



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

May 20, 2020

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Expiration Date: 05/20/2022

Impacted IRM: 20.1.1

MEMORANDUM FOR DIRECTORS OF EXAMINATION EMPLOYEES WHO ASSERT
PENALTIES SUBJECT TO IRC 6751(b)(1)

FROM: Victor Onorato Digitally signed by Victor G. Onorato
Onorato
Date: 2020.05.21 14:51:10 -04'00'
Director, Business Support Office (BSO)

SUBJECT: Interim Guidance on Timing of Supervisory Approval with Respect to
IRC 6751(b)(1)

This memorandum provides guidance regarding supervisory approval of proposed penalties under section 6751(b)(1) until IRM 20.1.1 is revised. Please ensure that this information is distributed to all affected employees within your organization.

Background: Section 6751(b)(1) provides that no penalty under this title shall be assessed 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 may designate. This section applies to all civil penalties in the Internal Revenue Code (IRC), except for penalties under section 6651, Failure to file tax return or to pay tax; section 6654, Failure by individual to pay estimated income tax; section 6655, Failure by corporation to pay estimated income tax; and penalties that are automatically calculated through electronic means.

The change to the IRM is effective immediately and is shown in Attachment 1: IRM 20.1.1.2.3.1, Timing of Supervisory Approval. This is the authoritative policy regarding these changes on timing of supervisory approval and supersedes any existing policies to the contrary.

20.1.1.2.3.1 (MM-DD-YYYY)
Timing of Supervisory Approval

- 1) For all penalties subject to section 6751(b)(1), written supervisory approval required under section 6751(b)(1) must be obtained prior to issuing any written communication of penalties to a taxpayer that offers the taxpayer an opportunity to sign an agreement or consent to assessment or proposal of the penalty.

If you have any questions, you may contact me, or a member of your staff may contact John McInelly, Program Manager, Office of Servicewide Penalties, at 801-620-2203.

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