

Example 3

No. of Partners - 12 (Line J)

Computation would be:

12 (partners) x \$50.00 x (Number of months  
late to a maximum of 5 months)

EXCISE TAX RETURNS

Form 2290 Federal Use Tax Return on Motor Vehicles and the Form 720, Quarterly Federal Excise Tax Return on Diesel Fuel and Motor Fuel may be assessed under the IRC 6020(b) procedure. You will gather the information needed to prepare the return in the same manner that was discussed in the employment tax return part of this lesson. Some of the sources may be different. For instance state unemployment information would not be applicable but state motor vehicle information would be. Your objective is the same; to gather information from applicable sources enabling you to prepare a substantially correct return.

ADMINISTRATIVE PROCESS

If the taxpayer fails to file employment excise and partnership tax returns by the specified date, the return should be prepared under the authority of IRC 6020(b) using form 5604 Section 6020b action sheet. If required a field call must have been made prior to the recommendation.

The Collection Manager will review Form 5604 and related documentation including returns for accuracy and appropriateness of assessment. After approval, the manager will sign the recommendation and the Letter 1085(DO) or Letter 1616(DO) with attachments should be mailed.

Field support unit, the Revenue Officer clerical support or the R/O aide may provide all phases of the 6020(b) clerical review process. Each district will vary and the trainee should check with the OJI for clarification on District policy. A copy of all forms and returns should be kept in the R/O file.

Form 5604 is a 3 part snapset, Part 1 will go with the returns for assessment, Part 2 is a file copy for the responsible function and Part 3 is a control card that can be used at local office option.