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From: [REDACTED]
Sent: Wednesday, December 24, 2014 1:06:50 PM
To: [REDACTED]
Cc: [REDACTED]
Bcc:
Subject: RE: 6721 and 6722 question

[REDACTED]

As a general matter, the calculation of the penalties under sections 6721 and 6722 would be correct if there were errors on the Forms 1042-S filed by the withholding agent. However, based on the information provided, the withholding agent correctly reported the amounts actually withheld in Box 7 on its Forms 1042-S. *See Instructions for Form 1042-S, p. 14.* The IRS should therefore not assess penalties against the withholding agent under sections 6721 and 6722 with regard to this investigation.

Please let me know if you have any questions.

Regards,