

**§ 301.6674-1**

**26 CFR Ch. I (4-1-08 Edition)**

**§ 301.6674-1 Fraudulent statement or failure to furnish statement to employee.**

For regulations under section 6674, see § 31.6674-1 of this chapter (Employment Tax Regulations).

**§ 301.6678-1 Failure to furnish statements to payees.**

(a) *In general.* In the case of each failure to furnish a statement required—

(1) Under section 6042(c) and § 1.6042-4 to a person with respect to whom a return has been made under section 6042(a)(1), relating to information returns with respect to payment of dividends aggregating \$10 or more in a calendar year,

(2) Under section 6044(e) and § 1.6044-5 to a person with respect to whom a return has been made under section 6044(a)(1), relating to information returns with respect to certain payments by cooperatives aggregating \$10 or more in a calendar year,

(3) Under section 6049(c) and § 1.6049-3 to a person with respect to whom a return has been made under section 6049(a)(1), relating to information returns with respect to payments of interest aggregating \$10 or more in a calendar year,

(4) Under section 6039(b) and § 1.6039-2 to a person with respect to whom a return has been made under section 6039(a), relating to information returns with respect to certain stock option transactions occurring in a calendar year, or

(5) Under section 6052(b) and § 1.6052-2 to a person with respect to whom a return has been made under section 6052(a), relating to information returns with respect to payment of wages in the form of group-term life insurance provided for an employee on his life, within the time prescribed for furnishing such statement (determined with regard to any extension of time for furnishing), there shall be paid by the person failing to so furnish the statement \$10 for each such statement not so furnished. However, the total amount imposed on the delinquent person for all such failures during a calendar year shall not exceed \$25,000.

(b) *Manner of payment.* The penalty imposed under section 6678 and this section on any person shall be paid in

the same manner as tax upon the issuance of a notice and demand therefor.

(c) *Showing of reasonable cause.* The penalty imposed by section 6678 shall not apply with respect to a failure to furnish a statement within the time prescribed if it is established to the satisfaction of the district director or the director of the regional service center that such failure was due to reasonable cause and not to willful neglect. An affirmative showing of reasonable cause must be made in the form of a written statement, containing a declaration that it is made under the penalties of perjury, setting forth all the facts alleged as a reasonable cause.

**§ 301.6679-1 Failure to file returns, etc. with respect to foreign corporations or foreign partnerships for taxable years beginning after September 3, 1982.**

(a) *Civil penalty—(1) In general.* In addition to any criminal penalty provided by law, each U.S. citizen, resident, or person filing a separate or joint information return or on whose behalf a return is filed, pursuant to sections 6035, 6046, or 6046A, and the regulations thereunder, who fails to file such a return within the time provided, or who files a return which does not show the required information, shall pay a penalty of \$1,000, unless such failure is shown to be due to reasonable cause.

(2) *Joint return.* The penalty imposed by section 6679 and this section shall apply to each U.S. citizen, resident, or person filing a joint return pursuant to the provisions of section 6035, 6046, or 6046A, which does not show the required information.

(3) *Showing of reasonable cause.* The district director, the director of the Internal Revenue service center, and the director of International Operations are authorized to make the determination that such failure was due to a reasonable cause and that, accordingly, the penalty imposed by section 6679 shall not apply. An affirmative showing of reasonable cause must be made in the form of a written statement, containing a declaration that it is made under the penalties of perjury, setting forth all the facts alleged as a

reasonable cause. If the taxpayer exercises ordinary business care and prudence and is nevertheless unable to furnish any item of information required under section 6035, 6046, or 6046A and the regulations thereunder, such failure shall be considered due to a reasonable cause. In determining the extent of a taxpayer's ability to obtain information, the percentage of stock owned by such taxpayer and the nature of the other interests in the foreign corporation will be considered.

(b) *Deficiency procedures not to apply.* The penalty imposed by section 6679 may be assessed and collected without regard to the deficiency procedures provided by subchapter B of chapter 63 of the Code.

[32 FR 15421, Nov. 3, 1967, as amended by T.D. 7288, 38 FR 27215, Oct. 1, 1973; T.D. 7542, 43 FR 18552, May 1, 1978; T.D. 8028, 50 FR 23409, June 4, 1985]

**§ 301.6682-1 False information with respect to withholding allowances based on itemized deductions.**

For regulations under section 6682, see § 31.6682-1 of this chapter (Employment Tax Regulations).

[T.D. 7109, 35 FR 16544, Oct. 23, 1970]

**§ 301.6684-1 Assessable penalties with respect to liability for tax under chapter 42.**

(a) *In general.* If any person (as defined in section 7701(a)(1)) becomes liable for tax under any section of chapter 42 (other than section 4940 or 4948(a)), relating to private foundations, by reason of any act or failure to act which is not due to reasonable cause and either—

(1) Such person has theretofore (at any time) been liable for tax under any section of such chapter (other than section 4940 or 4948(a)), or

(2) Such act or failure to act is both willful and flagrant,  
then such person shall be liable for a penalty equal to the amount of such tax.

(b) *Showing of reasonable cause.* The penalty imposed by section 6684 shall not apply to any person with respect to a violation of any section of chapter 42 if it is established to the satisfaction of the district director or director of the internal revenue service center that

such violation was due to reasonable cause. An affirmative showing of reasonable cause must be made in the form of a written statement, containing a declaration by such person that it is made under the penalties of perjury, setting forth all the facts alleged as reasonable cause.

(c) *Willful and flagrant.* For purposes of this section, the term "willful and flagrant" has the same meaning as such term possesses in section 507(a)(2)(A) and the regulations thereunder.

(d) *Effective date.* This section shall take effect on January 1, 1970.

[T.D. 7127, 36 FR 11504, June 15, 1971]

**§ 301.6685-1 Assessable penalties with respect to private foundations' failure to comply with section 6104(d).**

(a) *In general.* In addition to the penalty imposed by section 7207, relating to fraudulent returns, statements, or other documents, any person (as defined in paragraph (b) of this section) who is required to comply with the requirements of section 6104(d), relating to public inspection of private foundations' annual returns, and who fails so to comply, if such failure is willful, shall pay a penalty of \$1,000 with respect to each such return with respect to which there is a failure so to comply.

(b) *Person.* For purposes of this section, the term "person" means any officer, director, trustee, employee, member, or other individual whose duty it is to perform the act in respect of which the failure occurs.

(c) *Effective date.* This section shall take effect on January 1, 1970.

(d) *Cross reference.* For the amount imposed for failure to comply with section 6104(d), see paragraph (c) of § 301.6652-2.

[T.D. 7127, 36 FR 11505, June 15, 1971, as amended by T.D. 8026, 50 FR 20758, May 20, 1985]

**§ 301.6686-1 Failure of DISC to file returns.**

(a) *In general.* In addition to the penalty imposed by section 7203 (relating to willful failure to file a return, supply information, or pay tax) any person who is required to supply information or to file a return under section 6011(c)