

**(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.)

**Statutory Notes and Related Subsidiaries**

## 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.)

**Editorial Notes**

## 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.

**Statutory Notes and Related Subsidiaries**

## 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 continuation coverage premium assistance****(a) In general**

Except in the case of a failure described in subsection (b) or (c), any person required to notify a group health plan under section 9501(a)(2)(B) of the American Rescue Plan Act of 2021 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 \$250 for each such failure.

**(b) Intentional failure**

In the case of any such failure that is fraudulent, such person shall pay a penalty equal to the greater of—

- (1) \$250, or
- (2) 110 percent of the premium assistance provided under section 9501(a)(1)(A) of the

American Rescue Plan Act of 2021 after termination of eligibility under such section.

**(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 and not to willful neglect.

(Added Pub. L. 117-2, title IX, §9501(b)(2)(A), Mar. 11, 2021, 135 Stat. 137.)

**Editorial Notes**

## REFERENCES IN TEXT

Section 9501(a) of the American Rescue Plan Act of 2021, referred to in subsecs. (a) and (b)(2), is section 9501(a) of title IX of Pub. L. 117-2, Mar. 11, 2021, 135 Stat. 127, which is set out as a note under section 4980B of this title.

## PRIOR PROVISIONS

A prior section 6720C, 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, prior to repeal by Pub. L. 115-141, div. U, title IV, §401(d)(7)(B), Mar. 23, 2018, 132 Stat. 1212.

**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.                |

**Editorial Notes**

## 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