



Department of the Treasury
Internal Revenue Service
Philadelphia, PA 19154

For assistance, call:
1-800-829-8374
Your Caller ID: 772452
Notice Number: CP21E
Date: May 17, 2010

Taxpayer Identification Number:

Tax Form: 1040A
Tax Year: December 31, 2006

0.48201040



SCOTT E. [REDACTED]

PA [REDACTED]

Amount You Owe
as of June 7, 2010

\$13,587.46

We Changed Your Account

We will explain why you received this notice, how we changed your account, how this change affects you, and actions you may wish to take.

Why You Received This Notice

We changed your 2006 federal income tax return because of your recent audit. Please see your copy of the report for a detailed explanation. As a result of the audit you owe an additional amount.

How We Changed Your Account

We changed your account as follows:

Account balance before the audit	\$11,634.18 Due
Additional late payment penalty since prior notice	\$758.00
Estimated Tax penalty added	\$795.90
Interest charged	\$399.38
Amount you now owe	\$13,587.46

How This Affects You

Please pay the full amount by June 7, 2010 to avoid additional penalty and interest. When making your payment:

- Make your check or money order payable to the **United States Treasury**
- Write the Social Security number and tax year shown at the top of this notice on the check or money order
- Use the payment coupon included with this notice

If you cannot pay the balance in full, contact an IRS representative at 1-800-829-8374 to discuss payment options. If you've recently contacted us to include this amount in an installment agreement or have already paid it in full, disregard this payment request.

Other Actions You May Wish To Take

If you do not agree with the changes to your account or if you have questions about this notice, you may call 1-800-829-8374.

Retain a copy of this notice with your federal tax records.

For tax forms, instructions and information visit www.irs.gov. Access to this site will not provide you with any taxpayer account information.

Penalty and Interest

About Your Notice - The penalty and/or interest charges on your account are explained on the following pages. If you want a more detailed explanation of your penalties and interest, please call the telephone number listed on the top of this notice. You may call your local IRS telephone number if the number shown on your notice is a long-distance call for you. All days mentioned in the paragraphs below are calendar days, unless specifically stated otherwise.

Penalties:

02 Penalty for Not Paying a Proper Estimated Tax for Individuals, Estates, and Trusts \$795.90

We charged a penalty because you did not pay a proper quarterly estimate of your tax. For more information, see Instructions for Form 2210 or Publication 505, Tax Withholding and Estimated Tax.

(Internal Revenue Code section 6654)

07 Penalty for Paying Taxes Late \$758.00

We charged a penalty because you paid your taxes late. We count part of a month as a full month. If you disagree with this penalty, see "Removal of Penalties" in this notice. To avoid this penalty in the future, you should pay your taxes by the due date. Even if you have an extension to file your tax return, you do not have additional time to pay your tax.

(Internal Revenue Code section 6651)

The table below shows how we figured your penalty. It may include amounts charged before the adjustment. We multiplied the number of months times the monthly rate (1/2 percent) times the principal (not to exceed 25%).

Date	No. Months	Rate/Month	Principal	Penalty
09/15/2009	29	0.50%	7,580.00	1,099.10
06/15/2010	09	1.00%	7,580.00	682.20
Total Penalty:				1,781.30

Philadelphia Service Center

Tax Period: December 31, 2006

Removal of Penalties

The law lets us remove or reduce penalties if you have reasonable cause or receive erroneous written advice from IRS.

Reasonable Cause

If you believe you have an acceptable reason why IRS should remove or reduce your penalties, send us a signed explanation. After we review your explanation, we will notify you of our decision. In some cases, we may ask you to pay the tax in full before we reduce or remove the penalty for paying late.

Erroneous Advice from IRS

We will remove your penalty if all the following apply:

1. You asked IRS for advice on a specific issue,
2. You gave IRS complete and accurate information,
3. You received advice from IRS,
4. You relied on the advice IRS gave you, and
5. You were penalized based on the advice IRS gave you.

To request removal of the penalty because of erroneous advice from IRS, you should do the following: (1) complete Form 843, *Claim for Refund and Request for Abatement*; and (2) send it to the IRS Service Center where you filed your return.

Interest:**09 Interest**

We charged interest because you did not pay your tax on time. Generally, we calculate interest from the due date of your return (regardless of extensions) until you pay your tax in full. The interest rate is variable and may change quarterly. We charge interest on all penalties except estimated tax penalties.

(Internal Revenue Code section 6601)

The table below shows how we figured your interest. It may include amounts charged before the adjustment. We multiplied the factor times the principal.

From Date	To Date	Days	Rate	Factor	Principal	Interest
04/15/2007	06/30/2007	76	8.0%	0.016795189	7580.00	127.31
06/30/2007	10/15/2007	107	8.0%	0.023726586	7707.31	182.87
10/15/2007	12/31/2007	77	8.0%	0.017018048	9595.68	163.30
12/31/2007	03/31/2008	91	7.0%	0.017555017	9758.98	171.32
03/31/2008	06/30/2008	91	6.0%	0.015028621	9930.30	149.24
06/30/2008	09/30/2008	92	5.0%	0.012646750	10079.54	127.47
09/30/2008	12/31/2008	92	6.0%	0.015195019	10207.01	155.10
12/31/2008	03/31/2009	90	5.0%	0.012404225	10362.11	128.53
03/31/2009	07/13/2009	104	4.0%	0.011461825	10490.64	120.24
07/13/2009	09/30/2009	79	4.0%	0.008694641	11634.18	101.16
09/30/2009	12/31/2009	92	4.0%	0.010132630	11735.34	118.91

12/31/2009 05/17/2010 137 4.0% 0.015126135 11854.25 179.31
 Total Interest: 1724.76

*** 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.

Payment Date	Total Payment	Interest	Principal	Balance
05/17/2010	179.31	179.31	0.00	11854.25
06/15/2010	179.31	179.31	0.00	11854.25
07/13/2010	179.31	179.31	0.00	11854.25
08/11/2010	179.31	179.31	0.00	11854.25
09/09/2010	179.31	179.31	0.00	11854.25
10/07/2010	179.31	179.31	0.00	11854.25
11/05/2010	179.31	179.31	0.00	11854.25
12/03/2010	179.31	179.31	0.00	11854.25
12/31/2010	179.31	179.31	0.00	11854.25

Philadelphia Service Center

Tax Period: December 31, 2006

CUT OUT AND RETURN THE VOUCHER IMMEDIATELY BELOW IF YOU ONLY HAVE AN INQUIRY. DO NOT USE IF YOU ARE MAKING A PAYMENT.

CUT OUT AND RETURN THE VOUCHER AT THE BOTTOM OF THIS PAGE IF YOU ARE MAKING A PAYMENT, EVEN IF YOU ALSO HAVE AN INQUIRY.



000806



CUT HERE

Return this voucher with your inquiry or correspondence.

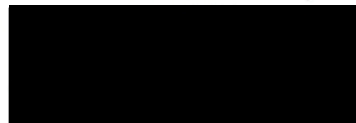
Your Telephone Number: Best Time to Call:
() _____ - _____ AM _____ PM
97.626 89.176 0

Correspondence enclosed:

- Write your Taxpayer Identification Number, tax period and tax form number on your inquiry or correspondence

SB 201018 0207 28247-513-79011-0

21E Internal Revenue Service
P.O. Box 331
Bensalem, PA 19020-8517



CUT HERE

Return this voucher with your payment or correspondence.

Your Telephone Number: Best Time to Call:
() _____ - _____ AM _____ PM
97.626 89.176 0

Amount you owe: \$13,587.46

- You will avoid additional penalties and/or interest if we receive your full payment by **June 7, 2010**

Amount enclosed: \$ _____

- Make payable to United States Treasury
- Write Taxpayer Identification Number, tax period and tax form number on payment

Correspondence enclosed

SB 201018 0207 28247-513-79011-0

21E Internal Revenue Service
Kansas City, MO 64999-0202

