The penalty abatement letter

United States edition

[Firm letterhead]

[Date]

Internal Revenue Service
[Address shown on the notice]

Re: Request for penalty relief
Taxpayer: [Name]
Taxpayer identification number: [SSN / EIN]
Form and tax period: [Form 1040 / 1120-S / 941], [period]
Notice: [CP number], dated [date]
Penalty: [failure to file (IRC 6651(a)(1)) / failure to pay (IRC 6651(a)(2)) / failure to deposit (IRC 6656)], [amount]

Dear Sir or Madam,

REQUEST

We represent [Taxpayer name] under the enclosed Form 2848, Power of Attorney and Declaration of Representative. We request that the [penalty] assessed for [tax period] be removed, together with the interest charged on it.

FIRST TIME ABATE

We request relief under the First Time Abate administrative waiver. [Taxpayer name] timely filed [Form] for each of the three tax years preceding [tax period] ([years]), and no penalty other than an estimated tax penalty was assessed for those years [or: the penalty assessed for [year] was abated for reasonable cause].

[For a business: The failure to deposit penalty was not waived four or more times in the three years preceding this period, and the penalty was not charged for avoiding EFTPS.]

The return for [tax period] was filed on [date]. [The tax due was paid in full on [date] / The balance is being paid under an installment agreement dated [date], and payments are current.]

[IF THERE IS ALSO A REASONABLE CAUSE CASE] REASONABLE CAUSE

If the waiver is not available, we ask that the penalty be removed for reasonable cause. [Taxpayer name] exercised ordinary business care and prudence but was unable to [file / pay / deposit] on time for the following reasons.

What happened and when: [Facts, with dates. For example: on [date] [Taxpayer] was admitted to hospital with [condition] and remained under treatment until [date].]

How it prevented compliance: [Why this stopped the filing or payment, and why nobody else could have done it in time.]

The taxpayer's other affairs: [How the taxpayer's other obligations were handled in the same period.]

Compliance once the circumstances ended: [What the taxpayer did, and when. For example: the return was filed on [date], [number] days after [Taxpayer] returned to work.]

The following documents are enclosed: [list].

CLOSING

Please direct any questions to me at [telephone] or [email]. If the request is not granted in full, we ask for a written explanation of the decision.

Sincerely,
[Name], [CPA / EA / Attorney]
[Firm name]
CAF number: [number]

Enclosures: Form 2848; copy of notice [CP number]; [supporting documents]

[INCLUDE FOR ANY PENALTY OTHER THAN FAILURE TO FILE, PAY OR DEPOSIT] TAXPAYER'S DECLARATION

Under penalties of perjury, I declare that I have examined the facts stated in this letter and, to the best of my knowledge and belief, they are true, correct and complete.

[Taxpayer name]

Signature _____ Date _____

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