

Anon5percent

Internal Revenue Service

Dear Revenue Agent,

In response to Letter 4564 that you sent me, I would like to confirm that I wish to withdraw from the OVDI program.

I would like to opt out into the Streamlined Program. Should that not be possible, as is required for opt out, the proposals for penalties are listed below. The attached XX page document, plus Exhibits A-F, discusses the mitigating factors in light of my facts. The last section also discusses my eligibility for the Streamlined Program.

### **Proposals for Penalties and Adjustments**

1. Ms. Anon5percent has reasonable cause for her failure to file FBAR forms for the tax periods of 2003 and 2009. She requests the issuance of Letter 3800 – a Warning Letter on FBAR filings and full relief from FBAR penalties.
2. Ms. Anon5percent also requests that Section 6662 Accuracy Penalties in Open Years be removed as no return was ever filed so an accuracy penalty is inappropriate. Any changes currently being made to the returns are due to new requirements from opting out of OVDI.
3. Reasonable cause arguments which support complete removal of the Section 6651 penalties will be presented for the Open Tax Years.
4. Ms. Anon5percent also requests a First Time Abate (FTA) for Section 6651 FTP and FTF penalties for Open Years. IRM 20.1.1.3.6.1 (1) provides an option for the FTF, FTP and/or FTD penalties if no prior penalties have been assessed on the same MFT in the prior 3 years. This is known as a First Time Abate (FTA). She has had no penalties in the prior 3 years to 2003 and thereby qualifies for this abatement.
  - a. The FTA is an administrative waiver and does not carry any Oral Statement Authority (OSA) dollar threshold and therefore, should be grantable by an examiner as part of an exam. See IRM 20.1.1.3.6.1 (1).
  - b. Should any FTP penalty be owed due to the fact that it has accrued, then as is specified in the Note to IRM 20.1.1.3.6.1 (9), Ms. Anon5percent requests reasonable cause abatement of the entire FTP penalty.
  - c. It is assumed the FTA will not be necessary if her Reasonable Cause arguments are accepted.
5. In the light of recent statements by the IRS that a Taxpayer does not have to meet the requirements of the Streamlined Program exactly, the case for considering Ms. Anon5percent as a low risk taxpayer eligible for the terms of the Streamlined Program is also presented. Under the terms of the Streamlined Program, no penalties should be asserted.