



[CLICK HERE](#) to return to the home page

Internal Revenue Code Section 6726

Failure to comply with information reporting requirements relating to qualified opportunity funds and qualified rural opportunity funds

(a) In general.

If any person required to file a return under section 6039K fails to file a complete and correct return under such section in the time and in the manner prescribed therefor, such person shall pay a penalty of \$500 for each day during which such failure continues.

(b) Limitation.

(1) In general.

The maximum penalty under this section on failures with respect to any 1 return shall not exceed \$10,000.

(2) Large qualified opportunity funds.

In the case of any failure described in subsection (a) with respect to a fund the gross assets of which (determined on the last day of the taxable year) are in excess of \$10,000,000, paragraph (1) shall be applied by substituting "\$50,000" for "\$10,000".

(c) Penalty in cases of intentional disregard.

If a failure described in subsection (a) is due to intentional disregard, then-

(1) subsection (a) shall be applied by substituting "\$2,500" for "\$500",

(2) subsection (b)(1) shall be applied by substituting "\$50,000" for "\$10,000", and

(3) subsection (b)(2) shall be applied by substituting "\$250,000" for "\$50,000".

(d) Inflation adjustment.

(1) In general.

In the case of any failure relating to a return required to be filed in a calendar year beginning after 2025, each of the dollar amounts in subsections (a), (b), and (c) shall be increased by an amount equal to-

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year determined by substituting "calendar year 2024" for "calendar year 2016" in subparagraph (A)(ii) thereof.

(2) Rounding.

(A) In general. If the \$500 dollar amount in subsection (a) and (c)(1) or the \$2,500 amount in subsection (c)(1), after being increased under paragraph (1), is

not a multiple of \$10, such dollar amount shall be rounded to the next lowest multiple of \$10.

(B) Asset threshold. If the \$10,000,000 dollar amount in subsection (b)(2), after being increased under paragraph (1), is not a multiple of \$10,000, such dollar amount shall be rounded to the next lowest multiple of \$10,000.

(C) Other dollar amounts. If any dollar amount in subsection (b) or (c) (other than any amount to which subparagraph (A) or (B) applies), after being increased under paragraph (1), is not a multiple of \$1,000, such dollar amount shall be rounded to the next lowest multiple of \$1,000.