



Department of the Treasury
Internal Revenue Service
Kansas City, MO 64999-0025

Notice	CP23
Tax year	2017
Notice date	January 30, 2018
Social security number	nnn-nn-nnnn
To contact us	Phone 1-800-829-0922
Your caller ID	nnnn
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JOHN AND MARY SMITH
123 N HARRIS ST
HARVARD, TX 12345

Changes to your 2016 Form 1040A

Amount due: \$425.73

We changed your 2016 Form 1040A to match our record of your estimated tax payments, credits applied from another tax year, and payments received with an extension to file, if any. As a result, you owe \$425.73

Billing Summary

Tax you owed	\$1,828.00
Payments you made	-1,624.00
Failure-to-file penalty	135.00
Failure-to-pay penalty	65.00
Interest charges	21.73
Amount due by February 20, 2017	\$425.73

What you need to do immediately

Review this notice and compare our changes to the information on your tax return and your payment records.

If you agree with the changes we made

- Pay the amount due of \$425.73 by February 20, 2017, to avoid additional penalty and interest charges.
- Pay online or mail a check or money order with the attached payment stub. **You can pay online now at www.irs.gov/payments.**

Continued on back...



John and Mary Smith
123 N Harris Street
Harvard, TX 12345

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Payment

- Make your check or money order payable to the United States Treasury.
- Write your social security number (nnn-nn-nnnn), the tax year (2016), and the form number (1040A) on your payment.

INTERNAL REVENUE SERVICE
KANSAS CITY, MO 64999-0150

**Amount due by
February 20, 2017**

\$425.73

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What you need to do immediately –
continued

If you disagree with the changes

Call us at 1-xxx-xxx-xxxx to review your account with a representative. Be sure to have your account information available when you call.

We'll assume you agree with the information in this notice if we don't hear from you.

Payment options

Pay now electronically

We offer free payment options to securely pay your tax bill directly from your checking or savings account. When you pay online or with your mobile device, you can:

- Receive instant confirmation of your payment
- Schedule payments in advance
- Reschedule or cancel a payment before the due date

You can also pay by debit or credit card for a small fee. To see all of our payment options, visit www.irs.gov/payments.

Payment plans

If you can't pay the full amount you owe, pay as much as you can now and make arrangements to pay your remaining balance. Visit www.irs.gov/paymentplan for more information on installment agreements and online payment agreements. You can also call us at 1-xxx-xxx-xxxx to discuss your options.

Offer in Compromise

An offer in compromise allows you to settle your tax debt for less than the full amount you owe. If we accept your offer, you can pay with either a lump sum cash payment plan or periodic payment plan. To see if you qualify, use the Offer in Compromise Pre-Qualifier tool on our website. For more information, visit www.irs.gov/offers.

Account balance and payment history

For information on how to obtain your current account balance or payment history, go to www.irs.gov/balancedue.

If you already paid your balance in full within the past 21 days or made payment arrangements, please disregard this notice.

If you think we made a mistake, call 1-800-829-0922 to review your account.

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If we don't hear from you Pay \$425.73 by February 20, 2017, to avoid additional penalty and interest charges.

Changes to your 2016 tax return We changed your information because:

We didn't allow your spouse's exemption on line 6b and Earned Income Credit (EIC) on line 42a of your Form 1040A. Your spouse's Social Security Number (SSN) was missing or the last name provided doesn't match our records or the records provided by the Social Security Administration.

NOTE: To be eligible for EIC, you, your spouse, and qualifying child or children must use a correct name and SSN issued by the Social Security Administration

Your tax calculations If you contact us in writing within 60 days of the date of this notice, we

Description	Your calculation	IRS calculation
Adjusted gross income, line 21	\$13,829.00	\$13,829.00
Taxable income, line 27	\$0.00	\$0.00
Total tax, line 37	\$1,828.00	\$1,828.00

will reverse the change we made to your account. However, if you are unable to provide us additional information that justifies the reversal and we believe the reversal is in error, we will forward your case for audit. This step gives you formal appeal rights, including the right to appeal our decision in the United States Tax Court before you have to pay the additional tax. After we forward your case, the audit staff will contact you within 5 to 6 weeks to fully explain the audit process and your rights. If you do not contact us within the 60-day period, you will lose your right to appeal our decision before payment of tax.

If you do not contact us within 60 days, the change will not be reversed and you must pay the additional tax. You may then file a claim for refund. You must submit the claim within 3 years of the date you filed the tax return, or within 2 years of the date of your last payment for this tax, whichever is later.

Your payments and credits

Description	IRS calculations
Income tax withheld, line 38	\$0
Estimated tax payments, line 39	0
Other credits, lines 40, 41a-43	0
Other payments	1,624.00
Total payments and credits	\$1,624.00

Payments credited to your account for 2016 Our records show that you didn't make estimated tax payments.

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Penalties

We are required by law to charge any applicable penalties

Failure-to-file

Description	Amount
Total failure-to-file	\$135.00

We assess a 5% monthly penalty for filing your return late for each month or part of a month the return is late, for up to 5 months.

When a penalty for paying late applies 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 penalty for paying late is ½% for each month or part of a month.

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.

When an income tax return is more than 60 days late, the minimum penalty is \$210 or 100% of the tax required to be shown on the return that you didn't pay on time, whichever is less.

(Internal Revenue Code Section 6651)

Failure-to-pay

Description	Amount
Total failure-to-pay	\$65.00

We assess a 1/2% monthly penalty for not paying the tax you owe by the due date. 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. This penalty applies even if you filed the return on time.

We charge the penalty for each month or part of a month the payment is late; however, the penalty can't be more than 25% in total.

- The due date for payment of the tax shown on a return generally is the return due date, without regard to extensions.
- The due date for paying increases in tax is within 21 days of 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 of 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.

For a detailed calculation of your penalty charges, call 1-800-829-0922. (Internal Revenue Code Section 6651)

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Removal or reduction of penalties

We understand that circumstances—such as a serious illness or injury, a family member’s death, or loss of financial records due to natural disaster—may make it difficult for you to meet your taxpayer responsibility in a timely manner.

We can generally process your request for penalty removal or reduction quicker if you contact us at the number listed above with the following information:

- Identify which penalty charges you would like us to reconsider (e.g., 2016 late filing penalty).
- For each penalty charge, explain why you believe it should be reconsidered.

If you write us, include a signed statement and supporting documentation for penalty abatement request.

We’ll review your request and let you know whether we accept your explanation as reasonable cause to reduce or remove the penalty charge(s).

Removal of penalties due to erroneous written advice from the IRS

Removal of penalties due to erroneous written advice from the IRS
If you were penalized based on written advice from the IRS, we will remove the penalty if you meet the following criteria:

- You wrote us asking for written advice on a specific issue
- You gave us adequate and accurate information
- You received written advice from us
- You reasonably relied on our written advice and were penalized based on that advice

To request removal of penalties based on erroneous written advice from us, submit a completed Claim for Refund and Request for Abatement (Form 843) to the address shown above. For a copy of the form, go to www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

Interest charges

We are required by law to charge interest on unpaid tax from the date the tax return was due to the due date the tax is paid in full. The interest is charged as long as there is an unpaid amount due, including penalties, if applicable. (Internal Revenue Code section 6601)

Description	Amount
Total interest	\$21.73

The table below shows the rates used to calculate the interest on your unpaid amount due. For a detailed calculation of your interest, call 1-xxx-xxx-xxxx.

Period	Interest rate
Beginning October 1, 2016	3%

We multiply your unpaid tax, penalties, and interest (the amount due) by the interest rate factor to determine the interest due.

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Additional interest charges

If the amount you owe is \$100,000 or more, please make sure that we receive your payment within 10 work days from the date of your notice. If the amount you owe is less than \$100,000, please make sure that we receive your payment within 21 calendar days from the date of your notice. If we don't receive full payment within these time frames, the law requires us to charge interest until you pay the full amount you owe.

Additional information

- Visit www.irs.gov/cp23
- See Publication 1, Your Rights as a Taxpayer and Publication 594, The IRS Collection Process, for more information.
- For tax forms, instructions, and publications, visit www.irs.gov/forms-pubs or call 1-800-TAX-FORM (1-800-829-3676).
- Paying online is convenient, secure, and ensures timely receipt of your payment. To pay your taxes online or for more information, go to www.irs.gov/payments.
- You can contact us by mail at the address at the top of the first page of this notice. Be sure to include your social security number and the tax year and form number you are writing about.
- Keep this notice for your records.

We're required to send a copy of this notice to both you and your spouse. Each copy contains the information you are authorized to receive. Please note: Only pay the amount due once.

If you need assistance, please don't hesitate to contact us.

