

## IRM PROCEDURAL UPDATE

**DATE:** 08/29/2019

**NUMBER:** wi-21-0819-0999

**SUBJECT:** Details on the CP 215

**AFFECTED IRM(s)/SUBSECTION(s):** 21.3.8.12.29(5)

**CHANGE(s):**

### **IRM 21.3.8.12.29(5) - Added details about the civil penalty notice to the Note.**

5. The penalty imposed on an organization that fails to submit the IRC 506 notification is equal to \$20 per day for each day the failure continues, up to a maximum of \$5,000. Additionally, a similar penalty is imposed on organization managers who, in response to a written request by the Secretary, fail to submit the notification timely.

**NOTE:** The penalty is automatically applied when the registration date is more than 60 days later than the organization date. The penalty posts to a civil penalty module (MFT 13) and the organization is issued a CP 215 *Civil Penalty*, which gives the organization three options:

- If they agree to the penalty assessment, they can pay the balance due.
- If they believe they have reasonable cause for not timely filing Form 8976 and want to appeal the assessment without paying the penalty first, they can send a written explanation within 10 days from the date of the notice.
- If they want to appeal the penalty assessment for any other reason or after the 10-day period expires, they must first fully pay the entire penalty and then file Form 843, *Claim for Refund and Request for Abatement*, within 2 years from the date of the payment.

The response address is:  
Internal Revenue Service  
Ogden, UT 84201-0036