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### **Internal Revenue Manual 9.1.3.3.2 (05-15-2008)**

#### **26 USC 7201 – Attempt to Evade or Defeat Tax**

1. Title 26 USC 7201 prohibits willfully attempting in any manner to evade or defeat any tax or the payment thereof.
2. Under 26 USC 7201, a violation of the statute is punishable by a maximum fine of \$100,000 (\$500,000 in the case of a corporation), or imprisonment of not more than five years, or both, together with the costs of prosecution. However, the criminal fine provisions under 18 USC 3571 increase the maximum permissible fines for a violation of 26 USC 7201 to not more than \$250,000 for individuals and \$500,000 for corporations. Alternatively, if any person derives pecuniary gain from the offense, or if the offense results in pecuniary loss to a person other than the defendant, the defendant may be fined not more than the greater of twice the gross gain or twice the gross loss.