

- (1) \$1,000, or
- (2) 50 percent of the aggregate cost of the offers and solicitations referred to in subsection (a)(1) which occurred on such day and with respect to which there was such a failure.

**(c) Definitions**

For purposes of this section—

**(1) Tax-exempt organization**

The term “tax-exempt organization” means any organization which—

- (A) is described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a), or
- (B) is a political organization (as defined in section 527(e)).

**(2) Day on which failure occurs**

The day on which any failure referred to in subsection (a) occurs shall be determined under rules similar to the rules of section 6710(d).

(Added Pub. L. 100-203, title X, §10705(a), Dec. 22, 1987, 101 Stat. 1330-463.)

EFFECTIVE DATE

Section 10705(c) of Pub. L. 100-203 provided that: “The amendments made by this section [enacting this section] shall apply to offers and solicitations after January 31, 1988.”

**§ 6712. Failure to disclose treaty-based return positions**

**(a) General rule**

If a taxpayer fails to meet the requirements of section 6114, there is hereby imposed a penalty equal to \$1,000 (\$10,000 in the case of a C corporation) on each such failure.

**(b) Authority to waive**

The Secretary may waive all or any part of the penalty provided by this section on a showing by the taxpayer that there was reasonable cause for the failure and that the taxpayer acted in good faith.

**(c) Penalty in addition to other penalties**

The penalty imposed by this section shall be in addition to any other penalty imposed by law.

(Added Pub. L. 100-647, title I, §1012(aa)(5)(B), Nov. 10, 1988, 102 Stat. 3532.)

CODIFICATION

Another section 6712 was renumbered section 6713 of this title.

EFFECTIVE DATE

Section applicable to taxable periods the due date for filing returns for which (without extension) occurs after Dec. 31, 1988, see section 1012(aa)(5)(D) of Pub. L. 100-647, set out as a note under section 6114 of this title.

**§ 6713. Disclosure or use of information by preparers of returns**

**(a) Imposition of penalty**

If any person who is engaged in the business of preparing, or providing services in connection with the preparation of, returns of tax imposed by chapter 1, or any person who for compensation prepares any such return for any other person, and who—

(1) discloses any information furnished to him for, or in connection with, the preparation of any such return, or

(2) uses any such information for any purpose other than to prepare, or assist in preparing, any such return,

shall pay a penalty of \$250 for each such disclosure or use, but the total amount imposed under this subsection on such a person for any calendar year shall not exceed \$10,000.

**(b) Exceptions**

The rules of section 7216(b) shall apply for purposes of this section.

**(c) Deficiency procedures not to apply**

Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by this section.

(Added Pub. L. 100-647, title VI, §6242(a), Nov. 10, 1988, 102 Stat. 3749, §6712; renumbered §6713, Pub. L. 101-239, title VII, §7816(v)(1), Dec. 19, 1989, 103 Stat. 2423.)

EFFECTIVE DATE

Section 6242(d) of Pub. L. 100-647 provided that: “The amendments made by this section [enacting this section and amending section 7216 of this title] shall apply to disclosures or uses after December 31, 1988.”

**§ 6714.<sup>1</sup> Failure to meet disclosure requirements applicable to quid pro quo contributions**

**(a) Imposition of penalty**

If an organization fails to meet the disclosure requirement of section 6115 with respect to a quid pro quo contribution, such organization shall pay a penalty of \$10 for each contribution in respect of which the organization fails to make the required disclosure, except that the total penalty imposed by this subsection with respect to a particular fundraising event or mailing shall not exceed \$5,000.

**(b) Reasonable cause exception**

No penalty shall be imposed under this section with respect to any failure if it is shown that such failure is due to reasonable cause.

(Added Pub. L. 103-66, title XIII, §13173(b), Aug. 10, 1993, 107 Stat. 456.)

EFFECTIVE DATE

Section applicable to quid pro quo contributions made on or after Jan. 1, 1994, see section 13173(d) of Pub. L. 103-66, set out as a note under section 6115 of this title.

**§ 6714.<sup>1</sup> Dyed fuel sold for use or used in taxable use, etc.**

**(a) Imposition of penalty**

If—

(1) any dyed fuel is sold or held for sale by any person for any use which such person knows or has reason to know is not a nontaxable use of such fuel,

(2) any dyed fuel is held for use or used by any person for a use other than a nontaxable

<sup>1</sup> Another section 6714 is set out after this section.

<sup>1</sup> Another section 6714 is set out preceding this section.

use and such person knew, or had reason to know, that such fuel was so dyed, or

(3) any person willfully alters, or attempts to alter, the strength or composition of any dye or marking done pursuant to section 4082 in any dyed fuel,

then such person shall pay a penalty in addition to the tax (if any).

**(b) Amount of penalty**

**(1) In general**

Except as provided in paragraph (2), the amount of the penalty under subsection (a) on each act shall be the greater of—

- (A) \$1,000, or
- (B) \$10 for each gallon of the dyed fuel involved.

**(2) Multiple violations**

In determining the penalty under subsection (a) on any person, paragraph (1) shall be applied by increasing the amount in paragraph (1)(A) by the product of such amount and the number of prior penalties (if any) imposed by this section on such person (or a related person or any predecessor of such person or related person).

**(c) Definitions**

For purposes of this section—

**(1) Dyed fuel**

The term “dyed fuel” means any dyed diesel fuel, whether or not the fuel was dyed pursuant to section 4082.

**(2) Nontaxable use**

The term “nontaxable use” has the meaning given such term by section 4082(b).

**(d) Joint and several liability of certain officers and employees**

If a penalty is imposed under this section on any business entity, each officer, employee, or agent of such entity who willfully participated in any act giving rise to such penalty shall be jointly and severally liable with such entity for such penalty.

(Added Pub. L. 103-66, title XIII, §13242(b)(1), Aug. 10, 1993, 107 Stat. 520.)

EFFECTIVE DATE

Section effective Jan. 1, 1994, see section 13242(e) of Pub. L. 103-66, set out as an Effective Date of 1993 Amendment note under section 4041 of this title.

PART II—FAILURE TO COMPLY WITH CERTAIN INFORMATION REPORTING REQUIREMENTS

Sec.	
6721.	Failure to file correct information returns.
6722.	Failure to furnish correct payee statements.
6723.	Failure to comply with other information reporting requirements.
6724.	Waiver; definitions and special rules.

AMENDMENTS

1989—Pub. L. 101-239, title VII, §7711(a), Dec. 19, 1989, 103 Stat. 2388, substituted “COMPLY WITH CERTAIN INFORMATION REPORTING REQUIREMENTS” for “FILE CERTAIN INFORMATION RETURNS OR STATEMENTS” in part heading and substituted “correct” for “certain” in items 6721 and 6722 and “comply

with other information reporting requirements” for “include correct information” in item 6723.

PART REFERRED TO IN OTHER SECTIONS

This part is referred to in title 42 section 1320b-14.

**§ 6721. Failure to file correct information returns**

**(a) Imposition of penalty**

**(1) In general**

In the case of a failure described in paragraph (2) by any person with respect to an information return, such person shall pay a penalty of \$50 for each return with respect to which such a failure occurs, but the total amount imposed on such person for all such failures during any calendar year shall not exceed \$250,000.

**(2) Failures subject to penalty**

For purposes of paragraph (1), the failures described in this paragraph are—

- (A) any failure to file an information return with the Secretary on or before the required filing date, and
- (B) any failure to include all of the information required to be shown on the return or the inclusion of incorrect information.

**(b) Reduction where correction in specified period**

**(1) Correction within 30 days**

If any failure described in subsection (a)(2) is corrected on or before the day 30 days after the required filing date—

- (A) the penalty imposed by subsection (a) shall be \$15 in lieu of \$50, and
- (B) the total amount imposed on the person for all such failures during any calendar year which are so corrected shall not exceed \$75,000.

**(2) Failures corrected on or before August 1**

If any failure described in subsection (a)(2) is corrected after the 30th day referred to in paragraph (1) but on or before August 1 of the calendar year in which the required filing date occurs—

- (A) the penalty imposed by subsection (a) shall be \$30 in lieu of \$50, and
- (B) the total amount imposed on the person for all such failures during the calendar year which are so corrected shall not exceed \$150,000.

**(c) Exception for de minimis failures to include all required information**

**(1) In general**

- If—
  - (A) an information return is filed with the Secretary,
  - (B) there is a failure described in subsection (a)(2)(B) (determined after the application of section 6724(a)) with respect to such return, and
  - (C) such failure is corrected on or before August 1 of the calendar year in which the required filing date occurs,

for purposes of this section, such return shall be treated as having been filed with all of the correct required information.