

IRS Announces Broad Penalty Relief For Some Taxpayers if They Act by September 30, 2022

August 25, 2022

On August 24, 2022, the Internal Revenue Service issued an announcement providing a wide net of penalty relief to certain taxpayers who file the requisite forms by September 30, 2022. The text of the announcement, Notice 2022-36 (the "Notice,") can be found [HERE](#). This opportunity is potentially a valuable benefit in many circumstances.

The Notice provides a waiver of late filing penalties for returns for 2019 and 2020 tax years. Eligible returns include, but are not limited to, Form 1040 (individual), Form 1041 (estates and trusts), Form 5472 (information return of certain foreign owned US corporations), and Form 5471 (information returns of US persons with respect to certain foreign owned corporations.)

Note that the waiver of penalties is for late filing—not late payment. However, in some cases, the penalty for late filing alone can be exorbitant. Taxpayers should also be mindful of the fact that this relief also does not require a reasonable cause statement to file as other IRS penalty relief procedures require.

Please reach out to your Carter Ledyard contact or directly to Melinda Fellner fellner@clm.com if you have any questions or would like to discuss your matter confidentially.

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related professionals

Melinda Fellner / Partner

D 212-238-8750

fellner@clm.com
