

(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