

Request for abatement for penalty for estimated tax payments. It is certainly true that most of the payments were made for the latter half of the year with:

Payments

04/12/23	IRS Payment	1,500.00	222-3503-8543-3666
09/13/23	IRS Payment	30,000.00	222-3656-1152-7713
01/12/24	IRS Payment	32,000.00	C22197116172134255

However, virtually all of the taxable income was in the second half of the year as well.

On Page 1 of VgIrC237.pdf, Traditional IRA Brokerage Account XXXX3331, in the last two rows on page 1 there are 'conversion' entries on 10 Jul 2023 for \$69,281.97 and \$219,379.94 for a total of \$288,661.91. This is the primary source of income for 2023.

On page 5 of VgIrS239.pdf, Traditional IRA brokerage account XXXX3331, there is an entry on 07 Sep 2023 with an IRA distribution of \$30,000 which was used for the 13 Sep 2023 tax payment.

On page 5 of VgPr23c.pdf, Individual brokerage account XXXX5316, there is an entry on 20 Dec 2023 with a dividend payment of \$1,827.34.

Further, the tax payers have a Schedule C business which turned a record profit of \$11,573. The prior three years had all had minor losses of a few hundred dollars. While it was anticipated that the business would have significant profit, the actual amount of the profit was not known until the end of December.

While Social Security was a regular minor source of income throughout the year, the amount of taxes due of Social Security payments increased substantially once the IRA distributions in second half of 2023 were considered.

IRA Distributions Not Predictable

I decide whether or not to make an IRA conversion based on the current stock price and the expected price changes after conversion. It would not be prudent to pay 25% taxes on stocks which are going to tank (reduced to half price) in the short term. The effective tax rate would actually be 50% and it would be much wiser to do the conversion at a later date, even a later year, once the price had dropped.

2023 had many concerns about higher interest rates and a potential recession / depression. Tax payments were deferred until it was known what the amount of Roth conversions would be if any.

Adjust Penalty for Dates When Income Received

An abatement is requested to adjust the penalty for the dates when the 'income' (Roth Conversion, really) was received / recorded. Mr. Carr did endeavor to have equal estimated tax payments once the expected 'income' was known.

Penalty Eliminated as this is First Time Penalty

I have consistently made equal payments through the remainder of the year with each past Roth conversion and no penalty was applied. In some cases this was at the very start of the year and in some cases this was later. Mr. Carr asks that a one time exception be made in this case to eliminate any penalty.

Are Equal Payments for the Remainder of the Year Correct

I also inquired at the specified phone number whether I should have paid $\frac{3}{4}$ of the estimated taxes in the third quarter for income which came in the third quarter. However, the tax specialists who was assigned to the call was not familiar with the issue and referred the matter to the 'tax law' specialists, but that service has been terminated. The online help system which was recommend did not seem to have anything which addresses that issue. Is it possible when this abatement request is resolved to include an explanation of how to handle estimated payments when a large single 'income' is recognized?

Thanks for your attention to this matter.

Brian Carr