



Department of the Treasury
Internal Revenue Service
PO BOX 9012
HOLTSVILLE NY 11742-9012



Notice CP2000
Tax year 2020
Notice date October 24, 2022
Social Security number [REDACTED]
AUR control number [REDACTED]
To contact us Phone 1-800-829-8310
Fax 1-877-477-9599

Page 1 of 11

We are proposing changes to your 2020 Form 1040 tax return. This is not a bill.

Proposed amount due: \$57,276

We received information from third parties such as employers or financial institutions that doesn't match the information you reported on your tax return. This notice:

- Proposes a change to tax and/or payments and credits (such as federal income tax withheld, earned income credit, etc.) that you originally reported.
 - Provides you with an opportunity to agree or disagree with the proposed changes.
- If our information is correct, you will owe \$57,276 (including interest), which you need to pay by November 23, 2022.

Summary of proposed changes

Tax you owe	\$45,638
Payments	\$0
Substantial tax understatement penalty	\$9,128
Interest	\$2,510
Proposed amount due by November 23, 2022	\$57,276

Reminder: This is not a bill. We haven't charged the proposed amount due.

What you need to do immediately

If you need more time to respond to this notice, contact us at 1-800-829-8310. Interest will continue to accrue during this period if the information in this notice is correct.

Review this notice, and compare our changes to the information on your 2020 tax return.

If you agree with the proposed changes

- Complete, sign, and date the Response form on Page 9 (**we require both spouses' signatures if you filed married filing jointly**), and mail it to us along with your payment of \$57,276 so we receive it by November 23, 2022.
- **Do not file an amended return (Form 1040X) if you fully agree with our changes.** We'll make the correction when we receive your signed response.

If you don't agree with the proposed changes

- Complete the Response form on Page 9, and send it to us along with a signed statement explaining your disagreement and include any documentation that supports your claim so we receive it by November 23, 2022.
- If you have allowable costs or expenses related to the unreported income that will change our proposal, it may benefit you to include the applicable form or schedule with your response.



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- It is **not** necessary to file an amended return (Form 1040X) for 2020 if you don't agree with our changes. We'll review your response and make any applicable corrections. However, if you choose to file an amended return, write "CP2000" on top of it and attach it **behind** your completed Response form.

If you need assistance contact us at 1-800-829-8310.

If we don't hear from you

If we don't receive your response by November 23, 2022, we'll send you a Statutory Notice of Deficiency followed by a final bill for the proposed amount due. During this time, interest will continue to accrue and penalties may apply.



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Changes to your 2020 tax return

Your income and deductions	Shown on return	As corrected by IRS	Difference
Retirement income taxable	\$0	\$132,419	\$132,419
Schedule D/capital gain dividends	\$0	\$12	\$12
Income net difference			\$132,431
Student loan interest deduction	\$785	\$0	-\$785
Deduction net difference *1			-\$785
Change to taxable income			\$133,216

Your tax computations	Shown on return	As corrected by IRS	Difference
Taxable income, Form 1040, line 15	\$134,993	\$268,209	\$133,216
Tax, Form 1040, line 16	\$21,275	\$52,525	\$31,250
Child tax credit and other dependent, Form 1040, line 19	\$4,000	\$4,000	\$0
Self-Employment tax, Schedule 2, line 4	\$1,868	\$1,868	\$0
Tax on qualified plans	\$0	\$13,242	\$13,242
Net investment income tax, Schedule 2, line 8b	\$0	\$1,145	\$1,145
Total tax, Form 1040, line 24	\$19,142	\$64,780	\$45,638
Recovery rebate credit, Form 1040, line 30	\$4,820	\$4,820	\$0
Tax you owe			\$45,638

Payments	Shown on return	As corrected by IRS	Difference
Income tax withheld, Form 1040, line 25	\$52,953	\$52,953	\$0
Total payments			\$0

(*1) Decreases to deductions result in an increase to taxable income.

Explanation of changes to your 2020 Form 1040

This section tells you specifically what income information the IRS received about you from others (including your employers, banks, mortgage holders, etc.). This information doesn't match the information you reported on your tax return.

Use the table to compare the data the IRS received from others to the information you reported on your tax return to understand where the difference(s) occurred. To assist you in reviewing your income amounts, the table may include both reported and unreported amounts.

Schedule D/Capital Gain

Dividends

Received from	Address	Account Information	Shown on return	Reported by others	Difference
[REDACTED]	[REDACTED]	SSN [REDACTED] Form PTK-1	\$0	\$12	\$12

Retirement Income Taxable

Received from	Address	Account Information	Shown on return	Reported by others	Difference
[REDACTED]	[REDACTED]	Form 1099-R Distrib CD 1	-	\$90,576	-
[REDACTED]	[REDACTED]	Form 1099-R Distrib CD 1M	-	\$41,843	-



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Retirement Income Taxable Total \$0 \$132,419 \$132,419

**Student Loan Interest
Deduction**

Received from	Address	Account Information	Shown on return	Reported by others	Difference
U.S. DEPARTMENT OF EDUCATION	[REDACTED]	[REDACTED]	-	\$4,086	-

Form 1098-E

Retirement distributions

We couldn't identify the retirement distribution reported on your return based solely on information your payers reported to us. We need to know if the reported income is a part of a pension or an annuity.

If it's an annuity and you're recovering your after-tax contributions using the Simplified Method or General Rule, send us a signed statement with the date of your first payment, the amount you receive monthly, and the total amount you contributed.

If it's not a pension or an annuity, send us a copy of the document showing the gross and non-taxable amount of the distribution you received.

If all or part of the distribution was rolled over, send us Form 5498, IRA Contribution Information or similar documentation showing a rollover.

Misidentified income

If any of the income shown on this notice isn't yours, send us the name, address, and taxpayer identification number of the person who received the income. To prevent future incorrect reporting to the IRS, notify the payer to adjust their records to show the correct name and taxpayer identification number.

Form W-2 or 1099 not received

The income reported on your return doesn't match the documents we received from your employer or payers. The law requires you to accurately report all income you receive. If your employers don't send proper information documents or forms (for example, Form W-2, Wage and Tax Statement, Form 1099), you must estimate your income based on your paycheck stubs, bank statements, or other records and include your estimate on your tax return.



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Student loan interest deduction decreased

We decreased the student loan interest deduction claimed on your tax return because your modified adjusted gross income is between:

- \$70,000 and \$85,000 for taxpayers filing single, head of household or for a qualifying widower with a dependent child.
- \$140,000 and \$170,000 for married taxpayers filing jointly.

There is no allowable deduction if:

- Your modified adjusted gross income is equal or exceeds the higher amount listed above for your filing status.
- Your filing status is married filing separately.
- You said that you or your spouse if filing jointly can be claimed as a dependent on someone else's tax return.

The allowable deduction amount for your filing status and income is shown in the "Explanation of changes" section of this notice under the heading "Reported to IRS by others."

Refigured tax based on Schedule D computation

We recalculated your tax using the Schedule D gain or loss computation.

10% additional tax on premature distributions from a qualified retirement plan

Early distributions from a qualified retirement plan, including IRAs, are generally subject to an additional 10% tax. A distribution is early if you withdrew or used qualified retirement plan assets before you reached age 59 1/2. Exceptions may apply. Refer to Publication 17, Your Federal Income Tax (for Individuals), or Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs). If the distributions listed on our previous notice are exempt from the additional 10% tax, send us a signed explanation or a completed Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts.



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Net Investment Income Tax

We're proposing a change to your investment income and your net investment income tax (NIIT). In general, net investment income includes the excess of interest, dividends, capital gains, gains from trading in financial instruments or commodities, rental and royalty income, annuities, and income from passive activities and trading in financial instruments or commodities over allowable deductions.

A 3.8% tax applies when you have net investment income and your modified adjusted gross income exceeds:

- \$200,000 for single or head of household
- \$250,000 for married filing jointly or qualifying widower
- \$125,000 for married filing separately

Next steps

If you agree with our proposed changes, send us your signed Response form so we receive it by the due date of this notice. After you receive the billing notice showing we've adjusted your account, you can use the following online payment options:

- Visit www.irs.gov/payments for information about online payment options including:
 - Pre-assessed installments and payment agreements
 - Payroll deductions
 - Credit card payments
 - Direct debit payments
 - Applicable fees
- To apply for an installment agreement plan by mail, send in your signed Response form AND a completed Form 9465, Installment Agreement Request.

If the same error occurred in another tax year, file a Form 1040X for that tax year.

We send information about these changes to state and local tax agencies. If the changes we made to your federal tax return also impact your state or local tax return, file an amended state or local tax return as soon as possible.

Penalties

We are required by law to charge any applicable penalties.

Substantial tax understatement

Description	Amount
Accuracy-related penalty substantial understatement of tax - IRC 6662(b)(2); 6662(d)	\$9,128

If you understate your tax liability and the understatement is more than the greater of 10% of your correct tax liability or \$5,000, an accuracy-related penalty generally applies for the substantial understatement of tax. The penalty is 20% of the portion of the underpayment of tax attributable to a substantial understatement of income tax. We may reduce or eliminate the penalty if you send a signed statement with one of the following:

- Facts to support your treatment of the understated income and the authority for your position, such as the Internal Revenue Code, Treasury Regulations, Revenue Rulings, Revenue Procedures, etc. or
- An explanation of whether you clearly disclosed the item, such as by attaching Form 8275, Disclosure Statement, or Form 8275-R, Regulation Disclosure Statement, and there is a reasonable basis for your position.



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Interest charges

We are required by law to charge interest when you do not pay your liability on time. Generally, we calculate interest from the due date of your return (regardless of extensions) until you pay the amount you owe in full, including accrued interest and any penalty charges. Interest on some penalties accrues from the date we notify you of the penalty until it is paid in full. Interest on other penalties, such as failure to file a tax return, starts from the due date or extended due date of the return. Interest rates are variable and may change quarterly. (Internal Revenue Code Section 6601)

Interest is calculated to 30 days from the date of the notice for domestic addresses and 60 days from the date of the notice for foreign and APO/FPO/DPO addresses. Interest will continue to accrue until you pay the amount you owe in full.

Description	Amount
Total interest	\$2,510

The table below shows the rates used to calculate the interest on your unpaid amount from the date the tax return was due until the tax is paid in full. For a detailed calculation of your interest, call 1-800-829-8310.

Period	Interest rate
April 1, 2021 through March 31, 2022	3%
April 1, 2022 through June 30, 2022	4%
July 1, 2022 through September 30, 2022	5%
Beginning October 1, 2022	6%

Additional information

- For information about your rights, see the enclosed Publication 1, Your Rights as a Taxpayer.
- Visit www.irs.gov/cp2000 for more information about this notice, frequently asked questions, and to review the following:
 - Publication 5181, Tax Return Reviews by Mail CP2000, Letter 2030, CP2501, Letter 2531, for more information about filing an Appeal.
- For tax forms, instructions, and publications, visit www.irs.gov/forms-pubs or call 800-TAX-FORM (800-829-3676).
- This isn't an audit; your return may be subject to an examination.
- Keep a copy of this notice for your records.

The Taxpayer Bill of Rights describes ten basic rights that all taxpayers have when dealing with the IRS. To help you understand what these rights mean to you and how they apply, visit www.irs.gov.



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INTERNAL REVENUE SERVICE
PO BOX 9012
HOLTSVILLE NY 11742-9012



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Fold here

Response form

Complete both sides of this form, and send it to us in the enclosed envelope so we can receive it by November 23, 2022. If making a payment, use the provided voucher to ensure proper application of your payment. Be sure our address shows through the window.

Provide your contact information

If your address has changed, please make the changes below.



☐ a.m.
☐ p.m.

☐ a.m.
☐ p.m.

Primary phone

Best time to call

Secondary phone

Best time to call

1. Indicate your agreement or disagreement

☐ I agree with all changes

I consent to the assessment of my 2020 income tax, and understand that:

- I owe \$57,276 in additional tax, payment adjustments, and interest.
- The IRS is required by law to charge interest on taxes that weren't paid in full by May 17, 2021.
- The IRS will continue to charge interest until I've paid the tax in full. Certain penalties may also apply.
- I can file a claim for a refund at a later date.
- By signing this form, I cannot challenge these changes in the U.S. Tax Court unless the IRS determines after the date I sign this form that I owe additional taxes for 2020.

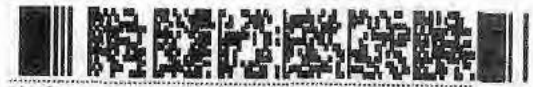
Please sign and return this form with your payment.

Signature

Date

Spouse's Signature (required if you filed a joint tax return)

Date



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Indicate your agreement or disagreement—Continued

☐ **I don't agree with some or all of the changes**

Please return this form and include a statement signed by you that explains what you don't agree with. Also include copies of any documents, such as corrected W-2, 1099, or missing forms that support your statement.

Note: You can fax this Response form, documentation and/or signed statement explaining the items you don't agree with to 1-877-477-9599

2. Indicate your payment option

Check all that apply:

- ☐ Payment in the form of a check or money order.
- Write your Taxpayer Identification number (276-74-5887), the tax year (2020), and the notice number (CP2000) on your payment and any correspondence.
 - Make your check or money order payable to the United States Treasury.
- ☐ A completed Installment Agreement Request (Form 9465).
- ☐ I made an online payment.

3. Authorization optional

If you would like to authorize someone, in addition to you, to contact the IRS concerning this notice, please include the person's information, your signature, and the date.

The authority granted is limited as indicated by the statement above the signature line. The contact may not sign returns, enter into agreements, or otherwise represent you before the IRS. If you want to have a designee with expanded authorization, see IRS Publication 947, Practice Before the IRS and Power of Attorney.

Full name of authorized person

Address

City

State

Country

Zip code

☐ a.m.
☐ p.m.

☐ a.m.
☐ p.m.

Primary phone

Best time to call

Secondary phone

Best time to call

I authorize the person listed above to discuss and provide information to the IRS about this notice.

Signature

Date

Spouse's Signature (required if you filed a joint tax return)

Date

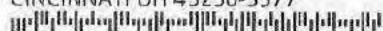


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Payment

Internal Revenue Service
PO BOX 145577
CINCINNATI OH 45250-5577



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- Make your check or money order payable to the United States Treasury.
- Write your Taxpayer Identification number (276-74-5887), the tax year (2020), and the notice number (CP2000) on your payment and any correspondence.

Amount due by
November 23, 2022

\$57,276

2020 Sch K-1 Form 1065