



Date:

Taxpayer identification number:

Form:

Tax period(s) ended:

Person to contact:

Contact telephone number:

Contact hours:

Contact fax number:

**Second notice**

**Why you are receiving this letter**

We haven't received a response to Letter 5043 sent to you on . We may issue a Statutory Notice of Deficiency or a tax audit may result if you don't respond to us within 30 days from the date of this letter.

We're contacting you again because your gross receipts may be underreported. Your tax return and Form(s) 1099-K, *Merchant Card and Third Party Network Payments*, show an unusually high portion of gross receipts from card payments and other Form 1099-K reportable transactions. Your type of business consistently has a much lower portion of gross receipts from card payments and other Form 1099-K reportable transactions, and a higher portion of gross receipts from non-card sources, including cash and checks.

Listed below is the information reported to us:

- Your reported gross receipts are: \$
- Your gross amount of merchant card and third party network payments from Form(s) 1099-K is: \$

Below are the Form(s) 1099-K we received for your business and the corresponding Gross Merchant Card and Third Party Network payments for each form:

Form 1099-K Filers	Reported 20	Gross Amount of Merchant Card and Third Party Network Payments (Box 1)
	\$	
	\$	
	\$	
	\$	
	\$	

**What you need to do**

Please review the information above.

If the information above isn't accurate, notify us in writing of any inaccurate Form(s) 1099-K. Review all information used in preparing your tax return to ensure that you are reporting receipts from all sources, including card, cash, checks and other sources. Based on your review, if you want to amend your 20 Form to report additional gross receipts, complete and submit the attached Form Failure to fully account for your 20 income may result in further enforcement action, which may carry additional penalties.

If you believe you filed your tax return correctly, please provide a written explanation telling us why the portion of your gross receipts from card payments and other Form 1099-K reportable transactions may be higher than expected.

Return your response within 30 days from the date of this letter in the envelope we provided.

**What happens next**

We will review the information you provide on the amended return or other written response and contact you if any additional information is needed or an adjustment to your tax amount is proposed. Otherwise, you'll receive a follow-up letter from us stating that no further action is required.

For additional information regarding Form 1099-K reporting, you can refer to the information available on [www.irs.gov](http://www.irs.gov) by searching key words, "Third Party Reporting Information Center."

If you have questions or need additional assistance, you can call us at the number shown above.

Thank you for your cooperation.

Sincerely yours,

[Signature\_Name]

[Signature\_Title]

**Enclosures:**

Copy of this letter

Return Envelope

Form 1040X, *Amended U.S. Individual Income Tax Return and Instructions*

Form 1120X, *Amended U.S. Corporation Income Tax Return and Instructions*

Publication 3498-A, *The Examination Process (Examinations by Mail)*