



Department of the Treasury  
 Internal Revenue Service  
 Small Business and Self-Employed  
 801 Broadway MDP 12  
 Nashville TN 37203

Date: AUG 02 2017

Taxpayer ID number:  
 259-51-7291

Form:  
 1040

Person to contact:  
 G. Burgess

Contact telephone number:  
 615-250-6006

Contact fax number:  
 (615) 250-5796

Employee ID number:  
 0342121

Last day to file petition with US tax court:

CERTIFIED MAIL

BRANDON TANKERSLEY  
 848 GROVE CIRCLE NW  
 CLEVELAND TN 37311-1772

OCT 31 2017

Tax Year Ended:	December 31, 2014
Deficiency:	
Increase in tax	\$26,406.00
Penalties or Additions to Tax	
IRC 6662	5,281.20

Dear BRANDON TANKERSLEY:

**Why we are sending you this letter**

We determined that you owe additional tax or other amounts, or both, for the tax year or years identified above. This letter is your **Notice Of Deficiency**, as required by law. The enclosed Form 4549-A, *Income Tax Discrepancy Adjustments* or Form 5278, *Statement - Income Tax Changes*, shows how we figured the deficiency.

**If you wish to challenge this determination**

If you want to challenge this determination in court before making any payment, you have 90 days from the date of this letter (150 days if this letter is addressed to you outside of the United States) to file a petition with the United States Tax Court to reconsider the deficiency.

**Information you will need**

If you have recently sought bankruptcy relief by filing a petition in bankruptcy court, see enclosed Notice 1421, *How Bankruptcy Affects Your Right to File a Petition in Tax Court in Response to a Notice of Deficiency*.

You can get a copy of the rules for filing a petition and a petition form by writing to the following address:

United States Tax Court  
400 Second Street, NW  
Washington, DC 20217

- The Tax Court has a simplified procedure for small tax cases when the dispute for each tax year is \$50,000 or less.
- If you use this simplified procedure, you cannot challenge the Tax Court's decision. You can get information on the simplified procedure for small cases from the Tax Court by writing to the court at the address above or from the court's internet site at [www.ustaxcourt.gov](http://www.ustaxcourt.gov).
- If you file a petition for multiple tax years and the dispute for any one or more of the tax years exceeds \$50,000, this simplified procedure is not available to you.

### **The law regarding married couples**

The law requires separate notices for husbands and wives. Both must sign and file the petition or each must file a separate, signed petition if this letter is addressed to both husband and wife, and both want to petition the Tax Court.

If only one spouse is in bankruptcy at the time this letter was issued or files a bankruptcy petition after the date of this letter, the bankruptcy automatic stay does not prohibit the spouse who is not in bankruptcy from filing a petition with Tax Court. The bankruptcy automatic stay of the spouse seeking bankruptcy relief does not extend the time for filing a petition in Tax Court for the spouse who is not in bankruptcy.

### **How to file your petition form**

Send the completed petition form, a copy of this letter, and copies of all statements and/or schedules you received with this letter to the Tax Court at the address above. If more than one tax year is shown above, you may file one petition form showing all of the years you are challenging.

You may represent yourself before the Tax Court, or you may be represented by anyone admitted to practice before the Tax Court.

### **The limits on filing a petition**

The time you have to file a petition in the Tax Court is set by law.

1. The petition is considered timely filed if the postmark date falls within the prescribed 90 or 150 day period and the envelope containing the petition is properly addressed with the correct postage.
2. The Tax Court cannot consider your case if your Tax Court petition is filed late. IRS cannot grant an extension or allow a suspension of the prescribed deadline, even for reasonable cause. Thus, contacting the Internal Revenue Service (IRS) for more information, or receiving other correspondence from the IRS won't change the allowable period for filing a petition with the Tax Court.

### **If you agree with the Notice of Deficiency**

If you decide not to file a petition with the Tax Court, please sign the enclosed Form 4089-B, *Notice of Deficiency - Waiver*, and return it to us at the IRS address on the top of the first page of this letter. This will permit us to assess the deficiency quickly and can help limit the accumulation of interest.

### **If we don't hear from you**

If you decide not to sign and return Form 4089-B, and you do not file a petition with the Tax Court within the time limit, the law requires us to assess and bill you for the deficiency after 90 days from the date of this letter (150 days if this letter is addressed to you outside the United States).

**Note:** If you are a C-corporation, Section 6621(c) of the Internal Revenue Code requires that we charge an interest rate two percent higher than the normal rate on corporate underpayments in excess of \$100,000.

**Information about the IRS Taxpayer Advocate Office**

The IRS office whose phone number appears at the top of the notice can best address and access your tax information and help get you answers. You may be eligible for help from the Taxpayer Advocate Service (TAS) if you have tried to resolve your tax problem through normal IRS channels and have gotten nowhere, or you believe an IRS procedure just isn't working as it should. TAS is your voice at the IRS. TAS helps taxpayers whose problems are causing financial difficulty or significant cost, including the cost of professional representation (this includes businesses as well as individuals). You can reach TAS by calling the TAS toll-free number at 1-877-777-4778 or by contacting the local Taxpayer Advocate office at:

801 Broadway Stop 22  
Nashville, TN 37203

To learn more about TAS and your basic tax responsibilities, visit [www.TaxpayerAdvocate.irs.gov](http://www.TaxpayerAdvocate.irs.gov).

**How to contact us**

You may write or call the contact person whose name, telephone number, and IRS address are shown in the heading of this letter if you need further assistance. If you write, please include your telephone number, the best times if we need to call you and a copy of this letter to help us identify your account.

If you prefer to call and the telephone number is outside your local calling area, there may be a long distance charge to you.

Keep the original letter for your records.

Sincerely,

John A. Koskinen  
Commissioner

By   
Susan M. Lamastro

Territory Manager, Tech Services

Enclosures:  
Form 4549-A or Form 5278  
Form 4089-A or Form 4089-B

Continuation Sheet

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NAME: BRANDON TANKERSLEY

TIN: 259-51-7291

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Interest on Deficiencies

Interest on Deficiencies will accrue from the due date of the return until paid.

Accuracy-related Penalty IRC section 6662

Since all or part of the underpayment of tax for the taxable year(s) is attributable to one or more of (1) negligence or disregard of rules or regulations, (2) any substantial understatement of income tax, or (3) any substantial valuation overstatement, an addition to the tax is charged as provided by section 6662(a) of the Internal Revenue Code. The penalty is twenty (20) percent of the portion of the underpayment of tax attributable to each component of this penalty. In addition, interest is computed on this penalty from the due date of the return (including any extensions).

**Notice of Deficiency-Waiver**

Name and address of taxpayer(s)  
BRANDON TANKERSLEY  
848 GROVE CIRCLE NW  
CLEVELAND TN 37311-1772

Social Security or Employer Identification Number  
259-51-7291

Kind of tax

Copy to authorized representative

Income

Joe Honey Jr  
4295 Cromwell Rd Ste 305  
Chattanooga, TN 37421-2163

**DEFICIENCY — Increase in Tax and Penalties**

Tax Year Ended:	December 31, 2014
Deficiency: Increase in tax	26,406.00
Penalties	
IRC 6662 20%	5,281.20

**See the attached explanation for the above deficiencies**

I consent to the immediate assessment and collection of the deficiencies (increase in tax and penalties) shown above, plus any interest provided by law.

Your Signature → \_\_\_\_\_ (Date signed)

Spouse's Signature  
(If A Joint Return Was Filed) → \_\_\_\_\_ (Date signed)

Taxpayer's Representative Sign Here → \_\_\_\_\_ (Date signed)

Corporate Name → \_\_\_\_\_

Corporate Officers Sign Here → \_\_\_\_\_ (Signature) \_\_\_\_\_ (Title) \_\_\_\_\_ (Date signed)

→ \_\_\_\_\_ (Signature) \_\_\_\_\_ (Title) \_\_\_\_\_ (Date signed)

If you agree, please sign one copy and return it; keep the other copy for your records.

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## Instructions for Form 4089 B

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### Note:

If you consent to the assessment of the amounts shown in this waiver, please sign and return it in order to limit the accumulation of interest and expedite our bill to you. Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are entitled to a refund. It will not prevent us from later determining, if necessary, that you owe additional tax; nor will it extend the time provided by law for either action.

If you later file a claim and the Internal Revenue Service disallows it, you may file suit for refund in a district court or in the United States Claims Court, but you may not file a petition with the United States Tax Court.

### Who Must Sign

If this waiver is for any year(s) for which you filed a joint return, both you and your spouse must sign the original and duplicate of this form. Sign your name exactly as it appears on the return. If you are acting under power of attorney for your spouse, you may sign as agent for him or her.

For an agent or attorney acting under a power of attorney, a power of attorney must be sent with this form if not previously filed.

For a person acting in a fiduciary capacity (executor, administrator, trustee), file Form 56, Notice Concerning Fiduciary Relationship, with this form if not previously filed.

For a corporation, enter the name of the corporation followed by the signature and title of the officer(s) authorized to sign.

### Optional Paragraphs

A check in the block to the left of a paragraph below indicates that the paragraph applies to your situation.

- The amount shown as the deficiency may not be billed, since all or part of the refund due has been held to offset all or a portion of the amount of the deficiency. The amount that will be billed, if any, is shown on the attached examination report.
  
- The amount shown as a deficiency may not be billed, since the refund due will be reduced by the amount of the deficiency. The net refund due is shown on the attached examination report.

Continuation Sheet

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NAME: BRANDON TANKERSLEY

TIN: 259-51-7291

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Interest on Deficiencies

Interest on Deficiencies will accrue from the due date of the return until paid.

IRC section 6662

Since all or part of the underpayment of tax for the taxable year(s) is attributable to one or more of (1) negligence or disregard of rules or regulations, (2) any substantial understatement of income tax, or (3) any substantial valuation overstatement, an addition to the tax is charged as provided by section 6662(a) of the Internal Revenue Code. The penalty is twenty (20) percent of the portion of the underpayment of tax attributable to each component of this penalty. In addition, interest is computed on this penalty from the due date of the return (including any extensions).

Name and Address of Taxpayer  BRANDON TANKERSLEY 848 GROVE CIRCLE NW CLEVELAND TN 37311-1772	Taxpayer Identification Number 259-51-7291	Return Form No.: 1040
	Person with whom examination changes were discussed.	Name and Title: BRANDON TANKERSLEY

1. Adjustments to Income	Period End 12/31/2014	Period End	Period End
a. Other Income	2,051.00		
b. Taxable Interest	12.00		
c. Sch C1 - Expenses for Business Use of Home	1,032.00		
d. Sch C1 - Contract labor	8,500.32		
e. Self-Employed Health Insurance	16,655.00		
f. Sch C1 - Other Expenses - Website Fees	4,200.00		
g. Sch C1 - Oth Expenses - Amortization	1,666.00		
h. Sch C1 - Advertising	34,775.00		
i. Sch C1 - Utilities	2,736.00		
j. NOL Carryforward	17,924.00		
k. SE AGI Adjustment	(3,738.00)		
l.			
m.			
n.			
o.			
p.			
<b>2. Total Adjustments</b>	85,813.32		
<b>3. Taxable Income Per Return or as Previously Adjusted</b>	3,356.00		
<b>4. Corrected Taxable Income</b>	89,169.00		
Tax Method	TAX TABLE		
Filing Status	Single		
<b>5. Tax</b>	18,150.00		
<b>6. Additional Taxes / Alternative Minimum</b>			
<b>7. Corrected Tax Liability</b>	18,150.00		
<b>8. Less Credits</b>			
a. Child Care Credit	220.00		
b.			
c.			
d.			
<b>9. Balance (Line 7 less total of Lines 8a thru 8d)</b>	17,930.00		
<b>10. Plus Other Taxes</b>			
a. Shared responsibility payment (as reported)	143.00		
b. Self Employment Tax	15,387.00		
c. First-Time Homebuyer Credit Repayment	500.00		
d.			
<b>11. Total Corrected Tax Liability (Line 9 plus Lines 10a thru 10d)</b>	33,960.00		
<b>12. Total Tax Shown on Return or as Previously Adjusted</b>	8,554.00		
<b>13. Adjustments to:</b>			
a.			
b.			
c. Addnl Child Tax Credit	(1,000.00)		
<b>14. Deficiency-Increase in Tax or (Overassessment - Decrease in Tax) (Line 11 less Line 12 adjusted by Lines 13a through 13c)</b>	26,406.00		
<b>15. Adjustments to Prepayment Credits-Increase (Decrease)</b>			
<b>16. Balance Due or (Overpayment) - (Line 14 adjusted by Line 15) (Excluding interest and penalties)</b>	26,406.00		



Name of Taxpayer BRANDON TANKERSLEY	Taxpayer Identification Number 259-51-7291	Return Form No.: 1040
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	Period End 12/31/2014	Period End	Period End
<b>17. Penalties/ Code Sections</b>			
a. Accuracy-IRC 6662	5,281.20		
b.			
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
<b>18. Total Penalties</b>	5,281.20		
Underpayment attributable to negligence: (1981-1987) A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.			
Underpayment attributable to fraud: (1981-1987) A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.			
Underpayment attributable to Tax Motivated Transactions (TMT). Interest will accrue and be assessed at 120% of underpayment rate in accordance with IRC 6621(c).	0.00		
<b>19. Summary of Taxes, Penalties and Interest:</b>			
a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)	26,406.00		
b. Penalties (Line 18) - computed to 07/20/2017	5,281.20		
c. Interest (IRC § 6601) - computed to 08/19/2017	2,783.41		
d. TMT Interest - computed to 08/19/2017 (on TMT underpayment)	0.00		
e. Amount due or refund - (sum of Lines a, b, c and d)	34,470.61		

**Other Information:**

Examiner's Signature: Name	Employee ID:	Office: Tech Svs. Nashville, TN	Date: 07/20/2017
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The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filing the necessary forms.

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income you earned and do not pay the required tax. The IRS may order backup withholding (withholding of a percentage of your dividend and/or interest payments) if the tax remains unpaid after it has been assessed and four notices have been issued to you over a 120-day period.

Form <b>886-A</b> (Rev. January 1994)886-A	<b>EXPLANATION OF ITEMS</b>	Schedule number or exhibit
Name of Taxpayer <b>BRANDON TANKERSLEY</b>	Taxpayer Identification Number <b>259-51-7291</b>	Year/Period Ended <b>2014</b>

**Other Income**

Tax Period 2014	Per Return \$0.00	Per Exam \$2,051.00	Adjustment \$2,051.00
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The amount of your debt which was cancelled or forgiven is includible in income. The source and the amount of cancelled income is shown below.

Form 1099-C - Capital One Bank USA NA - \$ 2,051.00

**Taxable Interest**

Tax Period 2014	Per Return \$0.00	Per Exam \$12.00	Adjustment \$12.00
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All interest income is includible in income unless specifically exempted by law. The source and the amount of interest income is shown below.

Form 1099-Int. - US Bank Home Mortgage - \$ 12.00

**Sch C1 - Expenses for Business Use of Home**

Tax Period 2014	Per Return \$1,032.00	Per Exam \$0.00	Adjustment \$1,032.00
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Form 1040 Schedule C1 expense for business use of the home has been reduced or eliminated because it has not been adequately substantiated (as to amount or deductibility). Accordingly, taxable income is increased as shown above.

**Sch C1 - Contract labor**

Tax Period 2014	Per Return \$8,929.00	Per Exam \$428.68	Adjustment \$8,500.32
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Form 1040 Schedule C1 contract labor expense was adjusted to the amount verified during our examination.

Form <b>886-A</b> (Rev. January 1994)886-A	<b>EXPLANATION OF ITEMS</b>		Schedule number or exhibit
Name of Taxpayer	Taxpayer Identification Number	Year/Period Ended	
BRANDON TANKERSLEY	259-51-7291	2014	

### Self-Employed Health Insurance

Tax Period	Per Return	Per Exam	Adjustment
2014	\$16,655.00	\$0.00	\$16,655.00

Form 1040 self-employed health insurance expense has been reduced or eliminated because it has not been adequately substantiated (as to amount or deductibility). Accordingly, taxable income is increased as shown above.

### Sch C1 - Other Expenses - Website Fees

Tax Period	Per Return	Per Exam	Adjustment
2014	\$4,200.00	\$0.00	\$4,200.00

Form 1040 Schedule C1 other expense / website fees have been reduced or eliminated because it has not been adequately substantiated (as to amount or deductibility). Accordingly, taxable income is increased as shown above.

### Sch C1 - Oth Expenses - Amortization

Tax Period	Per Return	Per Exam	Adjustment
2014	\$1,666.00	\$0.00	\$1,666.00

Form 1040 Schedule C1 other expense / amortization expense has been reduced or eliminated because it has not been adequately substantiated (as to amount or deductibility). Accordingly, taxable income is increased as shown above.

### Sch C1 - Advertising

Tax Period	Per Return	Per Exam	Adjustment
2014	\$34,775.00	\$0.00	\$34,775.00

Form 1040 Schedule C1 advertising expense has been reduced or eliminated because it has not been adequately substantiated (as to amount or deductibility). Accordingly, taxable income is increased as shown above.

### Sch C1 - Utilities

Tax Period	Per Return	Per Exam	Adjustment
2014	\$2,736.00	\$0.00	\$2,736.00

Form 1040 Schedule C1 utilities expense have been reduced or eliminated because it has not been adequately substantiated (as to amount or deductibility). Accordingly, taxable income is increased as shown above.

Form <b>886-A</b> (Rev. January 1994)886-A	<b>EXPLANATION OF ITEMS</b>	Schedule number or exhibit
Name of Taxpayer <b>BRANDON TANKERSLEY</b>	Taxpayer Identification Number <b>259-51-7291</b>	Year/Period Ended <b>2014</b>

**NOL Carryforward**

Tax Period 2014	Per Return (\$17,924.00)	Per Exam \$0.00	Adjustment \$17,924.00
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We have adjusted your net operating loss as shown in the accompanying computations. Since it was not verified that you were entitled to the net operating loss, it was disallowed.

**Statutory-SE AGI Adjustment**

Tax Period 2014	Per Return \$3,956.00	Per Exam \$7,694.00	Adjustment (\$3,738.00)
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Your self-employment tax has changed as a result of adjustments made to your net earnings from self-employment as shown in this report. The self-employment tax deduction has been adjusted to one-half of the recomputed amount.

**Statutory-Self Employment Tax**

Tax Period 2014	Per Return \$7,911.00	Per Exam \$15,387.00	Adjustment \$7,476.00
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We have adjusted your self-employment tax due to a change in your net earnings from self-employment.

Name of Taxpayer: BRANDON TANKERSLEY  
Identification Number: 259-51-7291

Total

07/20/2017  
18.20.00

**2014 - Child Tax Credit and Schedule 8812 Child Tax Credit**

1. Amount of credit based on qualifying children	1,000.00
2. Modified AGI	103,269.00
3. Limitation based on filing status (\$110,000 if married filing jointly; \$75,000 if single, head of household, or qualifying widow(er); \$55,000 if married filing separate)	75,000.00
4. Subtract line 3 from line 2 (if zero or less, enter -0-)	29,000.00
5. Multiply line 4 by .05	1,450.00
6. Subtract line 5 from line 1 (if zero or less, no credit is allowed)	0.00
7. Corrected tax before allowable credits	0.00
8. Credit limitation	0.00
9. Subtract line 8 from line 7	0.00
10. Child tax credit (smaller of lines 6 or 9)	0.00

**Schedule 8812 - Child Tax Credit**

1. Amount from line 1 above (or amount of credit after modified AGI reduction)	0.00
2. Child tax credit allowed (line 10 above)	0.00
3. Subtract line 2 from line 1 (if zero or less, no credit is allowed)	0.00
4a. Earned income	
4b. Nontaxable combat pay included on line 4a	
5. If the amount on line 4a is more than \$3,000, subtract \$3,000 from line 4a (if line 4a is less than \$3,000, then line 5 equals zero)	
6. Multiply the amount on line 5 by 15%	
7. Enter the total of the withheld social security, Medicare, and Additional Medicare taxes	
8. Deductible part of self-employment tax, plus FICA tax on tips and uncollected social security, Medicare, or RRTA taxes	
9. Total of line 7 and line 8	
10. Earned income credit and excess social security and RRTA taxes withheld	
11. Subtract line 10 from line 9 (if zero or less, enter -0-)	
12. Larger of line 6 or line 11	
13. Additional child tax credit (smaller of lines 3 or 12)	

Name Of Taxpayer: BRANDON TANKERSLEY  
Identification Number: 259-51-7291

Total

07/20/2017  
18.20.00

201412 - FORM 2441 - CHILD AND DEPENDENT CARE EXPENSES

Credit for Child and Dependent Care Expenses

1. Qualified expense incurred and paid	1,100.00	0.00
2. Total of qualified expenditures, incurred and paid		1,100.00
3. Enter 3,000.00 ( 6,000.00 if two or more qualifying persons). If employer provided benefits received, enter amount from line 29		1,100.00
4. Earned income		101,206.00
5. Earned income of spouse if applicable; otherwise, enter amount from line 4		101,206.00
6. Smaller of line 2, 3, 4, or 5		1,100.00
7. Adjusted gross income		103,269.00
8. Percentage applicable to amount on line 7		20.00%
9. Multiply line 6 by line 8		220.00
10. Child and dependent care credit - tentative		220.00
11. Child and dependent care credit - limitation		18,150.00
12. Child and dependent care credit - allowed		220.00

Dependent Care Benefits

13. Employer provided dependent care benefits utilized in the current year		0.00
14. Qualified expenses incurred, regardless of when paid		1,100.00
15. Smaller of line 13 or 14		0.00
16. Earned income		101,206.00
17. Earned income of spouse if applicable; otherwise, enter amount from line 16		101,206.00
18. Smaller of lines 15, 16, or 17		0.00
19. Enter \$5,000 (or \$2,500 if married filing separately and not considered unmarried)		5,000.00
20. Amount from line 13 received from sole proprietorship or partnership; if Form 1040A, skip to line 23		0.00
21. Subtract line 20 from line 13		0.00
22. Deductible benefits. Smaller of line 18, 19, or 20		0.00
23. Excluded benefits. Subtract line 22 from the smaller of line 18 or 19; if line 20 is 0 or if Form 1040A, smaller of line 18 or 19		0.00
24. Taxable benefits. Subtract line 23 from line 21; if Form 1040A, subtract line 23 from line 13		0.00
25. Enter 3,000.00 (6,000.00 if two or more qualifying persons)		3,000.00
26. Add lines 22 and 23; if Form 1040A, enter amount from line 23		0.00
27. Subtract line 26 from line 25		3,000.00
28. If line 2 equals line 14, subtract lines 22 and 23 from line 2; otherwise, enter line 2 amount		1,100.00
29. Smaller of line 27 or 28		1,100.00

Name of Taxpayer:	BRANDON TANKERSLEY	07/20/2017
Identification Number:	259-51-7291	Total 18.20.00

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**2014 - SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX**

Primary	
BRANDON TANKERSLEY	259-51-7291

1. Self-employment income	108,900.32
2. Multiply line 1 by 92.35%	100,569.45
3. Farm optional method income	0.00
4. Nonfarm optional method income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	100,569.45
6. Maximum earnings subject to social security	117,000.00
7. Social security wages and tips from W-2	0.00
8. Unreported tips subject to social security tax from Form 4137	0.00
9. Wages subject to social security tax from Form 8919	0.00
10. Sum of lines 7, 8 and 9	0.00
11. Line 6 less line 10	117,000.00
12. Multiply the smaller of line 5 or 11 by 12.40%	12,470.61
13. Multiply line 5 by 2.90%	2,916.51
14. Self-employment tax (sum of lines 12 and 13)	15,387.12

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Secondary

1. Self-employment income	0.00
2. Multiply line 1 by 92.35%	0.00
3. Farm optional method income	0.00
4. Nonfarm optional method income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	0.00
6. Maximum earnings subject to social security	117,000.00
7. Social security wages and tips from W-2	0.00
8. Unreported tips subject to social security tax from Form 4137	0.00
9. Wages subject to social security tax from Form 8919	0.00
10. Sum of lines 7, 8 and 9	0.00
11. Line 6 less line 10	0.00
12. Multiply the smaller of line 5 or 11 by 12.40%	0.00
13. Multiply line 5 by 2.90%	0.00
14. Self-employment tax (sum of lines 12 and 13)	0.00

**Accuracy-Related Penalties under IRC 6662**

**20 Percent Penalty -- Internal Revenue Code Section 6662(a)**

It has been determined that the underpayment of tax shown on line 5 below is attributable to one or more of the following:

- (1) Negligence or disregard of rules or regulations;
- (2) Substantial understatement of income tax;
- (3) Substantial valuation misstatement (overstatement);
- (4) Transaction lacking economic substance.

Therefore, an addition to tax is imposed as provided by Section 6662(a) of the Internal Revenue Code.

1. Total underpayment, excluding underpayment attributable to Section 6662A and/or Section 6676 penalty issues, if any	26,406.00
2. Less: Underpayment attributable to non-penalty issues	0.00
3. Less: Underpayment attributable to 40% Section 6662 penalty issues	0.00
4. Less: Underpayment attributable to civil fraud penalty issues	0.00
5. Underpayment to which Section 6662(a) applies (Line 1 less the sum of lines 2, 3, and 4)	26,406.00
6. Applicable penalty rate	20.00%
7. Section 6662(a) accuracy-related penalty (Line 5 times line 6)	5,281.20
8. Less: Previously assessed/previously agreed Section 6662(a) penalty	0.00
9. Total section 6662(a) accuracy-related penalty (Line 7 less line 8)	5,281.20

**40 Percent Penalty -- Internal Revenue Code Section 6662(h); 6662(i); 6662(j)**

It has been determined that the underpayment of tax shown on line 5 below is attributable to one or more of the following:

- (1) Gross valuation misstatement (overstatement);
- (2) Non-disclosed transaction lacking economic substance;
- (3) Undisclosed foreign financial assets.

Therefore, an addition to tax is imposed as provided by Section 6662(h); 6662(i); or 6662(j) of the Internal Revenue Code.

1. Total underpayment, excluding underpayment attributable to Section 6662A and/or Section 6676 penalty issues, if any	26,406.00
2. Less: Underpayment attributable to non-penalty issues	0.00
3. Less: Underpayment attributable to 20% Section 6662 penalty issues	26,406.00
4. Less: Underpayment attributable to civil fraud penalty issues	0.00
5. Underpayment to which 40% Section 6662 penalty applies (Line 1 less the sum of lines 2, 3, and 4)	0.00
6. Applicable penalty rate	40.00%
7. 40% Section 6662 accuracy-related penalty (Line 5 times line 6)	0.00
8. Less: Previously assessed/previously agreed 40% Section 6662 penalty	0.00
9. Total 40% section 6662 accuracy-related penalty (Line 7 less line 8)	0.00