

the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

EFFECTIVE DATE

Section 1234(a)(3) of Pub. L. 99-514 provided that: “The amendments made by this subsection [enacting this section] shall apply to applications submitted after December 31, 1987 (or, if earlier, the effective date which shall not be earlier than January 1, 1987) of the initial regulations issued under section 6039E of the Internal Revenue Code of 1986 as added by this subsection.”

**§ 6039F. Notice of large gifts received from foreign persons**

**(a) In general**

If the value of the aggregate foreign gifts received by a United States person (other than an organization described in section 501(c) and exempt from tax under section 501(a)) during any taxable year exceeds \$10,000, such United States person shall furnish (at such time and in such manner as the Secretary shall prescribe) such information as the Secretary may prescribe regarding each foreign gift received during such year.

**(b) Foreign gift**

For purposes of this section, the term “foreign gift” means any amount received from a person other than a United States person which the recipient treats as a gift or bequest. Such term shall not include any qualified transfer (within the meaning of section 2503(e)(2)) or any distribution properly disclosed in a return under section 6048(c).

**(c) Penalty for failure to file information**

**(1) In general**

If a United States person fails to furnish the information required by subsection (a) with respect to any foreign gift within the time prescribed therefor (including extensions)—

(A) the tax consequences of the receipt of such gift shall be determined by the Secretary, and

(B) such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 5 percent of the amount of such foreign gift for each month for which the failure continues (not to exceed 25 percent of such amount in the aggregate).

**(2) Reasonable cause exception**

Paragraph (1) shall not apply to any failure to report a foreign gift if the United States person shows that the failure is due to reasonable cause and not due to willful neglect.

**(d) Cost-of-living adjustment**

In the case of any taxable year beginning after December 31, 1996, the \$10,000 amount under subsection (a) shall be increased by an amount equal to the product of such amount and the cost-of-living adjustment for such taxable year under section 1(f)(3), except that subparagraph (B) thereof shall be applied by substituting “1995” for “1992”.

**(e) Regulations**

The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.

(Added Pub. L. 104-188, title I, §1905(a), Aug. 20, 1996, 110 Stat. 1913.)

ADJUSTMENT OF AGGREGATE GIFT THRESHOLD FOR TAX YEARS BEGINNING IN 1999

*For adjustment of aggregate gift threshold for purposes of triggering reporting requirement under this section for tax years beginning in 1999, see section 3.21 of Revenue Procedure 98-61, set out as a note under section 1 of this title.*

CODIFICATION

Another section 6039F was renumbered section 6039G of this title.

EFFECTIVE DATE

Section 1905(c) of Pub. L. 104-188 provided that: “The amendments made by this section [enacting this section] shall apply to amounts received after the date of the enactment of this Act [Aug. 20, 1996] in taxable years ending after such date.”

**§ 6039G. Information on individuals losing United States citizenship**

**(a) In general**

Notwithstanding any other provision of law, any individual who loses United States citizenship (within the meaning of section 877(a)) shall provide a statement which includes the information described in subsection (b). Such statement shall be—

- (1) provided not later than the earliest date of any act referred to in subsection (c), and
- (2) provided to the person or court referred to in subsection (c) with respect to such act.

**(b) Information to be provided**

Information required under subsection (a) shall include—

- (1) the taxpayer’s TIN,
- (2) the mailing address of such individual’s principal foreign residence,
- (3) the foreign country in which such individual is residing,
- (4) the foreign country of which such individual is a citizen,
- (5) in the case of an individual having a net worth of at least the dollar amount applicable under section 877(a)(2)(B), information detailing the assets and liabilities of such individual, and
- (6) such other information as the Secretary may prescribe.

**(c) Acts described**

For purposes of this section, the acts referred to in this subsection are—

- (1) the individual’s renunciation of his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),
- (2) the individual’s furnishing to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

(3) the issuance by the United States Department of State of a certificate of loss of nationality to the individual, or

(4) the cancellation by a court of the United States of a naturalized citizen's certificate of naturalization.

**(d) Penalty**

Any individual failing to provide a statement required under subsection (a) shall be subject to a penalty for each year (of the 10-year period beginning on the date of loss of United States citizenship) during any portion of which such failure continues in an amount equal to the greater of—

- (1) 5 percent of the tax required to be paid under section 877 for the taxable year ending during such year, or
- (2) \$1,000,

unless it is shown that such failure is due to reasonable cause and not to willful neglect.

**(e) Information to be provided to Secretary**

Notwithstanding any other provision of law—

- (1) any Federal agency or court which collects (or is required to collect) the statement under subsection (a) shall provide to the Secretary—

- (A) a copy of any such statement, and
- (B) the name (and any other identifying information) of any individual refusing to comply with the provisions of subsection (a),

(2) the Secretary of State shall provide to the Secretary a copy of each certificate as to the loss of American nationality under section 358 of the Immigration and Nationality Act which is approved by the Secretary of State, and

(3) the Federal agency primarily responsible for administering the immigration laws shall provide to the Secretary the name of each lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) whose status as such has been revoked or has been administratively or judicially determined to have been abandoned.

Notwithstanding any other provision of law, not later than 30 days after the close of each calendar quarter, the Secretary shall publish in the Federal Register the name of each individual losing United States citizenship (within the meaning of section 877(a)) with respect to whom the Secretary receives information under the preceding sentence during such quarter.

**(f) Reporting by long-term lawful permanent residents who cease to be taxed as residents**

In lieu of applying the last sentence of subsection (a), any individual who is required to provide a statement under this section by reason of section 877(e)(1) shall provide such statement with the return of tax imposed by chapter 1 for the taxable year during which the event described in such section occurs.

**(g) Exemption**

The Secretary may by regulations exempt any class of individuals from the requirements of this section if he determines that applying this section to such individuals is not necessary to carry out the purposes of this section.

(Added Pub. L. 104-191, title V, §512(a), Aug. 21, 1996, 110 Stat. 2100, §6039F; renumbered §6039G, Pub. L. 105-34, title XVI, §1602(h)(1), Aug. 5, 1997, 111 Stat. 1096.)

REFERENCES IN TEXT

Section 358 of the Immigration and Nationality Act, referred to in subsec. (e)(2), is classified to section 1501 of Title 8, Aliens and Nationality.

AMENDMENTS

1997—Pub. L. 105-34 renumbered section 6039F as this section.

EFFECTIVE DATE

For special rule relating to application of this section to certain individuals who performed an act of expatriation specified in section 1481(a)(1)-(4) of Title 8, Aliens and Nationality, before Feb. 6, 1995, see section 511(g)(3) of Pub. L. 104-191, set out as an Effective Date of 1996 Amendment note under section 877 of this title.

Section 512(c) of Pub. L. 104-191 provided that: "The amendments made by this section [enacting this section] shall apply to—

"(1) individuals losing United States citizenship (within the meaning of section 877 of the Internal Revenue Code of 1986) on or after February 6, 1995, and

"(2) long-term residents of the United States with respect to whom an event described in subparagraph (A) or (B) of section 877(e)(1) of such Code occurs on or after such date.

In no event shall any statement required by such amendments be due before the 90th day after the date of the enactment of this Act [Aug. 21, 1996]."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 877 of this title.

**§ 6040. Cross references**

(1) For the notice required of persons acting in a fiduciary capacity for taxpayers or for transferees, see sections 6212, 6901(g), and 6903.

(2) For application by fiduciary for determination of tax and discharge from personal liability therefor, see section 2204.

(3) For the notice required of taxpayers for redemption of taxes claimed as credits, see sections 905(c) and 2016.

(4) For exemption certificates required to be furnished to employers by employees, see section 3402(f)(2), (3), (4), and (5).

(5) For receipts, constituting information returns, required to be furnished to employees, see section 6051.

[ (6) Repealed. Pub. L. 89-44, title III, §305(b), June 21, 1965, 79 Stat. 148 ]

(7) For information required with respect to the redemption of stamps, see section 6805.

(8) For the statement required to be filed by a corporation expecting a net operating loss carryback or unused excess profits credit carryback, see section 6164.

(9) For the application, which a taxpayer may file for a tentative carryback adjustment of income taxes, see section 6411.

(Aug. 16, 1954, ch. 736, 68A Stat. 744, §6037; renumbered §6038, Pub. L. 85-866, title I, §64(c), Sept. 2, 1958, 72 Stat. 1656; renumbered §6039, Pub. L. 86-780, §6(a), Sept. 14, 1960, 74 Stat. 1014; renumbered §6040, Pub. L. 88-272, title II, §221(b)(1), Feb. 26, 1964, 78 Stat. 73; amended Pub. L. 89-44, title III, §305(b), June 21, 1965, 79 Stat. 148; Pub. L. 91-614, title I, §101(d)(2), Dec. 31, 1970, 84 Stat. 1837.)

AMENDMENTS

1970—Par. (2). Pub. L. 91-614 substituted "fiduciary" for "executor".