

Income Tax Examination Changes

Name and Address of Taxpayer ROBERT H [REDACTED] [REDACTED] Mt Pleasant SC [REDACTED]		SS or EI Number [REDACTED]	Return Form No: 1040	
		Person with whom examination changes were discussed.	Name and Title:	
1. Adjustments to Income		Period End 12/31/2000	Period End	Period End
a. SE AGI Adjustment		(9,095.00)		
b. Standard Deduction		(3,675.00)		
c. NEC-Colliers Keenan of Charleston LLC		198,849.00		
d. NEC-Thirty-Two Vendue Range Council		1,200.00		
e. NEC-Colliers Keenan Inc		111,604.00		
f. OTHER INCOME-Colliers Keenan of Charleston		14,681.00		
g. ORD DIVIDENDS-A.G. Edwards & Sons Inc		863.00		
h. ORD DIVIDENDS-Dain Rauscher Inc		103.00		
i. INTEREST-Charleston Adventure Ltd		967.00		
j. INTEREST-Huger House Assoc		520.00		
k. INTEREST-Colliers Keenan of Charleston		63.00		
l. INTEREST-Harbour Towne Mortgage Inc		1.00		
m. INTEREST-Branch Banking & Trust of S.C.		2,975.00		
n. INTEREST-Carolina First Bank		4,899.00		
o.				
p.				
2. Total Adjustments		323,955.00		
3. Taxable Income Per Return or as Previously Adjusted		0.00		
4. Corrected Taxable Income		323,955.00		
Tax Method		TAX RATE		
Filing Status		Married Separate		
5. Tax		114,620.00		
6. Additional Taxes / Alternative Minimum Tax				
7. Corrected Tax Liability		114,620.00		
8. Less				
Credits a.				
b.				
c.				
d.				
9. Balance (Line 7 less total of lines 8a through 8d)		114,620.00		
10. Plus				
Other a. Self Employment Tax		18,189.00		
Taxes b.				
c.				
d.				
11. Total Corrected Tax Liability (line 9 plus line 10a - 10d)		132,809.00		
12. Total Tax Shown on Return or as Previously Adjusted		0.00		
13. Adjustments to:				
a. Special Fuels Credit				
b.				
c.				
14. Deficiency-Increase in Tax or (Overassessment Decrease in Tax) (Line 11 less 12 adjusted by 13)		132,809.00		
15. Adjustments to Prepayment Credits				
16. Balance Due or (Overpayment) (Line 14 adjusted by Line 15) (Excluding interest and penalties)		132,809.00		

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 file the State form.

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income and do not pay the required tax. The IRS may order backup withholding at 31 percent after four notices have been issued to you over a 120-day period and the tax has been assessed and remains unpaid.

Income Tax Examination Changes

Name and Address of Taxpayer ROBERT [REDACTED]		SS or EI Number [REDACTED]		Return Form No: 1040	
17. Penalties		Period End 12/31/2000	Period End	Period End	
a. Delq-IRC 6651 (a) (1)		21,727.25			
b. Estimated Tax-IRC 6654		3,755.87			
c.					
d.					
e.					
f.					
g.					
h.					
i.					
j.					
k.					
l.					
m.					
n.					
18. Total Penalties		25,483.12			
Underpayment attributable to negligence: (1981-1987) A tax addition of 50 percent of the interest due on underpayment will accrue until paid or assessed					
Underpayment attributable to fraud: (1981-1987) A tax addition of 50 percent of the interest due on underpayment will accrue until paid or assessed					
Underpayment attributable Tax Motivated Transactions TMT interest will accrue and be assessed at 120% of 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		132,809.00			
b. Penalties (Line 18, Page 2)-computed to 10/02/2002		25,483.12			
c. Interest (IRC§ 6601)-computed to 11/01/2002		16,607.11			
d. TMT Interest – computed 1/01/2002 on TMT underpayment		0.00			
e. Amount due or refund (sum of lines a, b, c and d)		174,899.23			

Other Information:

Examiner's Signature:	Employee ID:	Office:	Date:
Mr. Pierce	0469330661	Ogden	10/02/2002

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 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	

Name of Taxpayer: ROBERT [REDACTED]
Identification Number: [REDACTED]

Total

10/02/2002
3,10.02

EXPLANATION OF THE DELINQUENCY PENALTY

Since your income tax return was not filed within the time limit prescribed by law and/or the tax was not paid, and you have not shown that such failure was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) and/or Section 6651(a)(2) of the Internal Revenue Code.

2000 - DELINQUENCY PENALTY

1. Delinquency penalty abated		0.00
2. Date return due	04/15/2001	
3. Date return filed	10/02/2002	
4. Failure to File penalty rate	0.250	
5. Failure to Pay penalty rate	0.000	
6. Total corrected tax, Form 4549, line 11		132,809.00
7. Payments on or prior to due date of return		45,900.00
8. Line 6 less line 7		86,909.00
9. Failure to File Penalty - line 8 multiplied by line 4		21,727.25
10. Minimum penalty if over 60 days delinquent		100.00
11. Failure to File Penalty - Greater of line 9 or line 10		21,727.25
12. Previously assessed Failure to File Penalty		0.00
13. Net Failure to File Penalty - line 11 less line 12		21,727.25
14. Failure to Pay Penalty - line 8 multiplied by line 5		0.00
15. Previously assessed Failure to Pay Penalty		0.00
16. Net Failure to Pay Penalty - line 14 less line 15		0.00
17. Total Delinquency Penalty - Sum of line 13 and 16		21,727.25

- If an amount appears as the Failure to Pay Penalty, the amount only reflects the addition to tax under Internal Revenue Code section 6651(a)(2) through the date of this notice. The addition to tax will continue to accrue from the due date of the return at a rate of 0.5 percent each month, or fraction thereof, of nonpayment, not exceeding 25 percent.

Name of Taxpayer: ROBERT [REDACTED]
 Identification Number: [REDACTED]

Total
 10/02/2002
 3.10.02

2000 - EXPLANATION OF THE ESTIMATED TAX PENALTY

Since you did not pay sufficient estimated tax, addition to the tax is charged as shown below, in accordance with Section 6654(a) of the Internal Revenue Code.

1. Total corrected tax liability, Form 4549, line 11 (Tax Per Return, if a return was filed)	132,809.00				
2. Withholding taxes	0.00				
3. Line 1 less line 2 (if less than \$500, estimated penalty does not apply)	132,809.00				
4. 90% of line 1					
5. Prior year tax liability (110% of tax if AGI was more than \$150,000. or if MFS more than \$75,000.)	0.00				
6. The smaller of line 4 or 5 (as adjusted)	119,528.10				
7. Payment Due Date	<table style="width: 100%; border: none;"> <tr> <td style="width: 25%;">Apr 15, 2000</td> <td style="width: 25%;">Jun 15, 2000</td> <td style="width: 25%;">Sep 15, 2000</td> <td style="width: 25%;">Jan 15, 2001</td> </tr> </table>	Apr 15, 2000	Jun 15, 2000	Sep 15, 2000	Jan 15, 2001
Apr 15, 2000	Jun 15, 2000	Sep 15, 2000	Jan 15, 2001		
8. Payment Required	29,882.03				
9. Payments & Credits	17,200.00				
10. Overpayment from Line 16	0.00				
11. Total of Lines 9 & 10	13,400.00				
12. Previous Qtr Underpayment	12,682.03				
13. 11 minus 12	17,200.00				
14. Remaining Underpayment	0.00				
15. Underpayment	12,682.03				
16. Overpayment	0.00				

CALCULATION OF QUARTERLY PENALTIES ATTACHED

17. Penalty	187.11
18. Previously Assessed Penalty	0.00
19. Estimated Tax Penalty	3,755.87

Name Of Taxpayer: ROBERT [REDACTED]
Identification Number: [REDACTED]

10/02/2002
3.10.02

Total

2000 - PERSONAL EXEMPTION WORKSHEET

1. Multiply \$ 2,800.00 by the total number of exemptions claimed on Form 1040, line 6e	2,800.00
2. Adjusted Gross Income	327,630.00
3. Limitation based on Filing Status	96,700.00
4. Subtract line 3 from line 2	230,930.00
5. Divide line 4 by \$2,500 (\$1,250 if married filing separate)	0.00
6. Multiply line 5 by 2% and enter the result as a decimal	0.00
7. Multiply line 1 by line 6	0.00
8. Deduction for exemptions (Subtract line 7 from line 1)	0.00

Note: If Line 4 is more than \$122,500. or (\$61,250. if married filling separately), a deduction for exemptions cannot be taken.

Name of Taxpayer: ROBERT [REDACTED]
Identification Number: [REDACTED]

10/02/2002
3.10.02

Total

HOW TO PAY YOUR TAXES

If you agree with our examination, pay now by sending a check or money order 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.
 - 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 \$43 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.

Name of Taxpayer: ROBERT [REDACTED]
Identification Number: [REDACTED]

10/02/2002
3.10.02

Total

2000 - SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX

Primary

ROBERT [REDACTED]

1. Self-employment income	326,334.00
2. Multiply line 1 by 92.35%	301,369.45
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	301,369.45
6. Maximum earnings subject to social security	76,200.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	76,200.00
11. Multiply the smaller of line 5 or 10 by 12.40%	9,448.80
12. Multiply line 5 by 2.90%	8,739.71
13. Self-Employment Tax (sum of lines 11 and 12)	18,188.51

Secondary

1. Self-employment income	0.00
2. Multiply line 1 by 92.35%	0.00
3. Farm Optional Method Income	0.00
4. Non Farm 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	76,200.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	0.00
11. Multiply the smaller of line 5 or 10 by 12.40%	0.00
12. Multiply line 5 by 2.90%	0.00
13. Self-Employment Tax (sum of lines 11 and 12)	0.00

Name Of Taxpayer: ROBERT [REDACTED]
 Identification Number: [REDACTED]

10/02/2002
 3.10.02

Total

2000

TAX YEAR INTEREST COMPUTATION

Interest computed to		11/01/2002
Total Tax Deficiency		\$132,809.00
Plus Penalties*		
-Overvaluation	\$.00	
-Substantial Understatement	\$.00	
-Failure to File	\$21,727.25	
-Negligence	\$.00	
-Civil Fraud	\$.00	
-Accuracy Penalties	\$.00	
Total Penalties		<u>\$25,483.12</u>
Tax Deficiency and Penalties Subject to Interest		<u>\$154,536.25</u>

Type	Effective Dates	Days	Rate	Interest
COMPOUND	04/15/2001--06/30/2001	76	8%	\$2,595.47
COMPOUND	07/01/2001--12/31/2001	184	7%	\$5,643.25
COMPOUND	01/01/2002--11/01/2002	305	6%	<u>\$8,368.39</u>
		Total Interest		\$16,607.11
		Total Underpayment		\$132,809.00
		Total Penalties		<u>\$25,483.12</u>
		Total Amount Due		<u>\$174,899.23</u>

Additional interest will be charged at the current rate compounded daily. Interest is charged from the original due date of the return to a date 30 days after an agreement to the additional tax is signed, or to the date of payment, if earlier. Negligence and fraud penalties, if applicable, will also continue to be charged. Generally, if notice and demand is made for payment of any amount, and that amount is paid within 21 days after the date of the notice and demand, interest on the amount paid will not be charged after the date of the notice and demand. Since additional tax is due, you may want to pay it now and limit the interest and penalty charges.

* Interest on penalties became effective 7/19/1984 (1/1/1989 for negligence and fraud) and is computed from the due date of the return unless a valid extension was filed.

Form 886-A (Rev. January 1994)886-A	EXPLANATION OF ITEMS	Schedule number or exhibit
Name of Taxpayer ROBERT [REDACTED]	Taxpayer Identification Number [REDACTED]	Year/Period Ended 2000

NEC-Colliers Keenan of Charleston LLC

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$198,849.00	\$198,849.00

Net earnings of \$400 or more from self-employment are subject to self-employment tax. Your self-employment tax has been changed as shown. For further information, please see Publication 533.

NEC-Thirty-Two Vendue Range Council

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$1,200.00	\$1,200.00

Net earnings of \$400 or more from self-employment are subject to self-employment tax. Your self-employment tax has been changed as shown. For further information, please see Publication 533.

NEC-Colliers Keenan Inc

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$111,604.00	\$111,604.00

Net earnings of \$400 or more from self-employment are subject to self-employment tax. Your self-employment tax has been changed as shown. For further information, please see Publication 533.

OTHER INCOME-Colliers Keenan of Charleston

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$14,681.00	\$14,681.00

From records and information available, it has been determined that you received additional income in the amount shown from the sources indicated.

ORD DIVIDENDS-A.G. Edwards & Sons Inc

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$863.00	\$863.00

We have adjusted dividend income to reflect the amounts shown on Form 1099-DIV.

Form 886-A (Rev. January 1994)886-A	EXPLANATION OF ITEMS	Schedule number or exhibit
Name of Taxpayer ROBERT [REDACTED]	Taxpayer Identification Number [REDACTED]	Year/Period Ended 2000

ORD DIVIDENDS-Dain Rauscher Inc

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$103.00	\$103.00

We have adjusted dividend income to reflect the amounts shown on Form 1099-DIV.

INTEREST-Charleston Adventure Ltd

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$967.00	\$967.00

All interest income is includible in income unless specifically exempted by law.

INTEREST-Huger House Assoc

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$520.00	\$520.00

All interest income is includible in income unless specifically exempted by law.

INTEREST-Colliers Keenan of Charleston

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$63.00	\$63.00

All interest income is includible in income unless specifically exempted by law.

INTEREST-Harbour Towne Mortgage Inc

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$1.00	\$1.00

All interest income is includible in income unless specifically exempted by law.

INTEREST-Branch Banking & Trust of S.C.

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$2,975.00	\$2,975.00

All interest income is includible in income unless specifically exempted by law.

Form 886-A (Rev. January 1994)886-A	EXPLANATION OF ITEMS		Schedule number or exhibit
Name of Taxpayer ROBERT [REDACTED]	Taxpayer Identification Number [REDACTED]		Year/Period Ended 2000

INTEREST-Carolina First Bank

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$4,899.00	\$4,899.00

All interest income is includible in income unless specifically exempted by law.

FILING STATUS

Tax Period	Per Return	Per Exam	Adjustment
2000	0	0	0

Since you failed to file your tax return(s) for the tax year(s) shown in this report, we have filed for you as authorized by Internal Revenue Code section 6020(b). The income, filing status, deductions, and credits shown in this report are based on information available to us.

EXEMPTION

Tax Period	Per Return	Per Exam	Adjustment
2000	0	1	-1

We have allowed you a deduction for your personal exemption.

SE AGI Adjustment

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$9,095.00	(\$9,095.00)

Your self-employment tax has changed as a result of adjustments made to your net income from self-employment as shown in this report. The self-employment tax deduction has been adjusted to one-half of the recomputed amount.

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