

FY21 Sequestration Rate for Whistleblower Awards

Pursuant to the requirements of the Budget Control Act of 2011, as amended by the American Tax Relief Act of 2012, whistleblower award payments under Internal Revenue Code § 7623 are subject to sequestration. This means that every award payment made to a whistleblower under IRC § 7623 on or after October 1, 2020, will be reduced by the fiscal year 2021 sequestration rate of 5.7 percent, regardless of when the IRS received the whistleblower's Form 211, *Application for Award for Original Information*. The Office of Management and Budget decides the required reduction percentage annually. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise affects the sequester, at which time the sequestration reduction rate is subject to change.