

## 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 penalty 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