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May. 12, 2020



# IRS

## Department of the Treasury Internal Revenue Service

The Internal Revenue Service has issued [proposed regulations](#) under the Tax Cuts and Jobs Act (TCJA) that provide guidance to taxpayers and governments with respect to fines, penalties and certain other amounts.

The TCJA disallows a deduction for the payment of fines, penalties, and certain other amounts. Specifically, taxpayers may not deduct amounts that, pursuant to court orders or settlement agreements, are paid to, or at the direction of, governments in relation to the violation of any law or the investigation or inquiry into the potential violation of any law.

Under the TCJA, this disallowance may not apply to amounts that taxpayers

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Service and taxpayers. The proposed regulations provide guidance to governments related to these reporting requirements.

For more information about this and other TCJA provisions, visit [IRS.gov/taxreform](https://www.irs.gov/taxreform).

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