

IRS Update

January 10, 2023

Since the last Board meeting, I received a copy of the transcripts from 2014 through June of 2022. I've summarized the information on a spreadsheet that is included in your packet. I also included the addition notice information and payments listed below on the transcript spreadsheet.

In the December Board meeting, I was asked if the Board should consider hiring a tax attorney to help with the process. I contacted Steve Parry of Nelson, Hall, Parry, Tucker. Mr. Parry said when attorneys are involved; the IRS seems to put up additional roadblocks as the process becomes more adversarial. An attorney might be warranted if a person or business is disputing the facts. He said our situation is more straightforward. Monticello Montessori is asking for mercy in relation to penalties and interest. He said working with our CPA firm in preparing a letter is probably our best course of action.

I sent a copy of the transcript spreadsheet to Kurt Folke at Quest CPAs on Monday and asked that he contact me to discuss next steps.

When we returned from the Christmas break, there were additional notices from the IRS for the 1st and 2nd quarter taxes for 2017. After discussing the next steps with Jeanne Johnson, I paid the taxes and interests for these two quarters but not the penalties. Here is a breakdown of the payments:

- 2017 1st quarter taxes - \$846.27
- 2017 1st quarter interest - \$284.34
- 2017 2nd quarter taxes - \$11,331.25
- 2017 2nd quarter interest - \$3,650.20

On January 9, 2023, we received IRS notices of additional penalties. All were for quarters that we thought had been paid in full based on payment of the previous notice by the due date. Here is a summary of the notices.

- 4th quarter 2020 - \$707.60
- 1st quarter 2021 - \$1,692.84
- 2nd quarter 2021 - \$3,808.39
- 1st quarter 2022 - \$738.13

I believe we are at the point of sending a letter to the IRS requesting the remaining penalties be waived.