

IRS Department of the Treasury
Internal Revenue Service
PO BOX 219236, Stop 5050
Kansas City MO 64121

In reply refer to: 0975205590
July 06, 2007 LTR 2273C E0

00024135
80DC: WI

Social Security Number:
Form(s): 1040
Tax Period(s): Dec. 31, 1998 Dec. 31, 2000 Dec. 31, 2001
Dec. 31, 2002 Dec. 31, 2003 Dec. 31, 2004
Dec. 31, 2006

Dear Taxpayer:

Based on our information about your financial situation, the minimum monthly payment we'll accept from you is \$1,228.00. We set up an installment agreement for this amount, and your payment is due on the 28th of each month beginning on July 28, 2007. Since we must receive your payment in our office by this date, please make sure you mail your payment at least five days before the due date. The total amount you owe includes interest and penalty for not paying your total tax when it was due. We'll continue to charge interest and penalty until you pay the total amount you owe.

We'll apply any refunds we owe you to this liability until you pay the total amount you owe.

We charge a \$105.00 user fee to cover the cost of providing installment agreements. The fee will be deducted from your first payment. **YOUR FIRST PAYMENT MUST BE AT LEAST \$105.00 TO COVER THE FEE, EVEN THOUGH YOUR REMAINING PAYMENTS MAY BE FOR LESS.** Please write User Fee on the first payment so that the payment will be properly credited.

The Installment Agreement User Fee may be reduced for individuals whose income falls at or below levels based on IRS Installment Agreement Low Income Guidelines. You may qualify for a one time reduction to your Installment Agreement User Fee.

IRS Installment Agreement Low Income Guidelines			
Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$24,500	\$30,625	\$28,175
2	\$33,000	\$41,250	\$37,950
3	\$41,500	\$51,875	\$47,725
4	\$50,000	\$62,500	\$57,500

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**** Filing and Paying Late -- IRC Section 6651 ****

We charge a 5% combined penalty of 4 1/2% for filing late and 1/2% for paying late when a return is filed late and the tax is not paid by the due date of the return. The combined penalty is 5% of the unpaid tax for each month or part of a month the return is late, but not more than 5 months, which would total 25% (22 1/2% late filing and 2 1/2% late paying).

In addition to the 22 1/2% late filing penalty for the first 5 months a return is late, we continue to charge the 1/2% late paying penalty for each month or part of a month for as long as the tax is unpaid, but not for more than 25%.

The maximum penalty we can charge is 47 1/2% (22 1/2% late filing plus 25% late paying).

**** Partnership Late Filing -- IRC Section 6698(b) ****

The penalty for late filing of a partnership return is \$50 for each person who was a partner at any time during the year, for each month or part of a month the return was filed late, for up to 5 months.

**** Interest -- IRC Section 6601 ****

We charge interest when tax is not paid on time. We figure interest from the due date of the return (regardless of extensions) to the date we receive full payment or the date of the notice.

The current amount you owe for the tax period(s) shown above is \$30,472.98, which includes penalty and interest figured to 07/28/2007. We will continue to charge penalties and interest until you pay your account in full.

We'll send you a monthly statement with a payment voucher and return envelope shortly before each payment is due. It will show the total amount you owe, as well as your monthly payment amount. We must receive your payment by the due date, so if you don't receive the statement at least five days before your first payment due date, you should return the last page of this letter with your payment.

Clearly print on each payment your Social Security or Employer Identification Number, tax year, tax form number, and a daytime phone number. If you change your address, please enclose your new

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5	\$58,500	\$73,125	\$67,275
6	\$67,000	\$83,750	\$77,050
7	\$75,500	\$94,375	\$86,825
8	\$84,000	\$105,000	\$96,600
For each additional person, add	\$8,500	\$10,625	\$9,775

Source: Based on 2006 US Dept of Health & Human Services Poverty Guidelines, Federal Register, Vol. 71, No. 15, January 24, 2006, pp. 3848-3849

You may complete and submit Form 13844 for consideration. The form is available at www.irs.gov/formspubs or you may call 1-800-829-3676. Please mail your application to IRS, PO Box 219236, Stop 5050, Kansas City, MO 64121-9236.

If you have already paid the User Fee of \$105.00, and your request for a reduced fee is approved, we will apply \$62.00 to the tax you owe.

Once your request is considered, you will be notified by mail.

The total amount you owe includes interest and penalty for not paying your total tax when it was due. We'll continue to charge interest and penalty until you pay the total amount you owe. We'll apply your monthly payments first to the oldest tax, then penalty, and then to interest.

We've provided a general explanation of the possible penalties and/or interest included in the current balance due on your account. If you would like a specific explanation of how the amounts were computed on your account, please contact us at the toll-free number shown in this letter and we will send you a detailed computation.

**** Paying Late -- IRC Section 6651(d) ****

Initially, the penalty is 1/2% of the unpaid tax for each month or part of a month the tax isn't paid.

If we issue a Notice of Intent to Levy and the balance due isn't paid within 10 days from the date of the notice, the penalty increases to 1% a month.

The penalty can't be more than 25% of the tax paid late.

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address with the next payment you send us. We must have your current address in order to maintain your installment agreement.

It's important that you meet all the conditions of your installment agreement. If you don't, we can cancel it, and take enforcement action to collect the full amount of your tax liability. Enforcement action could include filing a lien against your property, or a levy on your wages or bank accounts. If we cancel your installment agreement and you later apply for and receive reinstatement, you will have to pay a reinstatement fee.

We based this installment agreement on your current financial circumstances. If there is a change in your ability to pay, we can revise or cancel your installment agreement.

The other conditions of this agreement are:

1. You'll pay on time all federal taxes that become due during the term of this arrangement.
2. You'll file on time all federal and state tax returns that become due during the term of this agreement.
3. We'll apply all installment agreement payments to the oldest tax assessment(s), then penalties, then interest.
4. We can cancel the installment agreement if you don't meet the conditions of this arrangement or we find collection of the tax is in jeopardy. We would then collect the entire amount you owe by taking part of your income or your property. We can also file a lien to protect the interest of the government.
5. We'll continue to charge penalty and interest until you pay the total amount you owe.
6. You must pay all installment agreement user fees.
7. You will provide a current financial statement when we request one.

The federal income tax is a pay-as-you-go tax. You must pay the tax as you earn or receive income during the year. There are two ways to pay as you go:

1. WITHHOLDING - If you are an employee, your employer will withhold income tax from your pay. Tax is also withheld from other types

of income including pensions, bonuses, commissions, and gambling
winnings. In each case, the amount withheld is paid to the
United States Treasury in your name.

If too little tax is being withheld from your wages, you should give
your employer a new Form W-4, Employee's Withholding Allowance
Certificate, to change the amount of withholding.

2. ESTIMATED TAX PAYMENTS - If you don't pay your tax through
withholding, or don't pay enough, you might have to pay
estimated tax. People who are in business for themselves
generally will have to pay their tax this way. Note: People who
are in business for themselves will generally have to pay self-
employment tax as well as income tax.

If you need more information about changing your Form W-4 or making
estimated tax payments, please let us know. Publication 505,
Tax Withholding and Estimated Tax, explains both of these methods
in detail. You can get a copy by calling 1-800-829-FORM or visiting
our web site at www.irs.gov.

Electronic Payment Options:

- Visit www.EFTPS.com or call EFTPS Customer Service at
1-800-316-6541 (individual) or 1-800-555-4477 (business).
- Visit www.PAY1040.com or call 1-888-PAY-1040 or 1-888-729-1040
to make a payment. (Link2Gov Corporation)
- Visit www.officialpayments.com or call 1-800-2PAYTAX or
1-800-272-9829 to make a payment. (Official Payments Corporation)
- Fees may vary between the providers

If you have any questions, please call us toll free at 1-800-829-0922.

If you prefer, you may write to us at the address shown at the top
of the first page of this letter.

If you are out of the country and need assistance, please call us at
01-215-516-2000 (not a toll free number).

You can also contact us via our website at www.irs.gov for more
information.

Whenever you write, please include this letter and, in the spaces
below, give us your telephone number with the hours we can reach you.
Keep a copy of this letter for your records.

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