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Proposed regulations: Rules for supervisory approval of penalties

The U.S. Treasury Department and IRS today released for publication in the Federal Register proposed regulations (REG-121709-19) regarding supervisory approval of certain penalties assessed by the IRS.

The [proposed regulations](#) [PDF 229 KB] (9 pages as published in the Federal Register on April 11, 2023) address uncertainty regarding various aspects of supervisory approval of penalties that have arisen due to recent judicial decisions, in particular relating to:

- Specific requirements on the timing of supervisory approval of penalties
- Who may be considered an immediate supervisor
- What constitutes personal, written approval
- An exclusion for penalties imposed under section 6673 by the Tax Court
- What constitutes a penalty “automatically calculated through electronic means.”

The proposed regulations are proposed to apply to penalties assessed on or after the date the proposed regulations are finalized.

Comments on the proposed regulations and requests for a public hearing are due by July 10, 2023.

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