



NEWBURG & COMPANY^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS
TRUSTED FINANCIAL ADVISORS

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Received a Tax Notice? Steps You Should Take.

Dear Client:

Each year, the IRS and state agencies send out millions of notices to taxpayers for various reasons. Over the last year, there has been a significant increase in the volume of these notices due to the enhanced matching program between the federal government and the state agencies.

If you receive a notice, here are some steps you should take:

- Don't panic. Many of these letters can be dealt with simply and painlessly. There are a number of reasons why you might receive a notice. Notices may request payment of taxes, notify you of changes to your account, or request additional information. The notice you receive normally covers a very specific issue about your account or tax return.
- If you would like Newburg to assist and respond to the notice, please fax the entire notice to 781-884-4100 or email to info@newburg.com. You can also mail the notice to our offices at 890 Winter Street, Suite 208, Waltham, MA 02451. We will review the correspondence and go over with you the best course of action. We will contact you upon notice receipt. Newburg does charge for this service, similar to all professional services at our normal hourly rate.
- If you would like to handle the notice yourself, each letter and notice offers specific instructions on what you are asked to do to satisfy the inquiry. Most correspondence can be handled without calling or visiting an IRS office. However, if you have questions, call the telephone number in the upper right-hand corner of the notice. Having a copy of your tax return and the correspondence available when you call will help in your inquiry. It's important that you keep copies of any correspondence with your records.

Frequently asked questions:

What if I require additional time to handle the correspondence?

We can assist in placing a hold on your account to grant you additional time.

I received a notice assessing additional tax for not reporting proceeds from the sale of stocks/mutual funds. The IRS has assessed significant additional tax as a result. Is this correct?

If you forget to report the sale of stocks or mutual funds on your tax return, the IRS will assess a tax based on you having zero tax basis (or cost). To resolve the situation a letter or in all likelihood an amended tax return may be necessary to report your correct tax basis and remove or adjust the tax assessed.

Is it uncommon that the IRS or state agency will incorrectly post a payment or not capture the correct withholdings?

No, quite often the IRS or state agency will make posting errors that require back-up of the specific check or documents which can be faxed/emailed/mailed, along with a cover letter.

Our notice response went out timely, but I just received an additional notice in the mail demanding the same information/payment. What should I do?

Please forward the notice to us to assess. Sometimes notice responses and letters cross in the mail and in that case, we would need to wait for the IRS or State agency to process the response sent. This generally takes approximately 6 to 8 weeks.

Also, we would like to make you aware of a new email scam targeting taxpayers. An email claiming to be from the IRS or the Federal Reserve tells the taxpayer that a return or payment cannot be processed until the taxpayer provides additional personal information. However, the IRS and Federal Reserve never send these emails. If you receive this email, please delete it. If you are unsure about the validity, please feel free to forward the email to info@newburg.com and a member of the Newburg team will let you know if the email is legitimate.

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