

First Time Abatement Program Guide

What is the First Time Abatement (FTA) Program?

The First Time Abatement (FTA) program is an administrative waiver that the IRS can grant to remove certain penalties from your tax account. This program is designed to reward compliant taxpayers who have a clean compliance history but made an error resulting in penalties.

Eligibility Requirements

To qualify for the First Time Abatement program, you must meet all of the following criteria:

1. You haven't been required to file the return, or you have no penalties for the three tax years prior to the tax year in which you received a penalty.
2. You've filed all currently required returns or filed an extension of time to file.
3. You've paid, or arranged to pay, any tax due.

The FTA program typically applies to the following penalties:

- Failure to file penalty
- Failure to pay penalty
- Failure to deposit penalty (for businesses)

How to Request First Time Abatement

You can request First Time Abatement in several ways:

1. **Call the IRS:** Call the toll-free number on your IRS notice.
2. **Write a Letter:** Send a penalty abatement request letter to the IRS.
3. **Form 843:** Complete and submit Form 843, Claim for Refund and Request for Abatement.

Sample Abatement Request Letters

Below are sample templates for different scenarios that you can use as a starting point for your own abatement request. Remember to customize these templates with your specific information and circumstances.

Sample 1: Individual Taxpayer - Failure to File Penalty

[Your Name]
[Your Address]
[City, State ZIP]
[Your Phone Number]

[Your Email]

[Date]

Internal Revenue Service
[IRS Address from your notice]

RE: Request for Penalty Abatement - [Your Social Security Number]
Tax Year: [Year]

Dear IRS Representative:

I am writing to request an abatement of the failure to file penalty assessed against me for

I have been a compliant taxpayer for many years. Prior to this incident, I have:

- Filed all required tax returns on time for the past three years
- Paid all taxes due in full and on time
- Had no prior penalties assessed against me

The reason for my late filing was [briefly explain the reason - illness, family emergency, n

I understand the importance of timely filing and payment of taxes. I respectfully request th

Thank you for your consideration of this request. If you need any additional information, pl

Sincerely,

[Your Signature]
[Your Printed Name]

Sample 2: S Corporation - Failure to File Penalty

[Company Name]
[Company Address]
[City, State ZIP]
[Contact Phone Number]
[Contact Email]

[Date]

Internal Revenue Service
[IRS Address from your notice]

RE: Request for Penalty Abatement - [EIN Number]
Form 1120S for Tax Year: [Year]

Dear IRS Representative:

I am writing on behalf of [Company Name] to request an abatement of the failure to file penalty.

Our company has been a compliant taxpayer with a clean compliance history. Prior to this incident:

- Filed all required business tax returns on time for the past three years
- Had no prior penalties assessed against us

The late filing occurred due to [briefly explain the reason - staff turnover, miscommunication, etc.].

- [Explain new procedures, such as calendar reminders, new accounting software, hiring a tax professional, etc.]

We understand that S Corporations must file timely returns even though they are flow-through entities.

Thank you for your consideration of this request. If you need any additional information, please contact [Phone Number] or [Email Address].

Sincerely,

[Signature]

[Printed Name]

[Title]

Sample 3: Partnership - Failure to File Penalty

[Partnership Name]

[Partnership Address]

[City, State ZIP]

[Contact Phone Number]

[Contact Email]

[Date]

Internal Revenue Service

[IRS Address from your notice]

RE: Request for Penalty Abatement - [EIN Number]

Form 1065 for Tax Year: [Year]

Dear IRS Representative:

I am writing on behalf of [Partnership Name] to request an abatement of the failure to file penalty.

Our partnership has been a compliant taxpayer with a clean compliance history. Prior to this incident:

- Filed all required partnership tax returns on time for the past three years
- Had no prior penalties assessed against us

The late filing occurred due to [briefly explain the reason - partner illness, natural disaster, etc.].

- [Explain new procedures, such as earlier preparation of financial statements, backup filing]

We understand that Partnerships must file timely returns even though they are flow-through entities.

Thank you for your consideration of this request. If you need any additional information, please contact me.

Sincerely,

[Signature]

[Printed Name]

[Title]

Sample 4: Individual Taxpayer - Failure to Pay Penalty

[Your Name]

[Your Address]

[City, State ZIP]

[Your Phone Number]

[Your Email]

[Date]

Internal Revenue Service

[IRS Address from your notice]

RE: Request for Penalty Abatement - [Your Social Security Number]

Tax Year: [Year]

Dear IRS Representative:

I am writing to request an abatement of the failure to pay penalty assessed against me for the tax year [Year].

I have been a compliant taxpayer for many years. Prior to this incident, I have:

- Filed all required tax returns on time
- Paid all taxes due in full and on time for the past three years
- Had no prior penalties assessed against me

The reason for my failure to pay on time was [briefly explain the reason - unexpected financial hardship]

I understand the importance of timely payment of taxes. I respectfully request that the penalty be abated.

Thank you for your consideration of this request. If you need any additional information, please contact me.

Sincerely,

[Your Signature]

[Your Printed Name]

Tips for a Successful Abatement Request

1. **Be Honest:** Clearly explain why you failed to file or pay on time.
2. **Be Specific:** Include all relevant information, including tax years, form numbers, and your taxpayer identification number.
3. **Be Prompt:** Request abatement as soon as possible after receiving a penalty notice.
4. **Provide Documentation:** If your reason involves circumstances beyond your control (like illness or natural disaster), include supporting documentation if available.
5. **Follow Up:** If you don't hear back within 30 days, follow up with the IRS.

What to Expect After Submitting Your Request

After submitting your request for First Time Abatement:

- The IRS will review your compliance history to verify your eligibility.
- If approved, you will receive a notice confirming the abatement of penalties.
- If denied, you will receive a notice explaining why and providing information about your appeal rights.

Remember that the First Time Abatement program is a one-time consideration for each type of tax return. If you have future compliance issues, you may not be eligible for FTA again and would need to qualify under reasonable cause or other criteria.