

“(B) the development of a special information packet.

“(2) DEVELOPMENT OF EXPLANATORY MATERIALS.—The Secretary shall develop materials explaining the circumstances under which board members of tax-exempt organizations (including voluntary and honorary members) may be subject to penalty under section 6672 of such Code. Such materials shall be made available to tax-exempt organizations.

“(3) IRS INSTRUCTIONS.—The Secretary shall clarify the instructions to Internal Revenue Service employees on the application of the penalty under section 6672 of such Code with regard to voluntary members of boards of trustees or directors of tax-exempt organizations.”

### § 6673. Sanctions and costs awarded by courts

#### (a) Tax court proceedings

##### (1) Procedures instituted primarily for delay, etc.

Whenever it appears to the Tax Court that—

(A) proceedings before it have been instituted or maintained by the taxpayer primarily for delay,

(B) the taxpayer's position in such proceeding is frivolous or groundless, or

(C) the taxpayer unreasonably failed to pursue available administrative remedies,

the Tax Court, in its decision, may require the taxpayer to pay to the United States a penalty not in excess of \$25,000.

##### (2) Counsel's liability for excessive costs

Whenever it appears to the Tax Court that any attorney or other person admitted to practice before the Tax Court has multiplied the proceedings in any case unreasonably and vexatiously, the Tax Court may require—

(A) that such attorney or other person pay personally the excess costs, expenses, and attorneys' fees reasonably incurred because of such conduct, or

(B) if such attorney is appearing on behalf of the Commissioner of Internal Revenue, that the United States pay such excess costs, expenses, and attorneys' fees in the same manner as such an award by a district court.

#### (b) Proceedings in other courts

##### (1) Claims under section 7433

Whenever it appears to the court that the taxpayer's position in the proceedings before the court instituted or maintained by such taxpayer under section 7433 is frivolous or groundless, the court may require the taxpayer to pay to the United States a penalty not in excess of \$10,000.

##### (2) Collection of sanctions and costs

In any civil proceeding before any court (other than the Tax Court) which is brought by or against the United States in connection with the determination, collection, or refund of any tax, interest, or penalty under this title, any monetary sanctions, penalties, or costs awarded by the court to the United States may be assessed by the Secretary and, upon notice and demand, may be collected in the same manner as a tax.

##### (3) Sanctions and costs awarded by a court of appeals

In connection with any appeal from a proceeding in the Tax Court or a civil proceeding

described in paragraph (2), an order of a United States Court of Appeals or the Supreme Court awarding monetary sanctions, penalties or court costs to the United States may be registered in a district court upon filing a certified copy of such order and shall be enforceable as other district court judgments. Any such sanctions, penalties, or costs may be assessed by the Secretary and, upon notice and demand, may be collected in the same manner as a tax.

(Aug. 16, 1954, ch. 736, 68A Stat. 828; Pub. L. 94-455, title XIX, § 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 97-248, title II, § 292(b), (d)(2)(A), Sept. 3, 1982, 96 Stat. 574; Pub. L. 99-514, title XV, § 1552(a), Oct. 22, 1986, 100 Stat. 2753; Pub. L. 100-647, title VI, § 6241(b), Nov. 10, 1988, 102 Stat. 3748; Pub. L. 101-239, title VII, § 7731(a), Dec. 19, 1989, 103 Stat. 2400.)

#### AMENDMENTS

1989—Pub. L. 101-239 substituted “Sanctions and costs awarded by courts” for “Damages assessable for instituting proceedings before the Court primarily for delay, etc.” in section catchline and amended text generally, making changes in substance and structure of subsecs. (a) and (b).

1988—Pub. L. 100-647 struck out “Tax” after “before the” in section catchline, designated existing provisions as subsec. (a), and added subsec. (b).

1986—Pub. L. 99-514 substituted “, that the taxpayer's position in such proceeding is frivolous or groundless, or that the taxpayer unreasonably failed to pursue available administrative remedies” for “or that the taxpayer's position in such proceedings is frivolous or groundless”.

1982—Pub. L. 97-248, § 292(d)(2)(A), substituted “primarily for delay, etc.” for “merely for delay” after “Tax Court” in section catchline.

Subsec. (a). Pub. L. 97-248, § 292(b), substituted “or maintained by the taxpayer primarily for delay or that the taxpayer's position in such proceedings is frivolous or groundless, damages in an amount not in excess of \$5,000” for “by the taxpayer merely for delay, damages in an amount not in excess of \$500” in first sentence.

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

#### EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-239, title VII, § 7731(d), Dec. 19, 1989, 103 Stat. 2402, provided that: “The amendments made by this section [amending this section and section 7482 of this title] shall apply to positions taken after December 31, 1989, in proceedings which are pending on, or commenced after such date.”

#### EFFECTIVE DATE OF 1988 AMENDMENT

Pub. L. 100-647, title VI, § 6241(d), Nov. 10, 1988, 102 Stat. 3749, provided that: “The amendments made by this section [enacting section 7433 of this title and amending this section] shall apply to actions by officers or employees of the Internal Revenue Service after the date of the enactment of this Act [Nov. 10, 1988].”

#### EFFECTIVE DATE OF 1986 AMENDMENT

Pub. L. 99-514, title XV, § 1552(b), Oct. 22, 1986, 100 Stat. 2753, provided that: “The amendment made by subsection (a) [amending this section] shall apply to proceedings commenced after the date of the enactment of this Act [Oct. 22, 1986].”

#### EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-248 applicable to any action or proceeding in the Tax Court commenced after Dec. 31, 1982, or pending in the Tax Court on the day 120 days after July 18, 1984, see section 292(e)(2) of Pub. L.

97-248, as amended, set out as an Effective Date note under section 7430 of this title.

**§ 6674. Fraudulent statement or failure to furnish statement to employee**

In addition to the criminal penalty provided by section 7204, any person required under the provisions of section 6051 or 6053(b) to furnish a statement to an employee who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish a statement in the manner, at the time, and showing the information required under section 6051 or 6053(b), or regulations prescribed thereunder, shall for each such failure be subject to a penalty under this subchapter of \$50, which shall be assessed and collected in the same manner as the tax on employers imposed by section 3111.

(Aug. 16, 1954, ch. 736, 68A Stat. 828; Pub. L. 89-97, title III, § 313(e)(2)(C), July 30, 1965, 79 Stat. 385.)

AMENDMENTS

1965—Pub. L. 89-97 substituted “6051 or 6053(b)” for “6051” wherever appearing.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by section 313 of Pub. L. 89-97 applicable only with respect to tips received by employees after 1965, see section 313(f) of Pub. L. 89-97, set out as a note under section 6053 of this title.

**§ 6675. Excessive claims with respect to the use of certain fuels**

**(a) Civil penalty**

In addition to any criminal penalty provided by law, if a claim is made under section 6416(a)(4) (relating to certain sales of gasoline), section 6420 (relating to gasoline used on farms), 6421 (relating to gasoline used for certain non-highway purposes or by local transit systems), or 6427 (relating to fuels not used for taxable purposes) for an excessive amount, unless it is shown that the claim for such excessive amount is due to reasonable cause, the person making such claim shall be liable to a penalty in an amount equal to whichever of the following is the greater:

- (1) Two times the excessive amount; or
- (2) \$10.

**(b) Excessive amount defined**

For purposes of this section, the term “excessive amount” means in the case of any person the amount by which—

- (1) the amount claimed under section 6416(a)(4), 6420, 6421, or 6427, as the case may be, for any period, exceeds
- (2) the amount allowable under such section for such period.

**(c) Assessment and collection of penalty**

**For assessment and collection of penalty provided by subsection (a), see section 6206.**

(Added Apr. 2, 1956, ch. 160, § 3, 70 Stat. 90; amended June 29, 1956, ch. 462, title II, § 208(d)(2), 70 Stat. 396; Pub. L. 89-44, title II, § 202(c)(3)(A), June 21, 1965, 79 Stat. 139; Pub. L. 91-258, title II, § 207(d)(8), May 21, 1970, 84 Stat. 249; Pub. L. 95-618, title II, § 233(b)(2)(D), Nov. 9, 1978, 92 Stat. 3191; Pub. L. 97-424, title V, § 515(b)(11)(A)-(C), Jan. 6, 1983, 96 Stat. 2182; Pub. L. 109-59, title XI, § 11163(d)(2), (3), Aug. 10, 2005, 119 Stat. 1975.)

AMENDMENTS

2005—Subsec. (a). Pub. L. 109-59, § 11163(d)(2), inserted “section 6416(a)(4) (relating to certain sales of gasoline),” after “made under” in introductory provisions.

Subsec. (b)(1). Pub. L. 109-59, § 11163(d)(3), inserted “6416(a)(4),” after “under section”.

1983—Pub. L. 97-424, § 515(b)(11)(C), struck out “or lubricating oil” after “fuels” in section catchline.

Subsec. (a). Pub. L. 97-424, § 515(b)(11)(A), struck out “6424 (relating to lubricating oil used for certain non-taxable purposes),” after “systems,”.

Subsec. (b)(1). Pub. L. 97-424, § 515(b)(11)(B), struck out “6424,” after “6421,”.

1978—Subsec. (a). Pub. L. 95-618 substituted “used for certain nontaxable purposes” for “not used in highway motor vehicles”.

1970—Pub. L. 91-258, § 207(d)(8)(A), substituted “fuels” for “gasoline” in section catchline.

Subsec. (a). Pub. L. 91-258, § 207(d)(8)(B), inserted reference to section 6427 relating to fuels not used for taxable purposes.

Subsec. (b)(1). Pub. L. 91-258, § 207(d)(8)(C), inserted reference to section 6427.

1965—Pub. L. 89-44, § 202(c)(3)(A)(i), inserted “or lubricating oil” after “gasoline” in section catchline.

Subsec. (a). Pub. L. 89-44, § 202(c)(3)(A)(ii), inserted reference to claims made under section 6424.

Subsec. (b)(1). Pub. L. 89-44, § 202(c)(3)(A)(iii), inserted reference to amounts claimed under section 6424.

1956—Act June 29, 1956, § 208(d)(2)(A), substituted “with respect to the use of certain gasoline” for “for gasoline used on farms” in section catchline.

Subsec. (a). Act June 29, 1956, § 208(d)(2)(B), inserted reference to claims made under section 6421.

Subsec. (b). Act June 29, 1956, § 208(d)(2)(C), inserted reference to amounts claimed under section 6421.

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109-59 applicable to sales after Dec. 31, 2005, see section 11163(e) of Pub. L. 109-59, set out as a note under section 4101 of this title.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 97-424 applicable with respect to articles sold after Jan. 6, 1983, see section 515(c) of Pub. L. 97-424, set out as a note under section 34 of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-618 effective on first day of first calendar month which begins more than 10 days after Nov. 9, 1978, see section 233(d) of Pub. L. 95-618, set out as a note under section 34 of this title.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-258 effective July 1, 1970, see section 211(a) of Pub. L. 91-258, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by Pub. L. 89-44 effective Jan. 1, 1966, see section 701(a)(1), (2) of Pub. L. 89-44, set out as a note under section 4161 of this title.

EFFECTIVE DATE OF 1956 AMENDMENT

Amendment by act June 29, 1956, effective June 29, 1956, see section 211 of act June 29, 1956, set out as a note under section 4041 of this title.

**§ 6676. Erroneous claim for refund or credit**

**(a) Civil penalty**

If a claim for refund or credit with respect to income tax is made for an excessive amount, unless it is shown that the claim for such excessive amount is due to reasonable cause, the person making such claim shall be liable for a penalty