

(2) \$1,000 for each day thereafter such person fails to register or reregister.

(c) Reasonable cause exception

No penalty shall be imposed under this section with respect to any failure if it is shown that such failure is due to reasonable cause.

(Added Pub. L. 108-357, title VIII, §863(c)(1), Oct. 22, 2004, 118 Stat. 1620; amended Pub. L. 109-59, title XI, §11164(b)(1), Aug. 10, 2005, 119 Stat. 1975.)

AMENDMENTS

2005—Pub. L. 109-59, §11164(b)(1)(C), inserted “or reregister” after “register” in section catchline.

Subsecs. (a), (b). Pub. L. 109-59, §11164(b)(1)(A), (B), inserted “or reregister” after “register” wherever appearing.

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109-59 applicable to actions, or failures to act, after Aug. 10, 2005, see section 11164(c) of Pub. L. 109-59, set out as a note under section 4101 of this title.

EFFECTIVE DATE

Pub. L. 108-357, title VIII, §863(e), Oct. 22, 2004, 118 Stat. 1620, provided that: “The amendments made by this section [enacting this section and section 6725 of this title and amending sections 7232 and 7272 of this title] shall apply to penalties imposed after December 31, 2004.”

§ 6720. Fraudulent acknowledgments with respect to donations of motor vehicles, boats, and airplanes

Any donee organization required under section 170(f)(12)(A) to furnish a contemporaneous written acknowledgment to a donor which knowingly furnishes a false or fraudulent acknowledgment, or which knowingly fails to furnish such acknowledgment in the manner, at the time, and showing the information required under section 170(f)(12), or regulations prescribed thereunder, shall for each such act, or for each such failure, be subject to a penalty equal to—

(1) in the case of an acknowledgment with respect to a qualified vehicle to which section 170(f)(12)(A)(ii) applies, the greater of—

(A) the product of the highest rate of tax specified in section 1 and the sales price stated on the acknowledgment, or

(B) the gross proceeds from the sale of such vehicle, and

(2) in the case of an acknowledgment with respect to any other qualified vehicle to which section 170(f)(12) applies, the greater of—

(A) the product of the highest rate of tax specified in section 1 and the claimed value of the vehicle, or

(B) \$5,000.

(Added Pub. L. 108-357, title VIII, §884(b)(1), Oct. 22, 2004, 118 Stat. 1634.)

EFFECTIVE DATE

Section applicable to contributions made after Dec. 31, 2004, see section 884(c) of Pub. L. 108-357, set out as 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 penalty of \$250 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 \$3,000,000.

(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 \$50 in lieu of \$250, and
- (B) the total amount imposed on the person for all such failures during any calendar year which are so corrected shall not exceed \$500,000.

(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 \$100 in lieu of \$250, and
- (B) the total amount imposed on the person for all such failures during the calendar year which are so corrected shall not exceed \$1,500,000.

(c) Exceptions for certain de minimis failures

(1) Exception for de minimis failure to include all required information

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.

(3) Safe harbor for certain de minimis errors

(A) In general

If, with respect to an information return filed with the Secretary—

- (i) there are 1 or more failures described in subsection (a)(2)(B) relating to an incorrect dollar amount,
- (ii) no single amount in error differs from the correct amount by more than \$100, and
- (iii) no single amount reported for tax withheld on any information return differs from the correct amount by more than \$25,

then no correction shall be required and, for purposes of this section, such return shall be