

(d) *Cross-reference to penalties.* For provisions relating to the penalty provided for failure to file timely a correct information return required under section 6050N(a), see § 301.6721-1 of this chapter (Procedure and Administration Regulations). For provisions relating to the penalty provided for failure to furnish timely a correct payee statement required under section 6050N(b) and § 1.6050N-1(a), see § 301.6722-1 of this chapter. See § 301.6724-1 of this chapter for the waiver of a penalty if the failure is due to reasonable cause and is not due to willful neglect.

(e) *Effective date*—This section, except paragraph (c), applies to payee statements due after December 31, 1995, without regard to extensions. For further guidance regarding the substantially similar statement mailing requirements that apply with respect to forms required to be filed after October 22, 1986, and before January 1, 1996 (see Rev. Proc. 84-70 (1984-2 C.B. 716) and § 601.601(d)(2) of this chapter). The provisions of paragraph (c) of this section apply to payments made after December 31, 2000.

[T.D. 8637, 60 FR 66111, Dec. 21, 1995, as amended by T.D. 8734, 62 FR 53492, Oct. 14, 1997; T.D. 8804, 63 FR 72188, Dec. 31, 1998; T.D. 8856, 64 FR 73412, Dec. 30, 1999]

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[T.D. 8654, 61 FR 268, Jan. 4, 1996]

§ 1.6050P-1 Information reporting for discharges of indebtedness by certain financial entities.

(a) *Reporting requirement*—(1) *In general.* Except as provided in paragraph (d) of this section, any applicable financial entity (as defined in section 6050P(c)(1)) that discharges an indebtedness of any person (within the meaning of section 7701(a)(1)) of at least \$600 during a calendar year must file an information return on Form 1099-C with the Internal Revenue Service. Solely for purposes of the reporting requirements of section 6050P and this section, a discharge of indebtedness is deemed to have occurred, except as provided in paragraph (b)(3) of this section, if and only if there has occurred an identifiable event described in paragraph (b)(2)