

Department of the Treasury - Internal Revenue Service  
Income Tax Examination Changes

Name and Address of Taxpayer	SS or EI Number:		Return Form No.
	Person with whom examination changes were discussed	Name and Title	
T 120 BLY VICT TX 790			1040
1. Adjustments to Income	Period End 12/31/1993	Period End 12/31/1994	Period End 12/31/1995
A. AD TR	\$ 1,957.99	\$ 1,162.18	\$ 10,766.86
B. CAPITAL GAIN OR LOSS		86,641.00	153,188.00
C. FM (L C)	9,228.00	50,958.40	
D. GROSS DISBURSEMENT			36,768.00
E. INSTALLMENT INCOME	2,419.26	47,631.18	84,342.02
F. INVESTMENT INCOME	7,791.00	1,320.00	3,370.00
G. MA ING		2,829.00	28,388.00
H. PARTNERSHIP INCOME ( )	3,030.00	147,223.00	107,930.00
I. ROYALTY & RENTAL INCOME	3,583.81	2,858.11	2,536.54
J. SCH C INSURANCE	6,618.10	4,464.94	2,936.38
K. SE AGI ADJUSTMENT	(4,526.00)	(6,330.00)	(5,498.00)
L. STANDARD DEDUCTION	(3,700.00)	(3,800.00)	(3,900.00)
M. WAGES	13,114.00	12,806.50	17,012.00
N.			
O.			
P.			
Q.			
S.			
2. Total Adjustments	3,516.16	7,764.31	7,839.82
3. Taxable Income Per Return or as Previously Adjusted	0.00	0.00	0.00
4. Corrected Taxable Income	9,516.00	7,764.00	7,840.00
Tax Method	TAX RATE	TAX RATE	TAX RATE
Filing Status	SINGLE	SINGLE	SINGLE
5. Tax	7,100.00	8,354.00	3,521.00
6. Additional Taxes			
7. Corrected Tax Liability	7,100.00	8,354.00	3,521.00
8. Less Credits			
A.			
B.			
C.			
D.			
9. Balance (Line 7 less total of lines 8A through 8D)	7,100.00	8,354.00	3,521.00
10. Plus	9,051.00	2,660.00	996.00
A. SELF EMPLOYMENT TAX			
Other			
Taxes			
B.			
C.			
D.			
11. Total Corrected Tax Liability (Line 9 + lines 10A to 10D)	6,151.00	1,014.00	4,517.00
12. Total Tax Shown on Return or as Previously Adjusted	0.00	0.00	0.00
13. Adjustments to			
A. Special Fuels Credit			
B.			
14. Deficiency - Increase in Tax or (Overassessment - Decrease in tax) (Line 11 less Line 12 adjusted by Line 13)	6,151.00	1,014.00	4,517.00
15. Adjustments to Prepayment Credits	1,955.00	914.00	2,955.00
16. Balance Due or Overpayment (Line 14 Adjusted by Line 15) (Excluding Interest and penalties)	\$ 4,196.00	\$ 0,100.00	\$ 1,562.00

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.

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Income Tax Examination Changes

Name of Taxpayer: T J		SS or EI Number:		Return Form No. 1040	
17. Penalties		Period End 12/31/1993	Period End 12/31/1994	Period End 12/31/1995	
A. DELO-IRC 6651(f)		\$ 647.00	\$ 7,575.00	\$ 1,171.50	
B. ESTIMATED TAX-IRC 6654		5,613.64	6,745.84	8,742.53	
C.					
D.					
E.					
F.					
G.					
H.					
I.					
J.					
K.					
L.					
M.					
N.					
18. Total Penalties		6,260.64	4,320.84	9,914.03	
19. Underpayment attributable to negligence: (1981 - 1987) An Addition to the tax of 50 percent of the interest due on this underpayment will accrue until paid or assessed.					
20. Underpayment attributable to fraud: (1982 - 1987) An addition to the tax of 50 percent of the interest due on this underpayment will accrue until paid or assessed.					
21. Underpayment attributable to Tax Motivated Transactions: TMT Interest will accrue and be assessed at 120 percent of the underpayment rate in accordance with IRC 6621(c).					
Summary of Taxes, Penalties and Interest:					
A. Balance due or Overpayment of Taxes (line 16, page 1)		4,196.00	100.00	1,562.00	
B. Penalties (line 18, page 2) (computed to 06/24/2000)		6,260.64	4,320.84	9,914.03	
C. Interest (IRC 6601) (computed to 06/24/2000)		3,406.59	7,412.65	9,532.77	
D. TMT Interest (computed to 06/24/2000 on TMT underpay)					
E. Amount due or refund (sum of lines A, B, C, and D.)		3,863.23	1,833.49	1,008.80	

Other Information:

Examiner's Signature Larry E. Ecklund	District South Texas	Date 05/25/2000
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