

**MEMO# 3976**

August 5, 1992

## **IRS ANNOUNCES PENALTY PROGRAM FOR 1990 INFORMATION RETURNS**

August 5, 1992 TO: TAX MEMBERS NO. 50-92 OPERATIONS MEMBERS NO. 29-92 TRANSFER  
AGENT ADVISORY COMMITTEE NO. 43-92 RE: IRS ANNOUNCES PENALTY PROGRAM FOR  
1990 INFORMATION RETURNS

The attached Internal Revenue Service Announcement (No. 92-115) states that, in early August, the IRS will send payors lists of payees whose taxpayer identification numbers ("TINs") were missing or incorrect on information returns filed with the IRS for 1990. In an important development, the IRS Announcement also provides that the IRS will waive the otherwise applicable \$50 per return penalty for filing 1990 returns with missing or incorrect TINs. Payors are encouraged, however, to use these listings to correct their records and make any solicitations required to establish the reasonable cause defense for future penalties. Later in August, the IRS will send penalty notices to those payors who filed information returns late or failed to file on magnetic media when required to do so. Payors will have 10 days from the date on the notice to pay the penalty without interest, unless they can establish reasonable cause for their improper/late filings. We will keep you informed of developments. Keith D. Lawson Associate Counsel - Tax Attachment

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