

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. Repealed. Pub. L. 115-141, div. U, title IV, § 401(d)(7)(B), Mar. 23, 2018, 132 Stat. 1212]

Section, 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, related to penalty for failure to notify health plan of cessation of eligibility for COBRA premium assistance.

SAVINGS PROVISION

For provisions that nothing in repeal by Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 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.