

MAHESH & SAHITYA TALLURI BANDLA 1314 E MURIEL DR PHOENIX AZ 85022-2068

002793

Cut here and return this portion with your correspondence. Be sure the IRS address appears in the envelope window.

Notice Number: Ltr566T

Notice Date: September 25, 2023

0396

158232543

MAHESH & SAHITYA TALLURI BANDLA 1314 E MURIEL DR PHOENIX AZ 85022-2068

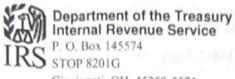
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Internal Revenue Service

Cincinnati OH 45250-5574

P. O. Box 145574

158535543 XM BAND 30 0 505115 640 000000000000



Cincinnati OH 45250-5574

September 25, 2023

Contact options:

Visit: www.irs.gov/connect

Scan: IRS Secure Messaging QR

code below.



Taxpayer ID number 158-23-2543

Form: 1040

Tax period ended:

December 31, 2021

Project code:

0396

Person to contact:

Name: Tax Examiner ID Number: 1000383171 Telephone: 1-866-897-0161

Fax: 1-855-243-0512

Hours: 7:00am-7:00pm local time

MAHESH & SAHITYA TALLURI BANDLA 1314 E MURIEL DR PHOENIX AZ 85022-2068

002793

We're auditing your 2021 Form 1040, and need a response from you

Dear MAHESH & SAHITYA TALLURI BANDLA:

We're auditing your 2021 federal income tax return and need you to send additional information to support the following items claimed on your return:

Schedule E

What to send? Refer to the enclosed forms that explain what documents you need to provide.

- · Organize your documents (including copies of receipts, canceled checks, tax records and other supporting documents) according to the items listed above.
- · Make sure scanned documents, pictures and photocopies are complete and clearly readable.
- · If questionnaires are attached to this letter, please complete them and submit copies.
- Send all your documents at the same time to avoid confusion and processing delays.

How to send it? You have three options for sending your documents:

- 1. IRS Secure Messaging is the best option if you qualify. Through this online service you can securely and instantly send your documents, and you can also exchange messages with your assigned examiner. Visit irs.gov/connect or scan the QR code to the right to see if you qualify.
- 2. Send a traditional or virtual fax to the fax number provided at the top of this letter using a mobile phone app, tablet, computer, or fax machine. Include your name and taxpayer identification number (social security number or individual taxpayer identification number) on each page. For more information on ways to fax without a machine, visit irs.gov/566ta.

Letter 566-T (Rev. 6-2021) Catalog Number 69706J

Form 8582

Passive Activity Loss Limitations

► See separate Instructions.

2021

Department of the Treasury Internal Revenue Service (99) ► Go to w	Attach to Form 1040, 1040-SR www.irs.gov/Form8582 for Instructions	i, or 1041. and the latest informati	ion.	Attachment Sequence No
Name(s) shown on return			Identifying	
MAHESH & SAHITYA TALLURI E	BANDLA		158-23-	2543
Part I 2021 Passive Activity L	oss			
Caution: Complete Parts IV	V and V before completing Part I.		1000	
Rental Real Estate Activities With Active	e Participation (For the definition of a	active participation, se-	e Special	
Allowance for Rental Real Estate Activi	ties in the instructions.)			
1a Activities with net income (enter th	e amount from Part IV, column (a))	1a		
b Activities with net loss (enter the a	mount from Part IV, column (b))	1b ()	
c Prior years' unallowed losses (ente	er the amount from Part IV, column (c)) 1c ()	
d Combine lines 1a, 1b, and 1c .			1d	
All Other Passive Activities				
2a Activities with net income (enter th	e amount from Part V, column (a))	2a		
	mount from Part V, column (b)))	
 Prior years' unallowed losses (enter d Combine lines 2a, 2b, and 2c 	er the amount from Part V, column (c)		2d	
	e is zero or more, stop here and inclu			
3 Combine lines 1d and 2d. If this line all losses are allowed, including an	y prior year unallowed losses entere	d on line 1c or 2c. Rep	port the	
losses on the forms and schedules				
Caution: If your filing status is married fil Part II. Instead, go to line 10. Part II Special Allowance for F	a loss (and line 1d is zero or more), ing separately and you lived with yo Rental Real Estate Activities Wi	ur spouse at any time	e during the yea	ur, do not o
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Total. Enter on Part I, lines 1a, 1b, and 1c ▶

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	Complete This Part Before Name of activity	Curre	, und 20	See in	structions.			
	,	Curre	nt year	P	rior years			
		(a) Net income (line 2a)	(b) Net loss	(c)	Unallowed			gain or loss
	3133.43		(line 2b)	los	s (line 2c)	(d) G	lain	(e) Loss
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Part VII	Allocation of Unallowed Lo	and line number to be reported of	e r (a) Lo		00 (b)	Ratio	(c)	Unallowed loss
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Form **8582** (2021)

Form 14817 (September 2021

Department of the Treasury - Internal Revenue Service

Reply Cover Sheet

Attach this Cover Sheet to the Top of Your Reply



Date

To

Internal Revenue Service, Correspondence Examination

002793 From

Provide a telephone number, including area code and best time for a tax examiner to call

Telephone number

Best time to call (hours)

If you have a new address, complete Form 8822, Change Of Address, and include it with your reply. You can download this form at www.irs.gov or request a copy by calling 1-800-TAX-FORM (1-800-829-3676).

You can upload your reply using your computer or mobile device at www.irs.gov/examreply or by scanning the IRS Secure Upload QR Code:



Comments			
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This communication is intended for the sole use of the individual to whom it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this communication is not the intended recipient or agent for delivering the communication to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication may be strictly prohibited. If you have received this communication in error, notify the sender immediately by telephone.

Catalog Number 69777S

w.irs.gov

Form 14817 (9-2021)

Form 14976

(November 2013)

Department of the Treasury-Internal Revenue Service

Passive Activity Loss Limitation Explanation of Items

Name of Taxpayer

MAHESH & SAHITYA TALLURI BANDLA

Taxpayer Identification Number

Tax Period Ending

158-23-2543

December 31, 2021



The Law regarding Passive Activity Loss (PAL) limitations is as follows: For single or Married Filing Joint taxpayers, for every dollar of Modified adjusted Gross Income (MAGI) exceeding \$100,000, the \$25,000 offset for rental real estate is reduced by 50 002793 cents. If MAGI exceeds \$150,000, then you are allowed none of the \$25,000 offset. See IRC section 469(I)(3).

For Married Filing Separate taxpayers, if the taxpayers lived with their spouse during the year they do not get any deduction. If they lived apart the special allowance is \$12,500. If MAGI exceeds \$50,000, the \$12,500 offset for rental real estate is reduced by 50 cents for every dollar of MAGI. The entire allowance is phased out at \$75,000.

By definition in Code Section 469(c), all rentals are passive activities and subject to Passive Activity Loss Limitations.

If you disagree with a PAL adjustment, please provide your reason for the disagreement, citing any exceptions that you feel you meet, and provide documentation to support your exception. Also, please complete the included Form 8582.

