

Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2022

[Money amounts are in thousands of dollars]

Type of tax and type of penalty	Civil penalties assessed [1]		Civil penalties abated [2]	
	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)
Civil penalties, total	39,898,114	73,611,454	8,510,272	50,858,228
Individual and estate and trust income taxes:				
Civil penalties, total [3]	33,518,147	50,301,696	6,314,592	36,661,534
Accuracy [4]	647,348	1,894,512	61,827	476,294
Bad check	1,135,997	190,506	12,824	30,298
Delinquency	3,371,240	35,495,632	3,881,725	35,138,124
Estimated tax	12,166,191	1,811,782	287,769	83,058
Failure to pay	16,151,917	10,545,008	2,069,481	905,553
Federal tax deposits	3	3	0	0
Fraud	1,162	273,984	142	22,532
Other [5]	44,289	90,269	824	5,675
Partnership income taxes:				
Civil penalties, total	91,635	298,272	403,308	1,582,364
Bad check	808	108	14	1
Delinquency	90,743	297,558	400,949	1,543,746
Estimated tax	0	0	0	0
Failure to file electronically	0	0	34	29,116
Failure to pay	33	139	8	8
Failure to provide information [6]	51	467	2,303	9,493
Other [5]	0	0	0	0
Corporation income taxes:				
Civil penalties, total [7]	771,170	2,967,838	352,891	2,488,418
Accuracy [4]	3,046	80,444	324	94,633
Bad check	9,436	10,186	d	d
Delinquency	84,943	721,624	235,163	877,574
Estimated tax	251,121	1,014,341	12,599	815,354
Failure to pay	422,434	1,102,118	102,185	688,857
Fraud	109	32,945	d	d
Other	81	6,180	2,320	7,879
S corporation income taxes:				
Civil penalties, total	151,285	182,367	422,294	419,327
Bad check	0	0	0	0
Delinquency	148,578	179,965	422,069	419,021
Estimated tax	1,350	800	0	0
Failure to file electronically [8]	0	0	0	0
Failure to pay	1,357	1,602	225	306
Failure to provide information	0	0	0	0
Other	0	0	0	0
Employment taxes:				
Civil penalties, total [9]	4,378,150	13,609,790	814,217	5,391,874
Accuracy [4]	846	3,765	d	d
Bad check	266,519	48,273	3,411	10,461
Delinquency	613,102	2,949,940	83,558	918,591
Estimated tax	11,392	41,811	2,136	39,095
Failure to pay	2,345,996	2,603,087	473,312	733,647
Federal tax deposits	1,140,112	7,959,015	251,764	3,689,942
Fraud	56	2,815	d	d
Other	127	1,084	0	0
Excise taxes and tax-exempt organizations and trusts:				
Civil penalties, total [10]	779,014	1,076,210	155,915	786,453
Accuracy [4]	596	470	26	10
Bad check	7,256	9,668	125	988
Daily delinquency [11]	77,868	325,952	34,594	140,772
Delinquency	226,516	94,499	37,072	20,590
Estimated tax	15,301	3,323	590	388
Failure to pay	432,852	58,195	70,399	25,133
Federal tax deposits	717	68,525	133	58,315
Fraud	0	0	0	0
Other	17,908	515,578	12,976	540,257
Estate and gift taxes:				
Civil penalties, total [12]	6,540	476,782	3,835	333,082
Accuracy [4]	36	18,282	16	4,772
Bad check	45	372	6	204
Delinquency	2,337	329,704	1,460	235,015
Failure to pay	4,048	126,265	2,310	92,329
Fraud	0	0	0	0
Other	74	2,159	43	762

Nonreturn penalties [13]	202,173	4,698,499	43,220	3,195,176
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d—Not shown to avoid disclosure of information. However, the data are included in the appropriate totals.

- [1] Assessments of penalties included here were recorded in Fiscal Year (FY) 2022 regardless of the tax year to which the penalties may apply.
- [2] Abatements of penalties included here were recorded in FY 2022 regardless of the tax year to which the penalties may apply. An abatement is a reduction of assessed penalties. The IRS may approve an abatement of a penalty for: IRS error; reasonable cause; administrative and collection costs not warranting collection of penalty; discharge of penalty in bankruptcy; and the IRS's acceptance of partial payment of assessed penalty. Numbers and amounts represent only the portion of assessed penalties that were abated.
- [3] Represents penalties associated with the Form 1040 series (individual income tax return series) and Form 1041 (estate and trust income tax return).
- [4] Represents penalties for negligence; substantial understatement of income tax; substantial valuation misstatement; substantial understatement of pension liabilities; substantial estate or gift tax valuation understatement (under Internal Revenue Code section 6662); understatement of reportable transactions (under Internal Revenue Code section 6662A); and underpayment of stamp tax (under Internal Revenue Code section 6653).
- [5] Represents penalties related to federal tax deposits, failure to supply taxpayer identification number, and failure to report tip income.
- [6] Represents penalties associated with failure to provide information on Forms 1065 (partnership return) or 8752 (required payment or refund for a partnership under Internal Revenue Code section 7519), or failure to file electronically Form 1065-B (large partnership return).
- [7] Represents penalties associated with the Form 1120 series (corporation income tax return series) and Form 990-T (tax-exempt organization unrelated business income tax return).
- [8] Represents penalties associated with failure to file electronically on Forms 1120-S (return for an S corporation) or 8752 (required payment or refund for an S corporation under Internal Revenue Code section 7519).
- [9] Represents penalties associated with Forms 940 (employer's federal unemployment tax return); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943 (employer's tax return for agricultural employees); 944 (employer's tax return); 945 (tax return for withheld income tax from nonpayroll distributions); 1040, Schedule H (household employment taxes); 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT-1 (railroad retirement tax return).
- [10] Represents penalties associated with Forms 11-C (occupational tax and registration for wagering return); 720 (excise tax return); 730 (excise tax return for wagering); 990 (tax-exempt organization information return); 990-PF (private foundation return); 1041-A (information return of charitable contribution deductions by certain trusts); 2290 (heavy highway vehicle use tax return); 4720 (excise tax return of charities and other persons); 5227 (split-interest trust information return); and 8886-T (disclosure by tax-exempt entity regarding prohibited tax shelter transaction).
- [11] Represents penalties under Internal Revenue Code sections 6652(c)(2)(A) and (B) related to tax-exempt organizations or trusts. Penalties are assessed on a daily basis for failure to file Forms 990 (tax-exempt organization information return); 1041-A (information return of charitable contribution deductions by certain trusts); 5227 (split-interest trust information return); or 8886-T (disclosure by tax-exempt entity regarding prohibited tax shelter transaction).
- [12] Represents penalties associated with Forms 706 (estate tax return) and 709 (gift tax return).
- [13] Represents various penalties assessed and abated for a wide range of noncompliant behaviors, such as noncompliance related to tax return preparers and to information returns (e.g., Forms 1099, W-2, 3520-A, 8027, and 8300), as well as aiding and abetting; frivolous return filings; and misuse of dyed fuel. Also includes trust fund recovery penalties. Withheld income and employment taxes, including Social Security taxes, railroad retirement taxes, or collected excise taxes, are collectively called trust fund taxes because employers actually hold the employee's money in trust until they make a federal tax deposit in that amount. Trust fund recovery penalties are assessed when these employment taxes are not collected, accounted for, and paid timely. The amount of trust fund recovery penalties credited in FY 2022 was \$808,900,102 and is included in the amount abated.

NOTES:

Detail may not add to totals because of rounding.

Due to continued challenges from the COVID-19 pandemic, IRS provided relief from some penalties in certain circumstances due to delays in IRS remittance processing.

SOURCE: Chief Financial Officer, Custodial Financial Management.