



irs penalties assessed against your client may not be valid

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practice areas

tax and trusts & estates

Internal Revenue Code section 6751(b) provides that no penalty shall be assessed under the Code unless the initial determination of such assessment is personally approved (in writing) by the immediate supervisor of the individual making such determination, or such higher level official as the Secretary of the Treasury may designate. This section defines penalty as any addition to tax or any additional amount. The requirement for prior written approval does not apply to penalties for failure to file a return or pay tax, or to penalties that are automatically calculated through electronic means, but does apply to negligence and substantial understatement penalties, as well as the "responsible party" penalty for failure to withhold or remit payroll taxes.

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