

CINCINNATI OH 45999-0029

In reply refer to: 037404
May 18, 2012 LTR 4624C i3
579-82- 200512 30 1
Input Op: 03740462 0002.
BODC: SB

THOMAS D.
% WILLIAM DOUGLAS MCCONNAUGHY
3550 WATT AVE STE 140
SACRAMENTO CA 95821-2666



028076

Social Security Number: 579-82-
Form(s): 1040
Tax Period(s): Dec. 31, 2005 Dec. 31, 2007 Dec. 31, 2008

Dear Taxpayer:

This letter is regarding our conversation on May 10, 2012, concerning the unpaid balance for the tax period(s) shown above.

We've temporarily closed your collection case for the tax and period(s) listed above. We've determined that you are unable to pay the money you owe at this time.

However, you still owe \$28,635.19 to the IRS for the tax period(s) shown above. This amount includes penalty and interest computed to June 10, 2012. You will receive annual reminder notices, and we will continue to charge penalties and interest until you pay the amount you owe in full. Additionally, we'll apply your future federal or state refunds to the amount you owe.

We will file a Notice of Federal Tax Lien to protect the interest of the government.

Since you still owe money, we may re-open your case and resume collection activities in the future if your financial situation improves.

When you don't pay your taxes by the due date, we charge a penalty of 0.5% of the unpaid amount due per month, up to 25% of the amount due. The penalty increases to 1.0% for each month the tax remains unpaid, beginning 10 days after we issue an Intent to Levy (or seize your assets) Notice. We count part of a month as a full month. (IRC Section 6651)

We are required by law to charge interest on unpaid tax from the date the tax return was due to the date the tax is paid in full. We charge interest as long as there is an unpaid amount due, including any unpaid penalties. Interest charges compound daily. (IRC Section 6601)