



Department of the Treasury
Internal Revenue Service
P. O. Box 9002
Holtsville NY 11742-9002

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For assistance, call:
1-800-829-8374

Your Caller ID: 627474

Notice Number: CP22E

Date: November 22, 2004

Taxpayer Identification Number:

Tax Form: 1040A

Tax Year: December 31, 1999

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DAVID P FONTAINE

028046

Amount You Owe
as of: December 13, 2004

\$14,242.40

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 1999 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	None
Increase in tax because of audit	\$12,088.00
Credit added tax withheld	\$4,739.00 CR
Additional late payment penalty since prior notice	\$1,837.25
Filing Late penalty added	\$1,653.53
Estimated Tax penalty added	\$392.14
Interest charged	\$3,010.48
Amount you now owe	\$14,242.40

How This Affects You

Please pay the full amount by December 13, 2004 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 already paid your tax in full or arranged for an installment agreement, please 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.

Helpful Hint: For faster service, try calling us any day except Monday when our call volumes are highest.

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 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:

07 Paying Late \$1,837.25

IRC section 6651 (a) (2)

We charged a penalty because you didn't pay your tax on time. Initially, the penalty is 1/2% of the unpaid tax for each month or part of a month you didn't pay your tax.

If you think we should remove or reduce the penalty, see "Removal of Penalties - Reasonable Cause."

01 Filing and Paying Late \$1,653.53

IRC sections 6651 (a) (1) and 6651 (a) (2)

We charged a combined penalty because you filed late and didn't pay your tax by the due date of your return.

If you think we should remove or reduce this penalty, see "Removal of Penalties - Reasonable Cause."

02 Underpayment or Late Payment of Estimated Tax \$392.14

IRC section 6654

We charged a penalty because you didn't estimate your tax and pay the correct amount of tax due.

For more information on when the estimated tax penalty may be reduced or removed, see the instructions for Form 2210 for your tax year or Publication 505, Tax Withholding and Estimated Tax.

Removal of Penalties - Reasonable Cause

The law lets us remove or reduce the penalties explained in this notice if you have an acceptable reason. If you believe you have an acceptable reason, you may send us a signed statement explaining your reason. We'll review it and let you know if we accept your explanation as reasonable cause to remove or reduce your penalty. This procedure doesn't apply to interest and, in some cases, we may ask you to pay the tax in full before we reduce or remove the penalty for paying late.

Erroneous Written Advice from IRS

We'll also remove your penalty if:

- you wrote to IRS and asked for advice on a specific issue,
- you gave IRS complete and accurate information,
- IRS wrote back to you and gave you a specific course of action to take or explained what actions not to take,
- you followed our written advice in the manner we outlined, and
- you were penalized for the written advice we gave you.

To have the penalty removed because of erroneous written advice from IRS you should:

- complete Form 843, Claim for Refund and Request for Abatement,

Brookhaven Service Center

Tax Period: December 31, 1999

-request that IRS remove the penalty, and

-a copy of your original request for advice from IRS,

-send Form 843 to the IRS Service Center where you filed your return for the year you relied on erroneous advice from the IRS.

-a copy of the erroneous written advice from IRS, and

-a notice (if any) showing the penalty we charged that you now wish us to remove.

The three documents you must attach to your Form 843 are:

Interest:**09 Interest***** Additional Interest Charges****IRC section 6601**

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We charge interest when your tax isn't paid on time. Interest is computed from the due date of your return (regardless of extensions) until paid in full or to the date of this notice.

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.

Interest compounds daily except on late or underpaid estimated taxes for individuals or corporations. Interest is also charged on penalties for late filing, over or understating valuations, and substantially understating the tax you owe.

The following table shows the penalty charges to your account. To compute your late paying penalty we multiplied the number of months times the monthly rate times the principal (not to exceed 25%).

Date	No. Months	Rate/Month	Principal	Penalty
12/15/2004	50	0.50%	7,349.00	1,837.25
Total Penalty:				1,837.25

The following table shows the interest charges to your account. To compute your interest we multiplied the factor times the principal.

From Date	To Date	Days	Rate	Factor	Principal	Interest
04/15/2000	09/30/2000	168	9.0%	0.042171375	9002.53	379.65
09/30/2000	12/31/2000	92	9.0%	0.022877946	9382.18	214.65
12/31/2000	03/31/2001	90	9.0%	0.022437053	9596.83	215.32
03/31/2001	06/30/2001	91	8.0%	0.020143211	9812.15	197.65
06/30/2001	12/31/2001	184	7.0%	0.035914165	10009.80	359.49
12/31/2001	06/30/2002	181	6.0%	0.030197962	10369.29	313.13
06/30/2002	12/31/2002	184	6.0%	0.030706088	10682.42	328.02
12/31/2002	06/30/2003	181	5.0%	0.025102720	11010.44	276.39
06/30/2003	09/30/2003	92	5.0%	0.012681615	11286.83	143.14
09/30/2003	12/31/2003	92	4.0%	0.010132630	11429.97	115.82
12/31/2003	03/31/2004	91	4.0%	0.009994426	11545.79	115.39
03/31/2004	06/30/2004	91	5.0%	0.012508429	11661.18	145.86
06/30/2004	09/30/2004	92	4.0%	0.010104808	11807.04	119.31
09/30/2004	11/22/2004	53	5.0%	0.007266214	11926.35	86.66
Total Interest:						3010.48