

Staff Memo — Martinez CP22 - Client Call Prep

Individual & S-corp tax · Case #TAX-8821

TO: Tax intern (assigned preparer)

FROM: Robert Chen, CPA — Tax Partner

DATE: June 17, 2026

RE: IRS Notice CP22 — estimated tax underpayment

Client

Carlos & Elena Martinez · Martinez Consulting Inc. (S-corp, CA) · Individual return filed April 10, 2026.

Notice summary

Notice type: CP22 — Changes to your Form 1040

Underpayment penalty assessed: \$1,840

Total amount due (incl. tax + penalty): \$5,440

Root cause: Q4 2025 estimated tax voucher not paid; \$3,600 shortfall on increased K-1 flow-through income

Income change driving underpayment

2025 K-1 ordinary income: \$142,000 (+28% YoY from \$111,000)

Total tax due (as corrected): \$18,200

Total estimated payments made: \$14,600 (Q1–Q3 only)

Tomorrow's client call — cover these points

- Why the notice arrived (missed Jan 15 Q4 voucher, not a filing error).
- Quantify gap: \$18,200 total tax due vs \$14,600 paid in.
- Recommend immediate Q4 balance payment plus Q1 2026 vouchers based on updated K-1 projection.
- Discuss first-time penalty abatement only if reasonable cause documented — do not promise automatic relief.

