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From:

Sent: Wednesday, April 21, 2010 1:23:03 PM

To:

Cc:

Subject: FW: 6707A

Two things:

1. I am forwarding this to _____ in _____ because _____ has jurisdiction over the 6011 regs on reportable transactions. _____ can respond to how the regs require disclosure by both S Corporations and S Corp shareholders.

2. You are mistaken in stating that the penalty is not subject to judicial review. There is no judicial review of the Commissioner's decision regarding whether to rescind the penalty on failure to disclose reportable transactions other than listed transactions. See section 6707A(d)(2). However, the penalty is subject to review in a refund action (or, possibly, CDP proceeding) in which a court could consider whether all elements necessary for the penalty to apply are satisfied, including whether there was a disclosure obligation in the first place.