FY27 Sequestration Rate for Whistleblower Awards

The Budget Control Act of 2011, as amended by the American Tax Relief Act of 2012, requires that automatic reductions be made with respect to certain government payments. These required reductions include a reduction to awards paid under Internal Revenue Code (IRC) § 7623. The required reduction percentage is determined annually by the Office of Management and Budget for the year in which payments are made. Award payments made to a whistleblower under IRC § 7623 will be reduced by the Fiscal Year 2027 sequestration rate of 5.7%, regardless of the when the IRS received the whistleblower's Form 211, *Application for Award for Original Information*. 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.