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Cc:

Subject: RE: Informal

Section 6656 imposes a mandatory penalty of 10% of the amount of the underpayment when a taxpayer fails to timely deposit tax due, absent reasonable cause. Revenue Ruling 75-191 provides that the section 6656 penalty does not apply in the case of failure to deposit taxes which should have been withheld from compensation paid to employees, but which were not withheld. According to the Rev. Rul., the section 6656 penalty will only apply to the extent of the employer's failure to deposit the employer's share of the FICA taxes. The 7th Circuit in *University of Chicago v US*, 547 F.3d 773, provides a good discussion of the application of the penalty, but interestingly does not cite the Rev. Rul., nor does it limit the penalty to the employer's share.

Is this the type of authority you were looking for? If you provide some additional facts, I can try to help.
