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## **Internal Revenue Manual Section 20.1.1.3.2.2.6 (11-25-2011)**

### Ignorance of the Law

1. In some instances taxpayers may not be aware of specific obligations to file and/or pay taxes. The **ordinary business care and prudence standard** requires that taxpayers make reasonable efforts to determine their tax obligations. See *IRM 20.1.1.3.2.2*, Ordinary Business Care and Prudence.
2. Reasonable cause may be established if the taxpayer shows ignorance of the law in conjunction with other facts and circumstances. For example, consider the following:
  - A. The taxpayer's education.
  - B. If the taxpayer has previously been subject to the tax.
  - C. If the taxpayer has been penalized before.
  - D. If there were recent changes in the tax forms or law which a taxpayer could not reasonably be expected to know.
  - E. The level of complexity of a tax or compliance issue.
3. Reasonable cause should never be presumed, even in cases where ignorance of the law is claimed.
4. The taxpayer may have reasonable cause for noncompliance due to ignorance of the law if the following are true:
  - A. A reasonable and good faith effort was made to comply with the law, or
  - B. The taxpayer was unaware of a requirement and could not reasonably be expected to know of the requirement.