates used to calculate the interest on your unpaid amount from the date the tax return was due until the tax is paid in full. For a detailed calculation of your interest, call 1-800-829-8310.

Period	Interest rate
January 1, 2019 through June 30, 2019	6%
July 1, 2019 through June 30, 2020	5%
July 1, 2020 through September 30, 2020	3%
Beginning October 1, 2020	3%

Additional information

- For information about your rights, see the enclosed Publication 1, Your Rights as a Taxpayer.
- Visit www.irs.gov/cp2000 for more information about this notice, frequently asked questions, and to review the following:
 - Publication 5181, Tax Return Reviews by Mail CP2000, Letter 2030, CP2501, Letter 2531, for more information about filing an Appeal.
- For tax forms, instructions, and publications, visit www.irs.gov/forms-pubs or call 800-TAX-FORM (800-829-3676).
- This isn't an audit; your return may be subject to an examination.
- Keep a copy of this notice for your records.

The Taxpayer Bill of Rights describes ten basic rights that all taxpayers have when dealing with the IRS. To help you understand what these rights mean to you and how they apply, visit www.irs.gov.



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INTERNAL REVENUE SERVICE
PO BOX 621505
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Response form

Complete both sides of this form, and send it to us in the enclosed envelope so we can receive it by December 2, 2020. If making a payment, use the provided voucher to ensure proper application of your payment. Be sure our address shows through the window.

Provide your contact information

If your address has changed, please make the changes below.

RAJU PUSAPATI & V BHUPATHIRAJU
1506 BRADEN CIR
FRANKLIN TN 37067-8595

<input type="checkbox"/> a.m.	<input type="checkbox"/> a.m.
<input type="checkbox"/> p.m.	<input type="checkbox"/> p.m.
Primary phone	Best time to call
Secondary phone	Best time to call

1. Indicate your agreement or disagreement

I agree with all changes

I consent to the assessment of my 2018 income tax, and understand that:

- I owe \$18,577 in additional tax, payment adjustments, and interest.
- The IRS is required by law to charge interest on taxes that weren't paid in full by April 15, 2019.
- The IRS will continue to charge interest until I've paid the tax in full. Certain penalties may also apply.
- I can file a claim for a refund at a later date.
- By signing this form, I cannot challenge these changes in the U.S. Tax Court unless the IRS determines after the date I sign this form that I owe additional taxes for 2018.

Please sign and return this form with your payment.

Signature _____ Date _____

Spouse's Signature (required if you filed a joint tax return) _____ Date _____

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Indicate your agreement or disagreement—Continued

- I don't agree with some or all of the changes**
Please return this form and include a statement signed by you that explains what you don't agree with. Also include copies of any documents, such as corrected W-2, 1099, or missing forms that support your statement.

Note: You can fax this Response form, documentation and/or signed statement explaining the items you don't agree with to 1-877-477-0967

2. Indicate your payment option

- Check all that apply:
- Payment in the form of a check or money order.
 - Write your Taxpayer Identification number (607-17-0964), the tax year (2018), and the notice number (CP2000) on your payment and any correspondence.
 - Make your check or money order payable to the United States Treasury.
 - A completed Installment Agreement Request (Form 9465).
 - I made an online payment.

3. Authorization optional

If you would like to authorize someone, in addition to you, to contact the IRS concerning this notice, please include the person's information, your signature, and the date.

The authority granted 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.

Full name of authorized person

Address

City State Country Zip code

a.m. p.m. a.m. p.m.
 Primary phone Best time to call Secondary phone Best time to call

I authorize the person listed above to discuss and provide information to the IRS about this notice.

Signature Date

Spouse's Signature (required if you filed a joint tax return) Date



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