

Editorial Notes**PRIOR PROVISIONS**

A prior section 7328, act Aug. 16, 1954, ch. 736, 68A Stat. 871, provided for confiscation of white phosphorus matches exported or attempted to be exported, prior to repeal by Pub. L. 94-455, § 1904(b)(8)(H)(i).

A prior section 7329 was renumbered section 7328 of this title.

Subchapter D—Miscellaneous Penalty and Forfeiture Provisions

Sec.	
7341.	Penalty for sales to evade tax.
7342.	Penalty for refusal to permit entry or examination.
7343.	Definition of term “person”.
7344.	Extended application of penalties relating to officers of the Treasury Department.
7345.	Revocation or denial of passport in case of certain tax delinquencies.

Editorial Notes**AMENDMENTS**

2015—Pub. L. 114-94, div. C, title XXXII, § 32101(h), Dec. 4, 2015, 129 Stat. 1733, added item 7345.

§ 7341. Penalty for sales to evade tax**(a) Nonenforceability of contract**

Whenever any person who is liable to pay any tax imposed by this title upon, for, or in respect of, any property sells or causes or allows the same to be sold before such tax is paid, with intent to avoid such tax, or in fraud of the internal revenue laws, any debt contracted in such sale, and any security given therefor, unless the same shall have been bona fide transferred to an innocent holder, shall be void, and the collection thereof shall not be enforced in any court.

(b) Forfeiture of sum paid on contract

If such property has been paid for, in whole or in part, the sum so paid shall be deemed forfeited.

(c) Moiety

Any person who shall sue for the sum so paid (in an action of debt) shall recover from the seller the amount so paid, one-half to his own use and the other half to the use of the United States.

(Aug. 16, 1954, ch. 736, 68A Stat. 872.)

§ 7342. Penalty for refusal to permit entry or examination

Any owner of any building or place, or person having the agency or superintendence of the same, who refuses to admit any officer or employee of the Treasury Department acting under the authority of section 7606 (relating to entry of premises for examination of taxable articles) or refuses to permit him to examine such article or articles, shall, for every such refusal, forfeit \$500.

(Aug. 16, 1954, ch. 736, 68A Stat. 872.)

§ 7343. Definition of term “person”

The term “person” as used in this chapter includes an officer or employee of a corporation, or a member or employee of a partnership, who

as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(Aug. 16, 1954, ch. 736, 68A Stat. 872.)

§ 7344. Extended application of penalties relating to officers of the Treasury Department

All provisions of law imposing fines, penalties, or other punishment for offenses committed by an internal revenue officer or other officer of the Department of the Treasury, or under any agency or office thereof, shall apply to all persons whomsoever, employed, appointed, or acting under the authority of any internal revenue law, or any revenue provision of any law of the United States, when such persons are designated or acting as officers or employees in connection with such law, or are persons having the custody or disposition of any public money.

(Aug. 16, 1954, ch. 736, 68A Stat. 872.)

§ 7345. Revocation or denial of passport in case of certain tax delinquencies**(a) In general**

If the Secretary receives certification by the Commissioner of Internal Revenue that an individual has a seriously delinquent tax debt, the Secretary shall transmit such certification to the Secretary of State for action with respect to denial, revocation, or limitation of a passport pursuant to section 32101 of the FAST Act.

(b) Seriously delinquent tax debt**(1) In general**

For purposes of this section, the term “seriously delinquent tax debt” means an unpaid, legally enforceable Federal tax liability of an individual—

- (A) which has been assessed,
- (B) which is greater than \$50,000, and
- (C) with respect to which—

(i) a notice of lien has been filed pursuant to section 6323 and the administrative rights under section 6320 with respect to such filing have been exhausted or have lapsed, or

(ii) a levy is made pursuant to section 6331.

(2) Exceptions

Such term shall not include—

(A) a debt that is being paid in a timely manner pursuant to an agreement to which the individual is party under section 6159 or 7122, and

(B) a debt with respect to which collection is suspended with respect to the individual—

(i) because a due process hearing under section 6330 is requested or pending, or

(ii) because an election under subsection (b) or (c) of section 6015 is made or relief under subsection (f) of such section is requested.

(c) Reversal of certification**(1) In general**

In the case of an individual with respect to whom the Commissioner makes a certification under subsection (a), the Commissioner shall

notify the Secretary (and the Secretary shall subsequently notify the Secretary of State) if such certification is found to be erroneous or if the debt with respect to such certification is fully satisfied or ceases to be a seriously delinquent tax debt by reason of subsection (b)(2).

(2) Timing of notice

(A) Full satisfaction of debt

In the case of a debt that has been fully satisfied or has become legally unenforceable, such notification shall be made not later than the date required for issuing the certificate of release of lien with respect to such debt under section 6325(a).

(B) Innocent spouse relief

In the case of an individual who makes an election under subsection (b) or (c) of section 6015, or requests relief under subsection (f) of such section, such notification shall be made not later than 30 days after any such election or request.

(C) Installment agreement or offer-in-compromise

In the case of an installment agreement under section 6159 or an offer-in-compromise under section 7122, such notification shall be made not later than 30 days after such agreement is entered into or such offer is accepted by the Secretary.

(D) Erroneous certification

In the case of a certification found to be erroneous, such notification shall be made as soon as practicable after such finding.

(d) Contemporaneous notice to individual

The Commissioner shall contemporaneously notify an individual of any certification under subsection (a), or any reversal of certification under subsection (c), with respect to such individual. Such notice shall include a description in simple and nontechnical terms of the right to bring a civil action under subsection (e).

(e) Judicial review of certification

(1) In general

After the Commissioner notifies an individual under subsection (d), the taxpayer may bring a civil action against the United States in a district court of the United States, or against the Commissioner in the Tax Court, to determine whether the certification was erroneous or whether the Commissioner has failed to reverse the certification. For purposes of the preceding sentence, the court first acquiring jurisdiction over such an action shall have sole jurisdiction.

(2) Determination

If the court determines that such certification was erroneous, then the court may order the Secretary to notify the Secretary of State that such certification was erroneous.

(f) Adjustment for inflation

In the case of a calendar year beginning after 2016, the dollar amount in subsection (b)(1)(B) shall be increased by an amount equal to—

- (1) such dollar amount, multiplied by
- (2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, de-

termined by substituting “calendar year 2015” for “calendar year 2016” in subparagraph (A)(ii) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of \$1,000, such amount shall be rounded to the nearest multiple of \$1,000.

(g) Delegation of certification

A certification under subsection (a) or reversal of certification under subsection (c) may only be delegated by the Commissioner of Internal Revenue to the Deputy Commissioner for Services and Enforcement, or the Commissioner of an operating division, of the Internal Revenue Service.

(Added Pub. L. 114-94, div. C, title XXXII, § 32101(a), Dec. 4, 2015, 129 Stat. 1729; amended Pub. L. 115-97, title I, § 11002(d)(1)(RR), Dec. 22, 2017, 131 Stat. 2061; Pub. L. 115-141, div. U, title I, § 103(a), Mar. 23, 2018, 132 Stat. 1169.)

INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS

For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.

Editorial Notes

REFERENCES IN TEXT

Section 32101 of the FAST Act, referred to in subsec. (a), is section 32101 of Pub. L. 114-94, which enacted this section and section 2714a of Title 22, Foreign Relations and Intercourse, and amended sections 6103, 6320, 6331, and 7508 of this title.

AMENDMENTS

2018—Subsec. (e)(1). Pub. L. 115-141, § 103(a)(1), substituted “, or against the Commissioner in the Tax Court,” for “or the Tax Court” and inserted at end “For purposes of the preceding sentence, the court first acquiring jurisdiction over such an action shall have sole jurisdiction.”

Subsec. (f). Pub. L. 115-141, § 103(a)(2), substituted “subsection (b)(1)(B)” for “subsection (a)” in introductory provisions.

2017—Subsec. (f)(2). Pub. L. 115-97 substituted “for ‘calendar year 2016’ in subparagraph (A)(ii)” for “for ‘calendar year 1992’ in subparagraph (B)”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2018 AMENDMENT

Pub. L. 115-141, div. U, title I, § 103(b), Mar. 23, 2018, 132 Stat. 1170, provided that: “The amendments made by this section [amending this section] shall take effect as if included in section 32101 of the Fixing America’s Surface Transportation Act [Pub. L. 114-94].”

EFFECTIVE DATE OF 2017 AMENDMENT

Amendment by Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 11002(e) of Pub. L. 115-97, set out as a note under section 1 of this title.

CHAPTER 76—JUDICIAL PROCEEDINGS

Subchapter	Sec. ¹
A. Civil actions by the United States	7401
B. Proceedings by Taxpayers and Third Parties	7421
C. The Tax Court	7441

¹ Section numbers editorially supplied.