

Internal Revenue Code Section 6038(b)

Information reporting with respect to certain foreign corporations and partnerships

...



(b) Dollar penalty for failure to furnish information.

(1) In general.

If any person fails to furnish, within the time prescribed under paragraph (2) of subsection (a) , any information with respect to any foreign business entity required under paragraph (1) of subsection (a) , such person shall pay a penalty of \$10,000 for each annual accounting period with respect to which such failure exists.

(2) Increase in penalty where failure continues after notification.

If any failure described in paragraph (1) continues for more than 90 days after the day on which the Secretary mails notice of such failure to the United States person, such person shall pay a penalty (in addition to the amount required under paragraph (1)) of \$10,000 for each 30-day period (or fraction thereof) during which such failure continues with respect to any annual accounting period after the expiration of such 90-day period. The increase in any penalty under this paragraph shall not exceed \$50,000.

...