

Publications

Congress Significantly Increases Penalties for Information Return Failures

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SERVICES

The recently passed Trade Preferences Extension Act of 2015 (the Act) significantly increases penalties for failing to file correct information returns or provide correct payee statements, effective for the 2015 returns. Among other things, these increased penalties will apply to Forms W-2 and the 1099-series (including 1099-R, 1099-MISC), as well as ACA-required employer shared responsibility and minimum essential coverage reporting forms. Please see the attached memo for further information.

In short, the maximum penalties (counting both the IRS and payee copy), were increased from \$200 to \$500 per return, with a \$6M annual cap.

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