

2006—Subsec. (c). Pub. L. 109-222, § 509(a), added subsec. (c). Former subsec. (c) redesignated (d).

Subsec. (d). Pub. L. 109-222, § 509(a), redesignated subsec. (c) as (d). Former subsec. (d) redesignated (e).

Subsec. (d)(3)(C). Pub. L. 109-222, § 509(b)(1), added subpar. (C).

Subsec. (e). Pub. L. 109-222, § 509(a), redesignated subsec. (d) as (e).

Subsec. (f). Pub. L. 109-432 added subsec. (f) relating to frivolous submissions.

Pub. L. 109-222, § 509(b)(2), added subsec. (f) relating to deemed acceptance of offer not rejected within certain period.

1998—Subsec. (c). Pub. L. 105-206, § 3462(a), added subsec. (c).

Subsec. (d). Pub. L. 105-206, § 3462(c)(1), added subsec. (d).

1996—Subsec. (b). Pub. L. 104-168 substituted “\$50,000. However, such compromise shall be subject to continuing quality review by the Secretary.” for “\$500.”

1976—Subsecs. (a), (b). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2019 AMENDMENT

Pub. L. 116-25, title I, § 1102(b), July 1, 2019, 133 Stat. 986, provided that: “The amendment made by this section [amending this section] shall apply to offers-in-compromise submitted after the date of the enactment of this Act [July 1, 2019].”

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-432 applicable to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of this title, see section 407(f) of Pub. L. 109-432, set out as a note under section 6320 of this title.

Amendment by Pub. L. 109-222 applicable to offers-in-compromise submitted on and after the date which is 60 days after May 17, 2006, see section 509(d) of Pub. L. 109-222, set out as a note under section 6159 of this title.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-206 applicable to proposed offers-in-compromise and installment agreements submitted after July 22, 1998, see section 3462(e)(1) of Pub. L. 105-206, set out as a note under section 6331 of this title.

EFFECTIVE DATE OF 1996 AMENDMENT

Pub. L. 104-168, title V, § 503(b), July 30, 1996, 110 Stat. 1461, provided that: “The amendment made by this section [amending this section] shall take effect on the date of the enactment of this Act [July 30, 1996].”

PREPARATION OF STATEMENT RELATING TO OFFERS-IN-COMPROMISE

Pub. L. 105-206, title III, § 3462(d), July 22, 1998, 112 Stat. 766, provided that: “The Secretary of the Treasury shall prepare a statement which sets forth in simple, nontechnical terms the rights of a taxpayer and the obligations of the Internal Revenue Service relating to offers-in-compromise. Such statement shall—

“(1) advise taxpayers who have entered into a compromise of the advantages of promptly notifying the Internal Revenue Service of any change of address or marital status;

“(2) provide notice to taxpayers that in the case of a compromise terminated due to the actions of one spouse or former spouse, the Internal Revenue Service will, upon application, reinstate such compromise with the spouse or former spouse who remains in compliance with such compromise; and

“(3) provide notice to the taxpayer that the taxpayer may appeal the rejection of an offer-in-compromise to the Internal Revenue Service Office of Appeals [now Internal Revenue Service Independent Office of Appeals].”

§ 7123. Appeals dispute resolution procedures

(a) Early referral to appeals procedures

The Secretary shall prescribe procedures by which any taxpayer may request early referral of 1 or more unresolved issues from the examination or collection division to the Internal Revenue Service Independent Office of Appeals.

(b) Alternative dispute resolution procedures

(1) Mediation

The Secretary shall prescribe procedures under which a taxpayer or the Internal Revenue Service Independent Office of Appeals may request non-binding mediation on any issue unresolved at the conclusion of—

(A) appeals procedures; or

(B) unsuccessful attempts to enter into a closing agreement under section 7121 or a compromise under section 7122.

(2) Arbitration

The Secretary shall establish a pilot program under which a taxpayer and the Internal Revenue Service Independent Office of Appeals may jointly request binding arbitration on any issue unresolved at the conclusion of—

(A) appeals procedures; or

(B) unsuccessful attempts to enter into a closing agreement under section 7121 or a compromise under section 7122.

(c) Administrative appeal relating to adverse determination of tax-exempt status of certain organizations

(1) In general

The Secretary shall prescribe procedures under which an organization which claims to be described in section 501(c) may request an administrative appeal (including a conference relating to such appeal if requested by the organization) to the Internal Revenue Service Independent Office of Appeals of an adverse determination described in paragraph (2).

(2) Adverse determinations

For purposes of paragraph (1), an adverse determination is described in this paragraph if such determination is adverse to an organization with respect to—

(A) the initial qualification or continuing qualification of the organization as exempt from tax under section 501(a) or as an organization described in section 170(c)(2),

(B) the initial classification or continuing classification of the organization as a private foundation under section 509(a), or

(C) the initial classification or continuing classification of the organization as a private operating foundation under section 4942(j)(3).

(Added Pub. L. 105-206, title III, § 3465(a)(1), July 22, 1998, 112 Stat. 768; amended Pub. L. 114-113, div. Q, title IV, § 404(a), Dec. 18, 2015, 129 Stat. 3118; Pub. L. 116-25, title I, § 1001(b)(1)(G), July 1, 2019, 133 Stat. 985.)

Editorial Notes

PRIOR PROVISIONS

A prior section 7123 was renumbered section 7124 of this title.

AMENDMENTS

2019—Pub. L. 116-25 substituted “Internal Revenue Service Independent Office of Appeals” for “Internal Revenue Service Office of Appeals” wherever appearing.
 2015—Subsec. (c). Pub. L. 114-113 added subsec. (c).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-113, div. Q, title IV, § 404(b), Dec. 18, 2015, 129 Stat. 3118, provided that: “The amendment made by subsection (a) [amending this section] shall apply to determinations made on or after May 19, 2014.”

§ 7124. Cross references

For criminal penalties for concealment of property, false statement, or falsifying and destroying records, in connection with any closing agreement, compromise, or offer of compromise, see section 7206.

(Aug. 16, 1954, ch. 736, 68A Stat. 850, § 7123; Pub. L. 97-258, § 3(f)(12), Sept. 13, 1982, 96 Stat. 1065; renumbered § 7124, Pub. L. 105-206, title III, § 3465(a)(1), July 22, 1998, 112 Stat. 767.)

Editorial Notes

AMENDMENTS

1998—Pub. L. 105-206 renumbered section 7123 of this title as this section.

1982—Subsec. (a). Pub. L. 97-258, § 3(f)(12)(A), struck out heading “Criminal penalties”.

Subsec. (b). Pub. L. 97-258, § 3(f)(12)(B), struck out subsec. (b) which set forth cross reference to R.S. 3469 (31 U.S.C. 194) relating to compromises after judgment.

CHAPTER 75—CRIMES, OTHER OFFENSES, AND FORFEITURES

Subchapter	Sec. ¹
A. Crimes	7201
B. Other offenses	7261
C. Forfeitures	7301
D. Miscellaneous penalty and forfeiture provisions	7341

Subchapter A—Crimes

Part	
I. General provisions.	
II. Penalties applicable to certain taxes.	

PART I—GENERAL PROVISIONS

Sec.	
7201.	Attempt to evade or defeat tax.
7202.	Willful failure to collect or pay over tax.
7203.	Willful failure to file return, supply information, or pay tax.
7204.	Fraudulent statement or failure to make statement to employees.
7205.	Fraudulent withholding exemption certificate or failure to supply information.
7206.	Fraud and false statements.
7207.	Fraudulent returns, statements, or other documents.
7208.	Offenses relating to stamps.
7209.	Unauthorized use or sale of stamps.
7210.	Failure to obey summons.
7211.	False statements to purchasers or lessees relating to tax.
7212.	Attempts to interfere with administration of internal revenue laws.
7213.	Unauthorized disclosure of information.

¹ Section numbers editorially supplied.

Sec.	
7213A.	Unauthorized inspection of returns or return information.
7214.	Offenses by officers and employees of the United States.
7215.	Offenses with respect to collected taxes.
7216.	Disclosure or use of information by preparers of returns.
7217.	Prohibition on executive branch influence over taxpayer audits and other investigations.

Editorial Notes

AMENDMENTS

1998—Pub. L. 105-206, title I, § 1105(b), July 22, 1998, 112 Stat. 711, added item 7217.

1997—Pub. L. 105-35, § 2(b)(2), Aug. 5, 1997, 111 Stat. 1105, added item 7213A.

1982—Pub. L. 97-248, title III, § 357(b)(2), Sept. 3, 1982, 96 Stat. 646, struck out item 7217 “Civil damages for unauthorized disclosure of returns and return information”.

1976—Pub. L. 94-455, title XII, § 1202(e)(2), Oct. 4, 1976, 90 Stat. 1687, added item 7217.

1971—Pub. L. 92-178, title III, § 316(b), Dec. 10, 1971, 85 Stat. 529, added item 7216.

1958—Pub. L. 85-321, § 3(b), Feb. 11, 1958, 72 Stat. 6, added item 7215.

§ 7201. Attempt to evade or defeat tax

Any person who willfully attempts in any manner to evade or defeat any tax imposed by this title or the payment thereof shall, in addition to other penalties provided by law, be guilty of a felony and, upon conviction thereof, shall be fined not more than \$100,000 (\$500,000 in the case of a corporation), or imprisoned not more than 5 years, or both, together with the costs of prosecution.

(Aug. 16, 1954, ch. 736, 68A Stat. 851; Pub. L. 97-248, title III, § 329(a), Sept. 3, 1982, 96 Stat. 618.)

Editorial Notes

AMENDMENTS

1982—Pub. L. 97-248 substituted “\$100,000 (\$500,000 in the case of a corporation)” for “\$10,000”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1982 AMENDMENT

Pub. L. 97-248, title III, § 329(e), Sept. 3, 1982, 96 Stat. 619, provided that: “The amendments made by this section [amending this section and sections 7203, 7206, and 7207 of this title] shall apply to offenses committed after the date of the enactment of this Act [Sept. 3, 1982].”

§ 7202. Willful failure to collect or pay over tax

Any person required under this title to collect, account for, and pay over any tax imposed by this title who willfully fails to collect or truthfully account for and pay over such tax shall, in addition to other penalties provided by law, be guilty of a felony and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both, together with the costs of prosecution.

(Aug. 16, 1954, ch. 736, 68A Stat. 851.)

§ 7203. Willful failure to file return, supply information, or pay tax

Any person required under this title to pay any estimated tax or tax, or required by this