26 USC 6676: Erroneous claim for refund or credit Text contains those laws in effect on September 25, 2026
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§6676. Erroneous claim for refund or credit

(a) Civil penalty

If a claim for refund or credit with respect to income or employment tax is made for an excessive amount, unless it is shown that the claim for such excessive amount is due to reasonable cause, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

(b) Excessive amount

For purposes of this section, the term "excessive amount" means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

(c) Noneconomic substance transactions treated as lacking reasonable cause

For purposes of this section, any excessive amount which is attributable to any transaction described in section 6662(b)(6) shall not be treated as due to reasonable cause.

(d) Coordination with other penalties

This section shall not apply to any portion of the excessive amount of a claim for refund or credit which is subject to a penalty imposed under part II of subchapter A of chapter 68.

(Added Pub. L. 110–28, title VIII, §8247(a), May 25, 2007, 121 Stat. 204 ; amended Pub. L. 111–152, title I, §1409(d), Mar. 30, 2010, 124 Stat. 1070 ; Pub. L. 114–113, div. Q, title II, §209(b), (c), Dec. 18, 2015, 129 Stat. 3084 , 3085; Pub. L. 115–141, div. U, title IV, §401(a)(305), Mar. 23, 2018, 132 Stat. 1199 ; Pub. L. 119–21, title VII, §70605(f), July 4, 2025, 139 Stat. 288 .)

Editorial Notes

Codification

Section 1409(d) of Pub. L. 111–152, which directed the amendment of section 6676 without specifying the act to be amended, was executed to this section, which is section 6676 of the Internal Revenue Code of 1986, to reflect the probable intent of Congress. See 2010 Amendment note below.

Prior Provisions

A prior section 6676, added Pub. L. 87–397, §1(b), Oct. 5, 1961, 75 Stat. 828 ; amended Pub. L. 91–172, title I, §101(j)(52), Dec. 30, 1969, 83 Stat. 531 ; Pub. L. 93–406, title II, §1016(a)(20), Sept. 2, 1974, 88 Stat. 931 ; Pub. L. 97–248, title III, §316(a), Sept. 3, 1982, 96 Stat. 607 ; Pub. L. 98–67, title I, §105(a), Aug. 5, 1983, 97 Stat. 380 ; Pub. L. 98–369, div. A, title IV, §422(c), July 18, 1984, 98 Stat. 798 ; Pub. L. 99–514, title XV, §§1501(b), 1523(b)(3), 1524(b), Oct. 22, 1986, 100 Stat. 2736 , 2748, 2749; Pub. L. 100–647, title I, §1015(g), Nov. 10, 1988, 102 Stat. 3570 , related to failure to supply identifying numbers, prior to repeal by Pub. L. 101–239, title VII, §7711(b)(1), (c), Dec. 19, 1989, 103 Stat. 2393 , applicable to returns and statements the due date for which (determined without regard to extensions) is after Dec. 31, 1989.

Amendments

2025-Subsec. (a). Pub. L. 119–21 substituted "income or employment tax" for "income tax".

2018-Subsec. (c). Pub. L. 115–141 substituted "reasonable cause" for "reasonable basis" in heading.

2015-Subsec. (a). Pub. L. 114–113, §209(c)(1), substituted "is due to reasonable cause" for "has a reasonable basis".

Pub. L. 114–113, §209(b), struck out "(other than a claim for a refund or credit relating to the earned income credit under section 32)" after "income tax".

Subsec. (c). Pub. L. 114–113, §209(c)(2), substituted "due to reasonable cause" for "having a reasonable basis".

2010-Subsecs. (c), (d). Pub. L. 111–152 added subsec. (c) and redesignated former subsec. (c) as (d). See Codification note above.

Statutory Notes and Related Subsidiaries

Effective Date of 2025 Amendment

Amendment by Pub. L. 119–21 applicable to claims for credit or refund after July 4, 2025, see section 70605(g)(4) of Pub. L. 119–21, set out as an Enforcement Provisions With Respect to COVID-Related Employee Retention Credits note under section 3134 of this title.

Effective Date of 2015 Amendment

Pub. L. 114–113, div. Q, title II, §209(d)(2), Dec. 18, 2015, 129 Stat. 3085 , as amended by Pub. L. 115–141, div. U, title I, §101(k), Mar. 23, 2018, 132 Stat. 1162 , provided that: "The amendments made by subsections (b) and (c) [amending this section] shall apply to claims filed after the date of the enactment of this Act [Dec. 18, 2015]."

Effective Date of 2010 Amendment

Amendment by Pub. L. 111–152 applicable to refunds and credits attributable to transactions entered into after Mar. 30, 2010, see section 1409(e)(4) of Pub. L. 111–152, set out as a note under section 6662 of this title.

Effective Date

Pub. L. 110–28, title VIII, §8247(c), May 25, 2007, 121 Stat. 204 , provided that: "The amendments made by this section [enacting this section] shall apply to any claim filed or submitted after the date of the enactment of this Act [May 25, 2007]."

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