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Final regulations: De minimis error safe harbor exceptions to penalties for failure to file correct information returns or furnish correct payee statements

The U.S. Treasury Department and IRS today released final regulations (T.D. 9984) implementing statutory safe harbor rules that treat information returns and payee statements with erroneous dollar amounts as correct returns or statements for certain penalty purposes if the errors are de minimis in dollar amount.

The [final regulations](#) [PDF 382 KB] (19 pages) in particular:

- Prescribe the time and manner in which a payee may elect not to have the statutory safe harbor rules apply
- Update dollar amounts, definitions, and references in existing regulations relating to information return and payee statement penalties to reflect various statutory amendments to the Code that are not accounted for in the existing regulations
- Provide rules relating to the reporting of basis of securities by brokers as such reporting relates to the de minimis error safe harbor rules

The regulations are effective on December 19, 2023.

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