



Department of the Treasury
Internal Revenue Service
Jacksonville, Florida 32256

Notice	CP21E
Tax Year	20XX

C-C Bakery
1234 Bakery Road
Jacksonville, Florida 32256

We Have Questions About Your Filed Return

As a result of your recent filing, we have questions regarding your filed corporate and individual return. Please review the following and respond accordingly.

Bonus Depreciation

Upon reviewing the **Form 4562** detail, we noticed that you purchased and depreciated an oven, bakery display, connected refrigerator and freezer, commercial mixer, and improvements to the air conditioner and roofing. Please explain why bonus depreciation was taken on some of these assets and why you believe they qualify for an additional deduction? Please explain the classification of each asset, why each asset was classified the way it was, and provide any additional information to support the depreciation expense as a whole.

Charitable Deductions

Upon reviewing your **Individual Form 1040** and **Corporate Form 1120**, we see that some charitable donations were taken. How did you or your tax advisor verify that the Boys and Girls Club qualified as a 501(c)3? In our recent conversation, we understood that tax advice was given regarding deducting this on a corporate return or individual return. Please explain what tax advice was given to you.

Home Office Deduction

We see that you have taken a home office deduction on your individual return. Please provide evidence and support that qualifies you to take deductions regarding your prorated expenses associated with the square footage of your home. Please list out details regarding the specific deductions taken, why they were taken, and under what code section. Do you have an office at your bakery? Do you meet clients at your office? Did you verify any of these questions when claiming the deduction? Please list any further information gathered that supports this deduction.

We have asked you to provide further support on the previous matters. Please respond within 30 days, so that we can further review the information and make any adjustments, if needed. If you believe we need further information to understand the deductions, please provide. If you would like your tax adviser(s) to represent you, please also provide a signed power of attorney (Form 2848) with this response.

IRS Agent Assigned – Celine Mila
IRS Agent ID – 7749403809
Contact Number 904-555-7564
