

# CORRESPONDENCE EXAMINATION OF SOLAR CREDIT



Department of the Treasury  
Internal Revenue Service

Exam Operation  
Fresno CA 93888

[REDACTED]  
[REDACTED]  
KANEOHE HI [REDACTED]

Date:

10/20/2017

Taxpayer ID number:

5 [REDACTED]

PC 01 [REDACTED]

EGC 5 [REDACTED]

Tax periods ended:

December 31, 2016

Person to contact:

M F [REDACTED]

Contact telephone number:

1-855-[REDACTED]

Contact hours:

8:00am - 8:00pm

Contact fax number:

We're auditing your 2016 Form 1040 [REDACTED], and need a response from you.

Proposed changes to your 2016 Form 1040

Dear M [REDACTED]

We reviewed your 2016 federal income tax return, any information you gave us, and made proposed changes to your tax. As a result, we found that you:

- are due a refund of \$ [REDACTED]
- owe a balance of \$ 1,177.00 [REDACTED]. This amount may include tax, penalties, and estimated interest due. You should pay the balance due immediately to avoid additional penalties and interest charges.

### What you need to do

Review the enclosed Form 4549, *Income Tax Examination Changes*, and attached Form 886 and let us know by November 19, 2017 if you agree or disagree with our proposed changes. If your address has changed, please provide your current address and contact information when you respond.

### If you agree with our changes

- Sign, date and mail the enclosed Form 4549 to us in the envelope we provided.
- If you are due a refund, you should receive a refund check within 8 weeks if you don't owe other taxes or debts we're required to collect.
- If you owe additional taxes, make your check or money order payable to the United States Treasury. Write your taxpayer ID number, tax year and form number on the check.
- If you can't pay the total amount due, pay as much as you can and make payment arrangements to pay the rest over time. Payment options are described in the enclosed Publication 3498-A, *The Examination Process (Audiis by Mail)*. You can also search "tax payment options" at [www.irs.gov](http://www.irs.gov).

# WE PROVIDED DOCUMENTATION AND AN EXPLANATION WHY THE SOLAR ENERGY CREDIT WAS ALLOWABLE AND CORRECT

## If you don't agree with our changes

Return a copy of this letter along with your explanation and any supporting documents. Form 886 attached to the Form 4549 explains documentation you need to give us. Publication 3498-A describes the audit process and explains other options, including your appeal rights, if you disagree with our proposed changes.

## If we don't hear from you

If we don't receive a response from you, we'll send you a Notice of Deficiency, which will state the amount you owe with penalties and explain your right to file a petition in the United States Tax Court. Once a Notice of Deficiency is sent to you, you cannot appeal disagreements to the IRS. We will still consider new information you may provide to us, but you will need to file a petition with the United States Tax Court to challenge the deficiency.

If you need assistance, please don't hesitate to contact us. If you want to authorize someone, in addition to you, to contact the IRS about this letter, please complete and send us Form 2848, *Power of Attorney and Declaration of Representative*. You can download this form at [www.irs.gov](http://www.irs.gov) or request a copy by calling 1-800-TAX-FORM (1-800-829-3676).

Please provide a telephone number, including area code and the best time for us to call you if we need more information.

Telephone number: (        ) \_\_\_\_\_ - \_\_\_\_\_ Hours: \_\_\_\_\_

Sincerely,

L 

Operations Manager, Examination Branch

Enclosures:

Form 4549

Publication 3498-A

Form 886

Copy of this letter

Envelope

Name and Address of Taxpayer  KANEHOHE HI	Taxpayer Identification Number  	Return Form No.: 1040
	Person with whom examination changes were discussed.	Name and Title: MITCHELL M & CONSTANCE SHIGEMOTO

1. Adjustments to Income	Period End 12/31/2016	Period End	Period End
a.			
b.			
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
o.			
p.			
<b>2. Total Adjustments</b>	0.00		
<b>3. Taxable Income Per Return or as Previously Adjusted</b>	37,143.00		
<b>4. Corrected Taxable Income</b>	37,143.00		
Tax Method	SCHEDULE D		
Filing Status	Joint		
<b>5. Tax</b>	4,491.00		
<b>6. Additional Taxes / Alternative Minimum Tax</b>			
<b>7. Corrected Tax Liability</b>	4,491.00		
<b>8. Less Credits</b>			
a. Residential Energy Credit	0.00		
b.			
c.			
d.			
<b>DISALLOWANCE OF SOLAR CREDIT</b>			
<b>9. Balance (Line 7 less Lines 8a through 8d)</b>	4,491.00		
<b>10. Plus Other Taxes</b>			
a.			
b.			
c.			
d.			
<b>11. Total Corrected Tax Liability (Line 9 plus Lines 10a through 10d)</b>	4,491.00		
<b>12. Total Tax Shown on Return or as Previously Adjusted</b>	0.00		
<b>13. Adjustments to:</b>			
a.			
b.			
c.			
<b>14. Deficiency-Increase in Tax or (Overassessment-Decrease in Tax) (Line 11 less Line 12 adjusted by Lines 13a through 13c)</b>	4,491.00		
<b>15. Adjustments to Prepayment Credits - Increase (Decrease) See Attached</b>	3,341.00		
<b>16. Balance Due or (Overpayment) - (Line 14 adjusted by Line 15) (Excluding interest and penalties)</b>	1,150.00		

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filing the necessary forms.

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income you earned and do not pay the required tax. The IRS may order backup withholding (withholding of a percentage of your dividend and/or interest income) if the tax remains unpaid after it has been assessed and four notices have been issued to you over a 120-day period.

Name of Taxpayer: [Redacted] Taxpayer Identification Number: [Redacted] Return Form No.: 1040

17. Penalties/ Code Sections	Period End 12/31/2016	Period End	Period End
a.			
b.			
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
<b>18. Total Penalties</b>			
Underpayment attributable to negligence: (1981-1987) <i>A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.</i>			
Underpayment attributable to fraud: (1981-1987) <i>A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.</i>			
Underpayment attributable to Tax Motivated Transactions (TMT). The interest will accrue and be assessed at 120% of the underpayment rate in accordance with IRC §6621(c)	0.00		
<b>19. Summary of Taxes, Penalties and Interest:</b>			
a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)	1,150.00		
b. Penalties (Line 18) - computed to 10/20/2017			
c. Interest (IRC § 6601) - computed to 11/11/2017	26.77		
d. TMT Interest - computed to 11/11/2017 (on TMT underpayment)	0.00		
e. Amount due or (refund) - (sum of Lines a, b, c and d)	1,176.77		

**Other Information:**

Examiner's Signature: M [Redacted]	Employee ID: 10 [Redacted]	Office: Fresno, California	Date: 10/20/2017
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Consent to Assessment and Collection- I do not wish to exercise my appeal rights with the Internal Revenue Service or to contest in the United States Tax Court the findings in this report. Therefore, I give my consent to the immediate assessment and collection of any increase in tax and penalties, and accept any decrease in tax and penalties shown above, plus additional interest as provided by law. It is understood that this report is subject to acceptance by the Area Director, Area Manager, Specialty Tax Program Chief, or Director of Field Operations.

**PLEASE NOTE:** If a joint return was filed, BOTH taxpayers must sign

Signature of Taxpayer	Date:	Signature of Taxpayer	Date:
By:		Title:	Date:

FRESNO CA 93888-0025

**RECEIVED**  
MAY 30 2018  
BY: \_\_\_\_\_

In reply refer to: 10 [redacted]  
Feb. 07, 2018 LTR 86C 3  
5 [redacted] 201612 30 1  
0000 [redacted]  
BODC: WI

[redacted]  
% DAVID M RAMIREZ  
PO BOX [redacted]  
HONOLULU HI [redacted]

**IRS SENT A LETTER TELLING US  
THAT THE INFORMATION WE  
PROVIDED WAS GOING TO BE  
REVIEWED IN FRESNO.**

Taxpayer identification number: [redacted]  
Tax periods: **Dec. 31, 2016**

Form: 1040

Dear Taxpayer:

**Thank you for your correspondence of Oct. 11, 2017.**

**We're sending your claim**, Form 1040, to the **Area Office for review**. That office will contact you within 60 days.

If you need forms, schedules, or publications, you can obtain them by visiting the IRS website at [www.irs.gov](http://www.irs.gov) or by calling toll-free at 800-TAX-FORM (800-829-3676).

If you have questions, call us at 800-[redacted]

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

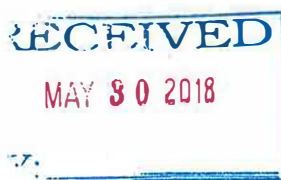
When you write, include a copy of this letter, and provide your telephone number and the hours we can reach you in the spaces below.

Telephone number ( ) \_\_\_\_\_ Hours \_\_\_\_\_

Keep a copy of this letter for your records.

Thank you for your cooperation.





[REDACTED] 530  
[REDACTED]  
[REDACTED]

%DAVID M RAMIREZ  
PO BOX [REDACTED]  
HONOLULU, HI [REDACTED]

Date: **April 2, 2018**  
Taxpayer ID Number: [REDACTED]  
Form: 1040  
Tax period(s) ended: **DEC. 31, 2016**  
Person to contact:  
**CORRESPONDENCE EXAM TECHNICIAN**  
Contact Telephone Number: 1-866-[REDACTED]  
(TOLL FREE NUMBER)

**IRS HAS TOLD US THAT SHOULD BE  
GETTING TO INFORMATION SENT IN  
WITHIN ABOUT 2 1/2 MONTHS.**

Dear [REDACTED]

I apologize, but we haven't reviewed your response dated 11/01/2017, because we received a large volume of inquiries at the same time. If we can't complete our review of the information you sent us by 04/15/2018, we will contact you again to provide a date when you can expect our response.

If someone is handling this matter for you, please let them know we received his or her response.

Thank you for your cooperation.

Sincerely,

L. [REDACTED]  
Operations Manager

Enclosure:  
Copy of this letter

Fresno, CA



WI  
EXL

Date : April 23, 2018

Taxpayer Identification Number: 57

Tax Period Ended: DEC. 31, 2016

Person to Contact:

CORRESPONDENCE EXAM TECHNICIAN

Contact Telephone Number: 1-866- (TOLL FREE NUMBER)

Employee Identification Number:

Fax Number:

4 370  
||

M  
%DAVID M RAMIREZ  
PO BOX  
HONOLULU, HI

**RECEIVED CLOSING LETTER THAT IRS  
ACCEPTED INFORMATION WE SUBMITTED  
AND THERE WILL BE NO CHANGES MADE.**

Dear

We are pleased to tell you we did not make any changes to the tax reported on your return.

We will be returning any original documents you sent relating to your return in a separate envelope. If you are due a refund, we will send it to you within six to eight weeks, provided you have no unpaid accounts or other legal debts we are required to collect.

If you received a Notice of Deficiency from us for this tax return and tax period and have not filed a petition with the United States Tax Court, please disregard that notice. You will not need to file a petition with the Tax Court for reconsideration of your tax liability. If you already did file a petition with the Tax Court, you will need to prepare and file the appropriate documents with the court in order to close your case. We suggest you inform your attorney or tax representative that you have reached an agreement with the Internal Revenue Service and have received a "No Change Letter". If you do not have an attorney or representative and are representing yourself in the Tax Court, please contact the IRS attorney or IRS appeals officer assigned to your case so that the necessary steps may be taken to close your case.

Although we did not make any changes to your return, changes could be made if we examine the tax return of a related Subchapter S Corporation, trust, or partnership and find we have to make changes to it that could affect your individual return.

If you have any questions about this letter, please call us at the telephone number shown above. Thank you for your cooperation.

Sincerely,

L. [Redacted]  
Operations Manager, Examination