

TITLE 26 - INTERNAL REVENUE CODE**Subtitle F - Procedure and Administration****CHAPTER 68 - ADDITIONS TO THE TAX, ADDITIONAL AMOUNTS, AND ASSESSABLE PENALTIES****Subchapter B - Assessable Penalties****PART II - FAILURE TO COMPLY WITH CERTAIN INFORMATION REPORTING REQUIREMENTS****§ 6722. Failure to furnish correct payee statements****(a) General rule**

In the case of each failure described in subsection (b) by any person with respect to a payee statement, such person shall pay a penalty of \$50 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 \$100,000.

(b) Failures subject to penalty

For purposes of subsection (a), the failures described in this subsection are—

- (1) 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
- (2) any failure to include all of the information required to be shown on a payee statement or the inclusion of incorrect information.

(c) Penalty in case of intentional disregard

If 1 or more failures to which subsection (a) applies are due to intentional disregard of the requirement to furnish a payee statement (or the correct information reporting requirement), then, with respect to each failure—

- (1) the penalty imposed under subsection (a) shall be \$100, or, if greater—
 - (A) in the case of a payee statement other than a statement required under section 6045 (b), 6041A (e) (in respect of a return required under section 6041A (b)), 6050H (d), 6050J (e), 6050K (b), or 6050L (c), 10 percent of the aggregate amount of the items required to be reported correctly, or
 - (B) in the case of a payee statement required under section 6045 (b), 6050K (b), or 6050L (c), 5 percent of the aggregate amount of the items required to be reported correctly, and
- (2) in the case of any penalty determined under paragraph (1)—
 - (A) the \$100,000 limitation under subsection (a) shall not apply, and
 - (B) such penalty shall not be taken into account in applying such limitation to penalties not determined under paragraph (1).

(Added Pub. L. 99-514, title XV, § 1501(a), Oct. 22, 1986, 100 Stat. 2733; amended Pub. L. 101-239, title VII, § 7711(a), Dec. 19, 1989, 103 Stat. 2390.)

Amendments

1989—Pub. L. 101-239 substituted “correct” for “certain” in section catchline and amended text generally, substituting subsecs. (a) to (c) for former subsec. (a) stating general rule and subsec. (b) relating to failure to notify partnership of exchange of partnership interest.

Effective Date of 1989 Amendment

Amendment by Pub. L. 101-239 applicable to returns and statements the due date for which (determined without regard to extensions) is after Dec. 31, 1989, see section 7711(c) of Pub. L. 101-239, set out as a note under section 6721 of this title.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 4, 2010 (see <http://www.law.cornell.edu/uscode/uscpri.html>).

Effective Date

Section applicable to returns the due date for which (determined without regard to extensions) is after Dec. 31, 1986, see section 1501(e) of Pub. L. 99-514, set out as a note under section 6721 of this title.