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U.S. Tax Court: S corporation liable for section 6699 penalty; extension application not filed

The U.S. Tax Court today held that an S corporation was liable for a penalty under section 6699 for failing to timely file its tax return.

The S corporation's shareholders filed an application for an extension of time to file their individual income tax returns for 2012, but the S corporation did not file its own application for an extension of time to file its own return. The Tax Court found that the S corporation was liable for the section 6699 penalty:

...notwithstanding that [the] shareholders obtained an extension for, and timely filed, their own tax return and not withstanding that the IRS allegedly excused the penalty for another year on similar facts.

The case is: *ALT & Sons Holdings, Inc. v. Commissioner*, 152 T.C. No. 8 (March 13, 2019). Read the Tax Court's [opinion](#) [PDF 113 KB]

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