

ID: CCA_2024070119564248

[Third Party Communication:

UILC: 6233.01-00

Date of Communication: Month DD, YYYY]

Number: **202433013**

Release Date: 8/16/2024

From:

Sent: Monday, November 13, 2023 7:40:07 AM

To:

Cc:

Bcc:

Subject: RE: IRC 6662 Penalties Under BBA

Do you have an imputed underpayment? Under section 6233(a)(3), the imputed underpayment is the underpayment/understatement for purposes of calculating the penalty. Under section 6662(d)(1)(A), to determine whether the threshold for the penalty is met (i.e. is the understatement substantial), the understatement (i.e. the imputed underpayment) must exceed 10% of the tax required to be shown on the return (301.6233(a)-1(c)(2)(iv)(B)(2)) or \$5,000.

If you have any questions, please feel free to give me a call.

Thanks,
Jenni

Jenni Black (she/her)
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