

This is Google's [cache](http://www.irs.gov/tax_regs/rra2-3306.html) of [http://www.irs.gov/tax\\_regs/rra2-3306.html](http://www.irs.gov/tax_regs/rra2-3306.html).

Google's cache is the snapshot that we took of the page as we crawled the web.

The page may have changed since that time. Click here for the [current page](#) without highlighting.

*Google is not affiliated with the authors of this page nor responsible for its content.*

Tax Regs in Plain English

# IRS Restructuring and Reform Act of 1998

## 3306 - Procedural Requirement for Imposition of Penalties and Interest

[\[ Click for Text Only Version \]](#)

### Section 3306

**A. Provision covered:** Section 3306 (Procedural Requirements for Imposition of Penalties and Interest) (New §6751 of the Code)

**B. Background:** Present law does not require the IRS to show how penalties are computed on the notice of penalty. In some cases, penalties may be imposed without supervisory approval.

**C. Changes:** Section 6751(a) would require that each notice imposing a penalty include the name of the penalty, the code section imposing the penalty, and a computation of the penalty. Section 6751(b) would require specific approval of IRS management to assess all penalties, except (1) penalties under §§6651 (failure to file and failure to pay), 6654 (individual estimated tax), and 6655 (corporate estimated tax) and (2) any other computer-generated penalty.

**D. Impact:** The provision will require the IRS to redesign all penalty notices and to train Exam, Collection, and Customer Service employees on who is authorized to approve initial assessments, and in what manner the approval is given.

### E. Necessary Actions:

#### 1. Actions/Procedures:

- . The IRS must establish procedures for ensuring all notices contain the required information.
- b. The IRS must revise the IRM to provide who must approve assessment of the applicable penalties, and in what manner that approval is given.

**2. Things we CAN do:**

- . Determine which penalties are computer generated.
- b. Determine which notices are "penalty notices" for purposes of §6751(a).
- c. Determine who in the chain of command is the "immediate supervisor".
- d. Determine which penalties need a higher level of approval for assessment.

**F. Other Special Comments:** Issues to be addressed:

1. What is "initial determination of assessment"?
2. How is the written approval maintained with the case file?

[Questions and Answers](#)

[Tax Stats](#) | [Tax Info For You](#) | [Tax Info For Business](#) | [Electronic Services](#)  
[Taxpayer Help & Ed](#) | [Tax Regs In English](#) | [IRS Newsstand](#) | [Forms & Pubs](#)  
[What's Hot](#) | [Meet The Commissioner](#) | [Comments & Help](#) | [Site Tree](#)

[Previous]

{Next}

[Home]

[Search]

[Help!]

[Email]

Thursday, 17-Feb-2000 08:26:24 EST