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February 6, 2023

Department of the Treasury  
Internal Revenue Service  
Ogden, UT 84201-0027

**RE: Request for Abatement of Penalty Related to Payroll Form 941 Taxes for Tax Years 2014-2020**

It has come to our attention that our School (Monticello Montessori Charter School EIN: 27-0186469) has Form 941 payroll taxes owed, interest, and penalties for certain quarters during tax years 2014-2020 (see the following attachment A showing a summary of IRS transcripts). We are submitting payment in full for the taxes owed and all interest that we believe is correctly owed. However, due to the circumstances enumerated below, we are respectfully requesting abatement of the remaining penalties.

During 2014-2022, our School had significant turnover in the accounting position. While we did receive some IRS notices relating to payroll taxes owed during these years, it was our understanding that these were paid in full. In the summer of 2022, our School engaged a very experienced business manager/accountant. In the course of her work, she received some IRS notices relating to payroll taxes owed from several years ago. As she began to work through and pay these items, she talked to an IRS agent who told her that there were other tax years that had payroll taxes owed as well (but that we were not currently getting IRS notices).

Our business manager reported this issue to the School and we instructed her to work with the IRS to get transcripts from all tax years in question to determine the full extent of the issue and to resolve it as soon as possible. A summary of those transcripts is shown on attachment A. As the amount owed is significant and our reserves are minimal, our School took immediate action to raise the necessary funds using numerous extraordinary measures including selling modular classrooms.

Accordingly, we have secured the funds to pay the taxes owed and interest and have attached that payment herein but are requesting abatement of the penalties so that we may be fully compliant, up to date on our payroll tax obligations, and still able to continue forward as a going concern. As described in this letter, we have done our best to rectify this issue as soon as we became aware of it. Having to pay further penalties would jeopardize our School's existence and would take money away from children and the classroom, and therefore, we respectfully request abatement of the penalties. Thank you.

Sincerely,

David Meyer  
Chair – Monticello Montessori Charter School  
CC: File

**INTERNAL REVENUE SERVICE  
IDAHO FALLS, ID 004**

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MONTICELLO MONTESSORI

**Attachment A - Summary of Taxes, Interest, and Penalties from 11/28/22 Transcripts and payment and IRS notice information through 1/9/2023**

Monticello Montessori Charter School EIN: 27-0186469

Taxes/Interest Owed & Submitted				Requested Penalty to be Waived					
Year	Qtr	Tax Owed	Interest	Total	Year	Qtr	Penalty	Interest	Note
2014	1	-	-	-	2014	1	-	-	
2014	2	12.19	-	12.19	2014	2	-	-	
2014	3	-	-	-	2014	3	-	-	
2014	4	-	-	-	2014	4	-	-	
2015	1	-	-	-	2015	1	-	-	
2015	2	-	-	-	2015	2	-	-	
2015	3	-	237.93	237.93	2015	3	779.32	-	
2015	4	-	136.12	136.12	2015	4	445.90	-	
2016	1	5,340.72	2,138.89	7,479.61	2016	1	1,831.30	-	
2016	2	5,361.33	2,705.70	8,067.03	2016	2	3,948.85	-	
2016	3	-	366.45	366.45	2016	3	1,324.76	-	
2016	4	802.99	-	802.99	2016	4	-	-	
2017	1	-	-	-	2017	1	301.98	-	
2017	2	-	-	-	2017	2	5,382.34	-	
2017	3	8,475.03	2,813.61	11,288.64	2017	3	4,025.64	-	
2017	4	26.21	7.77	33.98	2017	4	12.45	-	
2018	1	4,901.74	1,549.54	6,451.28	2018	1	2,857.91	-	
2018	2	52.16	12.37	64.53	2018	2	15.39	-	
2018	3	-	6.82	6.82	2018	3	25.28	-	
2018	4	-	-	-	2018	4	-	-	
2019	1	-	**	-	2019	1	12,439.18	2,410.05	**
2019	2	98.52	***	98.52	2019	2	2,125.72	861.08	***
2019	3	-	-	-	2019	3	-	-	
2019	4	8,602.13	2,252.78	10,854.91	2019	4	10,161.37	-	
2020	1	-	-	-	2020	1	-	-	
2020	2	-	193.07	193.07	2020	2	37.77	-	
2020	3	-	-	-	2020	3	-	-	
2020	4	-	-	-	2020	4	707.60	-	
2021	1	-	-	-	2021	1	1,692.84	-	
2021	2	-	-	-	2021	2	3,808.39	-	
2021	3	-	-	-	2021	3	-	-	
2021	4	-	-	-	2021	4	-	-	
2022	1	-	-	-	2022	1	738.13	-	
2022	2	-	-	-	2022	2	-	-	
		<u>33,673.02</u>	<u>12,421.05</u>	<u>46,094.07</u>			<u>52,662.12</u>	<u>3,271.13</u>	

\*\*The 1st quarter of 2019 included large penalty and interest charges. An IRS electronic deposit for \$2,424.79 was accidentally entered as \$242,479.00. The bank dishonored the payment, and we received additional penalties for a dishonored payment. It also appears that larger interest and additional penalties were charged based on the incorrect entry. Therefore, we are requesting that this interest be waived.

\*\*\*There was an error on the 941 for the 2nd quarter of 2019. We filed a 941-X to correct the error, but we received something from the IRS saying it would be at least 60 days before it would be processed. On the 941, the amount of FICA withholding was entered on the federal withholding line. This incorrectly increased the amount to be deposited by \$4,822.12. Therefore, we are requesting that this interest be waived.