

“(1) FOR SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) [amending this section] shall apply to adjustments made after the date of the enactment of this Act [Aug. 13, 1981].

“(2) FOR SUBSECTION (c).—The amendment made by subsection (c) [amending this section] shall apply to adjustments made for periods after 1982.”

EFFECTIVE DATE OF 1979 AMENDMENT

Pub. L. 96-167, §4(c)(2), Dec. 29, 1979, 93 Stat. 1276, provided that: “The amendment made by subsection (b) [amending this section] shall take effect on the date of the enactment of this Act [Dec. 29, 1979].”

EFFECTIVE DATE

Pub. L. 93-625, §7(e), Jan. 3, 1975, 88 Stat. 2116, provided that: “The amendments made by this section [enacting this section and amending sections 514, 6163, 6166, 6167, 6332, 6504, 6601, 6602, 6611, 6654, 6655, and 7426 of this title and section 2411 of Title 28, Judiciary and Judicial Procedure] shall take effect on July 1, 1975, and apply to amounts outstanding on such date or arising thereafter.”

REGULATIONS

Pub. L. 99-514, title XV, §1511(b), Oct. 22, 1986, 100 Stat. 2744, provided that: “The Secretary of the Treasury or his delegate may issue regulations to coordinate section 6621 of the Internal Revenue Code of 1954 [now 1986] (as amended by this section) with section 6601(f) of such Code. Such regulations shall not apply to any period after the date 3 years after the date of the enactment of this Act [Oct. 22, 1986].”

§ 6622. Interest compounded daily

(a) General rule

In computing the amount of any interest required to be paid under this title or sections 1961(c)(1) or 2411 of title 28, United States Code, by the Secretary or by the taxpayer, or any other amount determined by reference to such amount of interest, such interest and such amount shall be compounded daily.

(b) Exception for penalty for failure to file estimated tax

Subsection (a) shall not apply for purposes of computing the amount of any addition to tax under section 6654 or 6655.

(Added Pub. L. 97-248, title III, §344(a), Sept. 3, 1982, 96 Stat. 635.)

EFFECTIVE DATE

Pub. L. 97-248, title III, §344(c), Sept. 3, 1982, 96 Stat. 636, provided that: “The amendments made by this section [enacting this section and amending section 6601 of this title] shall apply to interest accruing after December 31, 1982.”

Subchapter D—Notice Requirements

Sec.	
6631.	Notice requirements.

AMENDMENTS

2000—Pub. L. 106-554, §1(a)(7) [title III, §319(22)], Dec. 21, 2000, 114 Stat. 2763, 2763A-647, substituted “Requirements” for “requirements” in subchapter heading.

§ 6631. Notice requirements

The Secretary shall include with each notice to an individual taxpayer which includes an amount of interest required to be paid by such taxpayer under this title information with respect to the section of this title under which the

interest is imposed and a computation of the interest.

(Added Pub. L. 105-206, title III, §3308(a), July 22, 1998, 112 Stat. 745.)

EFFECTIVE DATE

Pub. L. 105-206, title III, §3308(c), July 22, 1998, 112 Stat. 745, as amended by Pub. L. 106-554, §1(a)(7) [title III, §302(c)], Dec. 21, 2000, 114 Stat. 2763, 2763A-632, provided that: “The amendments made by this section [enacting this subchapter] shall apply to notices issued after June 30, 2001. In the case of any notice issued after June 30, 2001, and before July 1, 2003, to which section 6631 of the Internal Revenue Code of 1986 applies, the requirements of section 6631 of such Code shall be treated as met if such notice contains a telephone number at which the taxpayer can request a copy of the taxpayer’s payment history relating to interest amounts included in such notice.”

CHAPTER 68—ADDITIONS TO THE TAX, ADDITIONAL AMOUNTS, AND ASSESSABLE PENALTIES

Subchapter	Sec. ¹
A. Additions to the tax and additional amounts	6651
B. Assessable penalties	6671
C. Procedural requirements	6751

AMENDMENTS

1998—Pub. L. 105-206, title III, §3306(b), July 22, 1998, 112 Stat. 744, added item for subchapter C.

Subchapter A—Additions to the Tax and Additional Amounts

Part	
I.	General provisions.
II.	Accuracy-related and fraud penalties.
III.	Applicable rules.

AMENDMENTS

1989—Pub. L. 101-239, title VII, §7721(c)(13), Dec. 19, 1989, 103 Stat. 2400, added part analysis consisting of parts I to III.

PART I—GENERAL PROVISIONS

Sec.	
6651.	Failure to file tax return or pay tax. ¹
6652.	Failure to file certain information returns, registration statements, etc.
6653.	Failure to pay stamp tax.
6654.	Failure by individual to pay estimated income tax.
6655.	Failure by corporation to pay estimated income tax.
6656.	Failure to make deposit of taxes.
6657.	Bad checks.
6658.	Coordination with title 11.
	[6659 to 6661. Repealed.]

AMENDMENTS

1996—Pub. L. 104-188, title I, §1704(t)(19), Aug. 20, 1996, 110 Stat. 1888, struck out item 6662 “Applicable rules”.

1989—Pub. L. 101-239, title VII, §§7721(c)(13), (14), 7742(b), Dec. 19, 1989, 103 Stat. 2400, 2405, added part heading, substituted “Failure to pay stamp tax” for “Additions to tax for negligence and fraud” in item 6653, substituted “of taxes” for “of taxes or overstatement of deposits” in item 6656, and struck out items 6659 “Addition to tax in the case of valuation overstatements for purposes of the income tax”, 6659A “Addition to tax in case of overstatements of pension li-

¹ Section numbers editorially supplied.

² So in original. Does not conform to section catchline.

abilities", 6660 "Addition to tax in the case of valuation understatement for purposes of estate or gift taxes", and 6661 "Substantial understatement of liability".

1986—Pub. L. 99-514, title XI, §1138(b), title XV, §1503(d)(2), Oct. 22, 1986, 100 Stat. 2486, 2743, substituted "Additions to tax for negligence and fraud" for "Failure to pay tax" in item 6653 and added item 6659A.

1984—Pub. L. 98-369, div. A, title I, §155(c)(2)(B), July 18, 1984, 98 Stat. 695, added item 6660.

1982—Pub. L. 97-248, title III, §323(b), Sept. 3, 1982, 96 Stat. 615, added item 6661 and redesignated former item 6660 as 6662. See Codification note set out under section 6662 of this title.

1981—Pub. L. 97-34, title VII, §§722(a)(2), 724(b)(2), Aug. 13, 1981, 95 Stat. 342, 345, inserted "or overstatement of deposits" in item 6656, added item 6659, and redesignated item 6659 as 6660.

1980—Pub. L. 96-589, §6(e)(2), Dec. 24, 1980, 94 Stat. 3408, added item 6658.

1979—Pub. L. 96-167, §6(b), Dec. 29, 1979, 93 Stat. 1276, struck out item 6658 "Addition to tax in case of jeopardy".

1974—Pub. L. 93-406, title II, §1031(b)(1)(B)(ii), Sept. 2, 1974, 88 Stat. 946, inserted " , registration statements, etc." in item 6652.

1969—Pub. L. 91-172, title IX, §943(c)(5), 83 Stat. 729, inserted "or pay tax" in item 6651.

§ 6651. Failure to file tax return or to pay tax

(a) Addition to the tax

In case of failure—

(1) to file any return required under authority of subchapter A of chapter 61 (other than part III thereof), subchapter A of chapter 51 (relating to distilled spirits, wines, and beer), or of subchapter A of chapter 52 (relating to tobacco, cigars, cigarettes, and cigarette papers and tubes), or of subchapter A of chapter 53 (relating to machine guns and certain other firearms), on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be added to the amount required to be shown as tax on such return 5 percent of the amount of such tax if the failure is for not more than 1 month, with an additional 5 percent for each additional month or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate;

(2) to pay the amount shown on tax on any return specified in paragraph (1) on or before the date prescribed for payment of such tax (determined with regard to any extension of time for payment), unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be added to the amount shown as tax on such return 0.5 percent of the amount of such tax if the failure is for not more than 1 month, with an additional 0.5 percent for each additional month or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate; or

(3) to pay any amount in respect of any tax required to be shown on a return specified in paragraph (1) which is not so shown (including an assessment made pursuant to section 6213(b)) within 21 calendar days from the date of notice and demand therefor (10 business days if the amount for which such notice and

demand is made equals or exceeds \$100,000), unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be added to the amount of tax stated in such notice and demand 0.5 percent of the amount of such tax if the failure is for not more than 1 month, with an additional 0.5 percent for each additional month or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate.

In the case of a failure to file a return of tax imposed by chapter 1 within 60 days of the date prescribed for filing of such return (determined with regard to any extensions of time for filing), unless it is shown that such failure is due to reasonable cause and not due to willful neglect, the addition to tax under paragraph (1) shall not be less than the lesser of \$205 or 100 percent of the amount required to be shown as tax on such return.

(b) Penalty imposed on net amount due

For purposes of—

(1) subsection (a)(1), the amount of tax required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed on the return.

(2) subsection (a)(2), the amount of tax shown on the return shall, for purposes of computing the addition for any month, be reduced by the amount of any part of the tax which is paid on or before the beginning of such month and by the amount of any credit against the tax which may be claimed on the return, and

(3) subsection (a)(3), the amount of tax stated in the notice and demand shall, for the purpose of computing the addition for any month, be reduced by the amount of any part of the tax which is paid before the beginning of such month.

(c) Limitations and special rule

(1) Additions under more than one paragraph

With respect to any return, the amount of the addition under paragraph (1) of subsection (a) shall be reduced by the amount of the addition under paragraph (2) of subsection (a) for any month (or fraction thereof) to which an addition to tax applies under both paragraphs (1) and (2). In any case described in the last sentence of subsection (a), the amount of the addition under paragraph (1) of subsection (a) shall not be reduced under the preceding sentence below the amount provided in such last sentence.

(2) Amounts of tax shown more than amount required to be shown

If the amount required to be shown as tax on a return is less than the amount shown as tax on such return, subsections (a)(2) and (b)(2) shall be applied by substituting such lower amount.

(d) Increase in penalty for failure to pay tax in certain cases

(1) In general

In the case of each month (or fraction thereof) beginning after the day described in para-