

an Effective Date of 2004 Amendments note under section 170 of this title.

**§ 6720A. Penalty with respect to certain adulterated fuels**

**(a) In general**

Any person who knowingly transfers for resale, sells for resale, or holds out for resale any liquid for use in a diesel-powered highway vehicle or a diesel-powered train which does not meet applicable EPA regulations (as defined in section 45H(c)(3)), shall pay a penalty of \$10,000 for each such transfer, sale, or holding out for resale, in addition to the tax on such liquid (if any).

**(b) Penalty in the case of retailers**

Any person who knowingly holds out for sale (other than for resale) any liquid described in subsection (a), shall pay a penalty of \$10,000 for each such holding out for sale, in addition to the tax on such liquid (if any).

(Added Pub. L. 109–59, title XI, § 11167(a), Aug. 10, 2005, 119 Stat. 1977.)

**EFFECTIVE DATE**

Pub. L. 109–59, title XI, § 11167(d), Aug. 10, 2005, 119 Stat. 1978, provided that: “The amendments made by this section [enacting this section and amending section 9503 of this title] shall apply to any transfer, sale, or holding out for sale or resale occurring after the date of the enactment of this Act [Aug. 10, 2005].”

**§ 6720B. Fraudulent identification of exempt use property**

In addition to any criminal penalty provided by law, any person who identifies applicable property (as defined in section 170(e)(7)(C)) as having a use which is related to a purpose or function constituting the basis for the donee’s exemption under section 501 and who knows that such property is not intended for such a use shall pay a penalty of \$10,000.

(Added Pub. L. 109–280, title XII, § 1215(c)(1), Aug. 17, 2006, 120 Stat. 1079.)

**CODIFICATION**

Section 1215(c)(1) of Pub. L. 109–280, which directed the addition of section 6720B at the end of part I of subchapter B of chapter 68, without specifying the act to be amended, was executed by adding section 6720B at the end of part I of subchapter B of chapter 68 of this title, which consists of the Internal Revenue Code of 1986, to reflect the probable intent of Congress.

**EFFECTIVE DATE**

Pub. L. 109–280, title XII, § 1215(d)(3), Aug. 17, 2006, 120 Stat. 1079, provided that: “The amendments made by subsection (c) [enacting this section] shall apply to identifications made after the date of the enactment of this Act [Aug. 17, 2006].”

**§ 6720C. Penalty for failure to notify health plan of cessation of eligibility for COBRA premium assistance**

**(a) In general**

Any person required to notify a group health plan under section 3001(a)(2)(C) of title III of division B of the American Recovery and Reinvestment Act of 2009 who fails to make such a notification at such time and in such manner as

the Secretary of Labor may require shall pay a penalty of 110 percent of the premium reduction provided under such section after termination of eligibility under such subsection.

**(b) Reasonable cause exception**

No penalty shall be imposed under subsection (a) with respect to any failure if it is shown that such failure is due to reasonable cause and not to willful neglect.

(Added Pub. L. 111–5, div. B, title III, § 3001(a)(13)(A), Feb. 17, 2009, 123 Stat. 464; amended Pub. L. 111–144, § 3(b)(5)(D), Mar. 2, 2010, 124 Stat. 45.)

**REFERENCES IN TEXT**

Section 3001 of title III of division B of the American Recovery and Reinvestment Act of 2009, referred to in subsec. (a), is section 3001 of Pub. L. 111–5, which is set out as a note under section 6432 of this title.

**AMENDMENTS**

2010—Subsec. (a). Pub. L. 111–144, which directed substitution of “section 3001(a)(2)(C) of title III of division B of the American Recovery and Reinvestment Act of 2009” for “section 3002(a)(2)(C) of the Health Insurance Assistance for the Unemployed Act of 2009”, was executed by making the substitution for “section 3002(a)(2)(C) of the Health Insurance Assistance for the Unemployed Act of 2009” to reflect the probable intent of Congress.

**EFFECTIVE DATE OF 2010 AMENDMENT**

Amendment by Pub. L. 111–144 effective as if included in the provisions of section 3001 of Pub. L. 111–5 to which it relates, see section 3(c) of Pub. L. 111–144, set out as a note under section 6432 of this title.

**EFFECTIVE DATE**

Section applicable to failures occurring after Feb. 17, 2009, see section 3001(a)(13)(C) of Pub. L. 111–5, set out as a Premium Assistance for COBRA Benefits note under section 6432 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.
6725.	Failure to report information under section 4101.

**AMENDMENTS**

2004—Pub. L. 108–357, title VIII, § 863(d)(2), Oct. 22, 2004, 118 Stat. 1620, added item 6725.

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.

**§ 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 pen-

alty of \$100 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 \$1,500,000.

**(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 \$30 in lieu of \$100, and

(B) the total amount imposed on the person for all such failures during any calendar year which are so corrected shall not exceed \$250,000.

**(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 \$60 in lieu of \$100, and

(B) the total amount imposed on the person for all such failures during the calendar year which are so corrected shall not exceed \$500,000.

**(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.

**(2) Limitation**

The number of information returns to which paragraph (1) applies for any calendar year shall not exceed the greater of—

(A) 10, or

(B) one-half of 1 percent of the total number of information returns required to be filed by the person during the calendar year.

**(d) Lower limitations for persons with gross receipts of not more than \$5,000,000**

**(1) In general**

If any person meets the gross receipts test of paragraph (2) with respect to any calendar

year, with respect to failures during such calendar year—

(A) subsection (a)(1) shall be applied by substituting “\$500,000” for “\$1,500,000”,

(B) subsection (b)(1)(B) shall be applied by substituting “\$75,000” for “\$250,000”, and

(C) subsection (b)(2)(B) shall be applied by substituting “\$200,000” for “\$500,000”.

**(2) Gross receipts test**

**(A) In general**

A person meets the gross receipts test of this paragraph for any calendar year if the average annual gross receipts of such person for the most recent 3 taxable years ending before such calendar year do not exceed \$5,000,000.

**(B) Certain rules made applicable**

For purposes of subparagraph (A), the rules of paragraphs (2) and (3) of section 448(c) shall apply.

**(e) Penalty in case of intentional disregard**

If 1 or more failures described in subsection (a)(2) are due to intentional disregard of the filing requirement (or the correct information reporting requirement), then, with respect to each such failure—

(1) subsections (b), (c), and (d) shall not apply,

(2) the penalty imposed under subsection (a) shall be \$250, or, if greater—

(A) in the case of a return other than a return required under section 6045(a), 6041A(b), 6050H, 6050I, 6050J, 6050K, or 6050L, 10 percent of the aggregate amount of the items required to be reported correctly,

(B) in the case of a return required to be filed by section 6045(a), 6050K, or 6050L, 5 percent of the aggregate amount of the items required to be reported correctly,

(C) in the case of a return required to be filed under section 6050I(a) with respect to any transaction (or related transactions), the greater of—

(i) \$25,000, or

(ii) the amount of cash (within the meaning of section 6050I(d)) received in such transaction (or related transactions) to the extent the amount of such cash does not exceed \$100,000, or

(D) in the case of a return required to be filed under section 6050V, 10 percent of the value of the benefit of any contract with respect to which information is required to be included on the return, and

(3) in the case of any penalty determined under paragraph (2)—

(A) the \$1,500,000 limitation under subsection (a) shall not apply, and

(B) such penalty shall not be taken into account in applying such limitation (or any similar limitation under subsection (b)) to penalties not determined under paragraph (2).

**(f) Adjustment for inflation**

**(1) In general**

For each fifth calendar year beginning after 2012, each of the dollar amounts under sub-

sections (a), (b), (d) (other than paragraph (2)(A) thereof), and (e) shall be increased by such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) determined by substituting “calendar year 2011” for “calendar year 1992” in subparagraph (B) thereof.

**(2) Rounding**

If any amount adjusted under paragraph (1)—

(A) is not less than \$75,000 and is not a multiple of \$500, such amount shall be rounded to the next lowest multiple of \$500, and

(B) is not described in subparagraph (A) and is not a multiple of \$10, such amount shall be rounded to the next lowest multiple of \$10.

(Added Pub. L. 99-514, title XV, § 1501(a), Oct. 22, 1986, 100 Stat. 2732; amended Pub. L. 100-690, title VII, § 7601(a)(2)(A), Nov. 18, 1988, 102 Stat. 4503; Pub. L. 101-239, title VII, § 7711(a), Dec. 19, 1989, 103 Stat. 2388; Pub. L. 101-508, title XI, § 11318(b), Nov. 5, 1990, 104 Stat. 1388-459; Pub. L. 109-280, title XII, § 1211(b)(2), Aug. 17, 2006, 120 Stat. 1073; Pub. L. 111-240, title II, § 2102(a)-(f), Sept. 27, 2010, 124 Stat. 2561, 2562.)

AMENDMENTS

2010—Subsec. (a)(1). Pub. L. 111-240, § 2102(a), substituted “\$100” for “\$50” and “\$1,500,000” for “\$250,000”.

Subsec. (b)(1)(A). Pub. L. 111-240, § 2102(a)(1), (b)(1), substituted “\$30” for “\$15” and “\$100” for “\$50”.

Subsec. (b)(1)(B). Pub. L. 111-240, § 2102(b)(2), substituted “\$250,000” for “\$75,000”.

Subsec. (b)(2)(A). Pub. L. 111-240, § 2102(a)(1), (c)(1), substituted “\$60” for “\$30” and “\$100” for “\$50”.

Subsec. (b)(2)(B). Pub. L. 111-240, § 2102(c)(2), substituted “\$500,000” for “\$150,000”.

Subsec. (d)(1). Pub. L. 111-240, § 2102(d)(2), substituted “such calendar year” for “such taxable year” in introductory provisions.

Subsec. (d)(1)(A). Pub. L. 111-240, § 2102(a)(2), (d)(1)(A), substituted “\$500,000” for “\$100,000” and “\$1,500,000” for “\$250,000”.

Subsec. (d)(1)(B). Pub. L. 111-240, § 2102(b)(2), (d)(1)(B), substituted “\$75,000” for “\$25,000” and “\$250,000” for “\$75,000”.

Subsec. (d)(1)(C). Pub. L. 111-240, § 2102(c)(2), (d)(1)(C), substituted “\$200,000” for “\$50,000” and “\$500,000” for “\$150,000”.

Subsec. (e)(2). Pub. L. 111-240, § 2102(e), substituted “\$250” for “\$100” in introductory provisions.

Subsec. (e)(3)(A). Pub. L. 111-240, § 2102(a)(2), substituted “\$1,500,000” for “\$250,000”.

Subsec. (f). Pub. L. 111-240, § 2102(f), added subsec. (f).

2006—Subsec. (e)(2)(D). Pub. L. 109-280, which directed the addition of subpar. (D) to section 6721(e)(2), without specifying the act to be amended, was executed by making the addition to subsec. (e)(2) of this section, which is section 6721 of the Internal Revenue Code of 1986, to reflect the probable intent of Congress.

1990—Subsec. (e)(2). Pub. L. 101-508 inserted “6050I,” after “6050H,” and struck out “or” at end of subpar. (A), substituted “or” for “and” at end of subpar. (B), and added subpar. (C).

1989—Pub. L. 101-239 substituted “correct” for “certain” in section catchline and amended text generally, substituting subsecs. (a) to (e) for former subsec. (a) stating general rule and subsec. (b) relating to penalty in case of intentional disregard.

1988—Subsec. (b)(1)(A). Pub. L. 100-690 inserted “(or, if greater, in the case of a return filed under section 6050I, 10 percent of the taxable income derived from the transaction)” after “reported”.

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-240, title II, § 2102(h), Sept. 27, 2010, 124 Stat. 2564, provided that: “The amendments made by

this section [amending this section and section 6722 of this title] shall apply with respect to information returns required to be filed on or after January 1, 2011.”

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-280 applicable to acquisitions of contracts after Aug. 17, 2006, see section 1211(d) of Pub. L. 109-280, set out as an Effective Date note under section 6050V of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-508 applicable to amounts received after Nov. 5, 1990, see section 11318(e)(1) of Pub. L. 101-508, set out as a note under section 6050I of this title.

EFFECTIVE DATE OF 1989 AMENDMENT

Section 7711(c) of Pub. L. 101-239 provided that: “The amendments made by this section [amending this section and sections 6722 to 6724 and 7205 of this title and repealing sections 6017A, 6676, and 6687 of this title] shall apply to returns and statements the due date for which (determined without regard to extensions) is after December 31, 1989.”

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-690 applicable to actions after Nov. 18, 1988, see section 7601(a)(3) of Pub. L. 100-690, set out as a note under section 6050I of this title.

EFFECTIVE DATE

Section 1501(e) of Pub. L. 99-514 provided that: “The amendments made by this section [enacting this section and sections 6722 to 6724 of this title, amending sections 219, 6031, 6033 to 6034A, 6041, 6042 to 6045, 6047, 6049, 6050A to 6050C, 6050E to 6050I, 6050K, 6052, 6057, 6058, 6652, and 6676 of this title, and repealing section 6678 of this title] shall apply to returns the due date for which (determined without regard to extensions) is after December 31, 1986, except that the amendments made by subsections (c)(2), (c)(3), and (c)(5) [amending sections 6042, 6044, and 6049 of this title] shall apply to returns the due [date] for which (determined without regard to extensions) is after the date of the enactment of this Act [Oct. 22, 1986].”

**§ 6722. Failure to furnish correct payee statements**

**(a) Imposition of penalty**

**(1) General rule**

In the case of each failure described in paragraph (2) by any person with respect to a payee statement, such person shall pay a penalty of \$100 for each statement 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 \$1,500,000.

**(2) Failures subject to penalty**

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

(A) any failure to furnish a payee statement on or before the date prescribed therefor to the person to whom such statement is required to be furnished, and

(B) any failure to include all of the information required to be shown on a payee statement or the inclusion of incorrect information.