



Department of the Treasury
Internal Revenue Service

1973 NORTH RULON WHITE BLVD
M/S 4450
OGDEN UT 84404

ELIAS AGREDO-NARVAEZ
1080B E VETERANS HWY
JACKSON NJ 08527-2934

Date:

04/27/2016

Taxpayer ID number:

PC 0310 EGC 5531

Tax periods ended:

December 31, 2014

Person to contact:

Tax Examiner

Contact telephone number:

866-883-0235

Contact hours:

7 am - 3:30 pm

Contact fax number:

855-235-8845

We're auditing your 2014 Form 1040 , and need a response from you.

Proposed changes to your 2014 Form 1040

Dear ELIAS AGREDO-NARVAEZ:

We reviewed your 2014 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 \$
- owe a balance of \$ 3,859.00 . 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 May 27, 2016 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 (Audits by Mail)*. You can also search "tax payment options" at www.irs.gov.

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

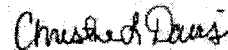
If we don't receive a response from you, we'll send you a Notice of Deficiency, which will state the amount you owe with penalties and explain your right to file a petition in the United States Tax Court. Once a Notice of Deficiency is sent to you, you cannot appeal disagreements to the IRS. We will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



Christine Davis
Operations Manager

Enclosures:

Form 4549

Publication 3498-A

Form 886

Copy of this letter

Envelope

Name and Address of Taxpayer		Taxpayer Identification Number		Return Form No.:	
ELIAS AGREDO-NARVAEZ 1080B E VETERANS HWY JACKSON NJ 08527-2934				1040	
		Person with whom examination changes were discussed.	Name and Title:		
1. Adjustments to Income		Period End 12/31/2014	Period End	Period End	
a.	Sch C1 - LPC Properties LLC	1,980.00			
b.	Sch C1 - Pleasant Gardens Holdings.	1,350.00			
c.	Wages-Goldstone Management INC.	33,637.00			
d.	SE AGI Adjustment	(236.00)			
e.					
f.					
g.					
h.					
i.					
j.					
k.					
l.					
m.					
n.					
o.					
p.					
2. Total Adjustments		36,731.00			
3. Taxable Income Per Return or as Previously Adjusted		(10,150.00)			
4. Corrected Taxable Income		26,581.00			
Tax Method		TAX TABLE			
Filing Status		Single			
5. Tax		3,533.00			
6. Additional Taxes / Alternative Minimum Tax					
7. Corrected Tax Liability		3,533.00			
8. Less					
a.	Credits				
b.					
c.					
d.					
9. Balance (Line 7 less Lines 8a through 8d)		3,533.00			
10. Plus					
a.	Self Employment Tax	471.00			
b.	Other				
c.	Taxes				
d.					
11. Total Corrected Tax Liability (Line 9 plus Lines 10a through 10d)		4,004.00			
12. Total Tax Shown on Return or as Previously Adjusted		0.00			
13. Adjustments to:					
a.					
b.					
c.					
14. Deficiency-Increase in Tax or (Overassessment-Decrease in Tax) (Line 11 less Line 12 adjusted by Lines 13a through 13c)		4,004.00			
15. Adjustments to Prepayment Credits - Increase (Decrease) See Attached		894.00			
16. Balance Due or (Overpayment) - (Line 14 adjusted by Line 15) (Excluding interest and penalties)		3,110.00			

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
ELIAS AGREDO-NARVAEZ

Taxpayer Identification Number

Return Form No.:
1040

17. Penalties/ Code Sections	Period End 12/31/2014	Period End	Period End
a. Accuracy-IRC 6662	622.00		
b.			
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
18. Total Penalties	622.00		
Underpayment attributable to negligence: (1981-1987) A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.			
Underpayment attributable to fraud: (1981-1987) A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.			
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		
19. Summary of Taxes, Penalties and Interest:			
a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)	3,110.00		
b. Penalties (Line 18) - computed to 04/27/2016	622.00		
c. Interest (IRC § 6601) - computed to 05/27/2016	127.14		
d. TMT Interest - computed to 05/27/2016 (on TMT underpayment)	0.00		
e. Amount due or (refund) - (sum of Lines a, b, c and d)	3,859.14		

Other information:

Examiner's Signature: Tax Examiner	Employee ID: 1000099771	Office:	Date: 04/27/2016
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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:

Form 886-A (Rev. January 1994)	EXPLANATION OF ITEMS	Schedule number or exhibit
Name of Taxpayer AGREDO-NARVAEZ, ELIAS	Tax Identification Number	Year/Period ended

Adjustment(s) to Prepayment Credit(s) Subject to
Deficiency (Form 4549 series Line 13a or Form
5278 Line 20a):

2014

Total Adjustment Amount:

Adjustment(s) to Prepayment Credit(s) Not
Subject to Deficiency (Form 4549 series Line 15
or Form 5278 Line 22):

2014

Federal income tax withholding

894.00

Total Adjustment Amount:

894.00

Name of Taxpayer: ELIAS AGREDO-NARVAEZ

04/27/2016

Identification Number:

Total

17.00.00

2014 - Form 6251 - Alternative Minimum Tax Computation

1. If filing Schedule A, enter taxable income before exemptions; otherwise, enter adjusted gross income	36,731.00
2. Total adjustment and preferences (excluding any NOL deduction)	0.00
3. Net operating loss deduction	0.00
4. Alternative tax net operating loss deduction	0.00
5. Alternative minimum taxable income (combine lines 1 thru 4)	36,731.00
6. Exemption amount	52,800.00
7. Subtract line 6 from line 5 (if zero or less, enter zero)	0.00
8. If capital gains are reported, use the amount from line 29 of the continuation page (If FEIT worksheet for AMT is used, enter amount from line 6 of that worksheet instead) All others, multiply line 7 by 26% and subtract \$ 0 from the result	0.00
9. Alternative minimum tax foreign tax credit	0.00
10. Tentative minimum tax (line 8 less line 9)	0.00
11. Regular tax less foreign tax credit plus excess advance premium tax credit repayment (if Schedule J was used to figure tax, use the refigured amount for line 44 of Form 1040 without using Schedule J)	0.00
12. Alternative minimum tax	0.00

Exemption Worksheet (line 6 above)

A. Exemption amount based on filing status	52,800.00
B. Alternative minimum taxable income	36,731.00
C. Enter amount based on filing status	117,300.00
D. Subtract line C from line B	0.00
E. Multiply line D by 25%	0.00
F. Subtract line E from line A (if zero or less, enter zero)	52,800.00

Name of Taxpayer: ELIAS AGREDO-NARVAEZ

04/27/2016

Identification Number:

Total

17.00.00

2014 - Form 6251 - Continuation, Tax Computation Using Maximum Capital Gain Rates

1. Amount from Form 6251 report, line 7 (If FEIT worksheet for AMT was used, enter amount from line 3 of that worksheet instead)	0.00
2. Amount from line 6 Qualified Dividends and Capital Gain Tax Worksheet or line 13 Schedule D Tax Worksheet (refigured for AMT)	0.00
3. Amount from Schedule D line 19 (refigured for AMT)	0.00
4. Amount from line 2 if no Schedule D worksheet; otherwise, the smaller of the sum of line 2 and line 3 or Schedule D worksheet line 10 (refigured for AMT)	0.00
5. Smaller of line 1 or line 4	0.00
6. Subtract line 5 from line 1	0.00
7. Multiply line 6 by 26% and subtract \$ 0 from the result	0.00
8. Enter amount based on filing status	36,900.00
9. Amount from line 7 Qualified Dividends and Capital Gain Tax Worksheet or amount from line 14 Schedule D Tax Worksheet, whatever applies (as figured for regular tax). If neither worksheet applies, use taxable income (but not less than zero). If Form 2555 was filed, see instructions	0.00
10. Subtract line 9 from line 8 (if zero or less, enter zero)	0.00
11. Smaller of line 1 or line 2	0.00
12. Smaller of line 10 or line 11; This amount is taxed at 0%.	0.00
13. Subtract line 12 from line 11	0.00
14. Enter amount based on filing status	0.00
15. Amount from line 10	0.00
16. Amount from line 7 Qualified Dividends and Capital Gain Tax Worksheet or amount from line 19 Schedule D Tax Worksheet, whatever applies (as figured for regular tax). If neither worksheet applies, use taxable income (but not less than zero). If Form 2555 was filed, see instructions	0.00
17. Add lines 15 and 16	0.00
18. Subtract line 17 from line 14 (if zero or less, enter zero)	0.00
19. Smaller of line 13 or line 18	0.00
20. Multiply line 19 by 15%	0.00
21. Add lines 12 and 19	0.00
22. Subtract line 21 from line 11	0.00
23. Multiply line 22 by 20%	0.00
24. Add lines 6, 21, and 22	0.00
25. Subtract line 24 from line 1	0.00
26. Multiply line 25 by 25%	0.00
27. Total of lines 7, 20, 23, and 26	0.00
28. Multiply line 1 by 26% and subtract \$ 0 from the result	0.00
29. Smaller of line 27 or line 28. Enter here and on line 8 of Form 6251 report	0.00

Accuracy-Related Penalties under IRC 6662

20 Percent Penalty - Internal Revenue Code Section 6662(a)

It has been determined that the underpayment of tax shown on line 11 below is attributable to one or more of the following:

- (1) Negligence or disregard of rules or regulations;
- (2) Substantial understatement of income tax;
- (3) Substantial valuation misstatement (overstatement);
- (4) Transaction lacking economic substance.

Therefore, an addition to tax is imposed as provided by Section 6662(a) of the Internal Revenue Code.

A. Shared responsibility payment (as reported)	0.00	
1. Total tax as corrected less line A (not less than 0.00)		4,004.00
2. Less: Total refundable credits as corrected		0.00
3. Net tax due after allowable refundable credits (Line 1 less line 2) (not less than 0.00)		4,004.00
4. Total tax per return less line A (not less than 0.00)		0.00
5. Total refundable credits per return		0.00
6. Net tax less refundable credits per return (Line 4 less line 5) (not less than 0.00)		0.00
7. Net tax due in excess of net tax per return (Line 3 less line 6)		4,004.00
8. Adjustments to prepayment credits – increase (decrease)		894.00
9. Tax due after adjustment to prepayment credits (line 7 less line 8)		3,110.00
10. Less: Refunds held in excess of refundable credits per return less tax per return		
10a. Frozen refunds	0.00	
10b. Refundable credits per return less tax per return (Line 5 less line 4) (not less than 0.00)	<u>0.00</u>	
10c. Net refunds held in excess of refundable credits per return less tax per return (Line 10a less line 10b) (not less than 0.00)		0.00
11. Underpayment to which Section 6662(a) applies (Line 9 less line 10c) (not less than 0.00)		3,110.00
12. Applicable penalty rate		20.00%
13. Section 6662(a) accuracy-related penalty (line 11 multiplied by line 12)		622.00
14. Less: Previously assessed/previously agreed Section 6662(a) penalty		0.00
15. Total Section 6662(a) accuracy-related penalty (Line 13 less line 14)		622.00

Name of Taxpayer: ELIAS AGREDO-NARVAEZ
Identification Number: _____

04/27/2016

Total

17.00.00

HOW TO PAY YOUR TAXES

If you agree with our examination, pay now by sending a check or money order payable to United States Treasury and your signed agreement. The enclosed report does not reflect any balance currently due on your account.

Why it is to your advantage to pay now:

- Decreases future interest charges
- Prevents assessment of failure to pay penalty
- Reduces payment of nondeductible interest
- Eliminates further contact with us

If you agree with our examination and cannot pay now:

- 1) Can you pay the full amount within 120 days? Yes No
 - If yes, send in the signed agreement now and submit the balance due when you receive a bill. Checks should be made payable to United States Treasury.
 - If no, you may be eligible for a payment plan.
- 2) If you would like us to consider an installment agreement, submit your written request or check the box below and return this flyer with your signed agreement.

I would like to pay \$ _____ per month.

(We encourage you to make your payments as large as possible to limit penalty and interest charges.)

I would like my payment to be due on the _____ of the month.

(Please indicate a date between the 1st and 28th of the month.)

You will be charged a fee if your request is approved. DO NOT include the fee with this flyer. We will send you a bill for the fee when we approve your request.

Please provide a telephone number where we can contact you regarding your request.

Home: () _____

Work: () _____

ALSO, if you agree with our examination, PLEASE SIGN PAGE 2 OF THE REPORT (Form 4549) and return pages 1 and 2 to us.

* Interest and applicable penalties will continue to accrue until your balance is paid in full.

* All checks or money orders for payment should be made payable to United States Treasury.

Name Of Taxpayer: ELIAS AGREDO-NARVAEZ

04/27/2016

Identification Number:

Total

17.00.00

2014 TAX YEAR INTEREST COMPUTATION

Interest computed to 05/27/2016

Total Tax Deficiency \$3,110.00

Plus Penalties*

Failure to File - IRC 6651	\$.00
Accuracy Related Penalty - IRC 6662	\$622.00
Accuracy Related Penalty - IRC 6662A	\$.00
Civil Fraud - IRC 6663	\$.00
Manually Computed Penalty	\$.00

Total Penalties Subject to Interest \$622.00

Tax Deficiency and Penalties Subject to Interest \$3,732.00

Type	Effective Dates	Days	Rate	Interest
Compound	04/15/2015--12/31/2015	260	3%	\$80.61
Compound	01/01/2016--05/27/2016	148	3%	\$46.53

Total Interest \$127.14

Interest on penalties is computed from the due date of the return (including extensions) until the date of payment. The interest shown on this report is estimated. Interest is computed from the due date of the return (including extensions) and will continue to accrue until the date paid in full. Interest on the failure to pay penalty is computed from the date of assessment and is therefore not considered in this report.

Name of Taxpayer: ELIAS AGREDO-NARVAEZ

04/27/2016

Identification Number: [REDACTED]

Total

17.00.00

2014 - SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX

Primary

ELIAS AGREDO-NARVAEZ

140-02-6708

1. Self-employment income	3,330.00
2. Multiply line 1 by 92.35%	3,075.26
3. Farm optional method income	0.00
4. Nonfarm optional method income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	3,075.26
6. Maximum earnings subject to social security	117,000.00
7. Social security wages and tips from W-2	33,637.00
8. Unreported tips subject to social security tax from Form 4137	0.00
9. Wages subject to social security tax from Form 8919	0.00
10. Sum of lines 7, 8 and 9	33,637.00
11. Line 6 less line 10	83,363.00
12. Multiply the smaller of line 5 or 11 by 12.40%	381.33
13. Multiply line 5 by 2.90%	89.18
14. Self-employment tax (sum of lines 12 and 13)	470.51

Secondary

1. Self-employment income	0.00
2. Multiply line 1 by 92.35%	0.00
3. Farm optional method income	0.00
4. Nonfarm optional method income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	0.00
6. Maximum earnings subject to social security	117,000.00
7. Social security wages and tips from W-2	0.00
8. Unreported tips subject to social security tax from Form 4137	0.00
9. Wages subject to social security tax from Form 8919	0.00
10. Sum of lines 7, 8 and 9	0.00
11. Line 6 less line 10	0.00
12. Multiply the smaller of line 5 or 11 by 12.40%	0.00
13. Multiply line 5 by 2.90%	0.00
14. Self-employment tax (sum of lines 12 and 13)	0.00

Form 886-A (Rev. January 1994)886-A	EXPLANATION OF ITEMS	Schedule number or exhibit
Name of Taxpayer ELIAS AGREDO-NARVAEZ	Taxpayer Identification Number [REDACTED]	Year/Period Ended 2014

W-2/ Federal Income Tax Withholding

Tax Period 2014	Per Return \$0.00	Per Exam \$894.00	Adjustment \$894.00
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Your withholding credit(s) was/were adjusted to reflect amount(s) shown on your Form(s) W-2 or Form(s) 1099.

Sch C1 - LPC Properties LLC

Tax Period 2014	Per Return \$0.00	Per Exam \$1,980.00	Adjustment \$1,980.00
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The Internal Revenue Service collects self-employment tax which is credited to your social security account by the Social Security Administration for social security benefit purposes.

Self-employed persons who have net earnings of at least \$400 from self-employment are required to pay self-employment tax.

Amounts you received as a non-employee for work you performed is the type of income generally subject to self-employment tax.

Sch C1 -Pleasant Gardens Holdings.

Tax Period 2014	Per Return \$0.00	Per Exam \$1,350.00	Adjustment \$1,350.00
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The Internal Revenue Service collects self-employment tax which is credited to your social security account by the Social Security Administration for social security benefit purposes.

Self-employed persons who have net earnings of at least \$400 from self-employment are required to pay self-employment tax.

Amounts you received as a non-employee for work you performed is the type of income generally subject to self-employment tax.

Wages-Goldstone Management INC.

Tax Period 2014	Per Return \$0.00	Per Exam \$33,637.00	Adjustment \$33,637.00
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We have adjusted your gross wages to agree with the amounts shown on Form(s) W-2.

Form 886-A (Rev. January 1994)886-A	EXPLANATION OF ITEMS	Schedule number or exhibit
Name of Taxpayer ELIAS AGREDO-NARVAEZ	Taxpayer Identification Number [REDACTED]	Year/Period Ended 2014

Statutory-SE AGI Adjustment

Tax Period 2014	Per Return \$0.00	Per Exam \$236.00	Adjustment (\$236.00)
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Your self-employment tax has changed as a result of adjustments made to your net earnings from self-employment as shown in this report. The self-employment tax deduction has been adjusted to one-half of the recomputed amount.

Statutory-Self Employment Tax

Tax Period 2014	Per Return \$0.00	Per Exam \$471.00	Adjustment \$471.00
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We have adjusted your self-employment tax due to a change in your net earnings from self-employment.