



Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0074

Notice	CP157
Tax period	December 31, 2019
Notice date	January 2, 2020
Employer ID number	NN-NNNNNNNN
To contact us	Phone 800-xxx-xxxx

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ABC-XYZ INC.
22 BOULDER STREET
HANSON, CT 00000-7523

Reduction to credit for prior year minimum tax - corporations

We applied the sequestration reduction rate to your credit

We received your Form 1120, U.S. Corporation Income Tax Return, and Form 8827, Credit for Prior Year Minimum Tax – Corporation, for the tax period March 31, 2015, claiming the minimum tax credit.

We reduced your credit based on the following:

Under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments issued to, and credit elect and refund offset transactions for, corporations claiming refundable prior year minimum tax liability, are subject to sequestration. This means that refund payments, and credit elect and refund offset transactions processed on or after October 1, 2018, and on or before September 30, 2019, will be reduced by the fiscal year 2019 sequestration rate of 6.2% percent, regardless of when we received your original or amended tax return. We'll apply the sequestration reduction rate until a law is enacted that cancels or otherwise affects the sequester, at which time the rate is subject to change.

Next steps

If you haven't received your refund, you should receive it within 3-4 weeks as long as you don't owe other tax or debts we're required to collect.

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**sequestration reduction rate
information-continued**

For taxable years beginning after December 31, 2017, Internal Revenue Code Section 53 provides that corporations may treat a portion of their prior year minimum tax credit carryover as refundable. The amount of the refundable credit is equal to 50% (100% in taxable years beginning in 2021) of the excess of the minimum tax credit carryover to the taxable year over the amount of the otherwise allowable credit against regular tax liability.

Additional information

- Visit www.irs.gov/cp157.
- For tax forms, instructions, and publications, visit www.irs.gov/formspubs or call 800-TAX-FORM (800-829-3676).
- For corporation information, visit www.irs.gov/filing/corporations
- If a tax practitioner or someone else prepared your return, you may want to give them a copy of this notice. (If you have a power of attorney on file with us, we send a copy to him/her automatically.)

If you need assistance, please don't hesitate to contact us.