

Date: [Insert Date]

Notice Number: [Insert Notice Number]

Taxpayer Identification Number: [Insert TIN/SSN]

Tax Year: [Insert Year]

RE: Notice of Penalty Assessment - Failure to Report Offshore Trust Distribution

Dear [Taxpayer Name],

This letter is to notify you that we have assessed a civil penalty regarding your interest in or distributions received from a foreign (offshore) trust for the tax year ending [Insert Date].

Reason for Penalty:

Our records indicate that you received a distribution from a foreign trust, or held an interest in a foreign trust, which was not timely or accurately reported on [Insert Form Number, e.g., Form 3520 or 3520-A]. Under [Insert Relevant Law/Statute], taxpayers are required to disclose these transactions to ensure tax compliance.

Penalty Calculation:

- Gross Distribution Amount: \$[Insert Amount]
- Penalty Rate: [Insert Percentage]%
- **Total Penalty Assessed: \$[Insert Total Amount]**

Payment Instructions:

Please remit the total amount due by [Insert Due Date]. Failure to pay by this date may result in the accumulation of additional interest and further collection actions. Payments can be made via [Insert Payment Method/Portal].

Your Right to Appeal:

If you believe this penalty has been assessed in error, or if you believe you have reasonable cause for the failure to report, you have the right to protest this assessment. To do so, you must submit a written explanation and supporting documentation within [Insert Number] days from the date of this letter.

Please mail your appeal to:

[Insert Agency/Department Name]
[Insert Appeals Office Address]
[City, State, Zip Code]

If you have any questions, please contact the undersigned at [Insert Phone Number] between the hours of [Insert Hours].

Sincerely,

[Authorized Signature]

[Printed Name]

[Title/Department]