

TITLE 4: ECONOMIC RESOURCES
DIVISION 1: REVENUE AND TAXATION

§ 18124. Failure to Furnish Correct Payee Statements.

(a) *General Rule.* In the case of each failure described in subsection (b) by any person with respect to a payee statement, such person shall pay a penalty of \$50 for each statement with respect to which such a failure occurs, but the total amount imposed on such person for all such failures during any calendar year shall not exceed \$100,000.

(b) *Failures Subject to Penalty.* For purposes of subsection (a), the failures described in this subsection are:

(1) Any failure to furnish a payee statement on or before the date prescribed therefore to the person to whom such statement is required to be furnished, and

(2) Any failure to include all of the information required to be shown on a payee statement or the inclusion of incorrect information.

(c) *Penalty in Case of Intentional Disregard.* If 1 or more failures to which subsection (a) applies are due to intentional disregard of the requirement to furnish a payee statement (or correct information reporting requirement), then with respect to each failure:

(1) The penalty imposed under subsection (a) shall be \$100; and

(2) In the case of any penalty determined under paragraph (1):

(A) The \$100,000 limitation under subsection (a) shall not apply, and

(B) Such penalty shall not be taken into account in applying such limitation to penalties not determined under paragraph (1).

(C) Section 18134 of this Division shall not apply.

(d) *Payee Statement.* The term “payee statement” means any statement required to be furnished to a person with respect to any amount which was required to be deducted and withheld from such person under any provision of this Division or any other return as required by the Secretary prescribed in regulations.

Source: PL 14-35, § 4 (1914), modified.

Commission Comment: In subsection (c)(2)(C) above, the Commission changed the section number originally referenced in PL 14-35 to the proper renumbered section number pursuant to its authority by 1 CMC § 3806(c).