

**(c) Stay of sale of seized property pending district court determination under section 7429****(1) General rule**

Where a jeopardy assessment has been made under section 6862(a), the property seized for the collection of the tax shall not be sold—

(A) if a civil action is commenced in accordance with section 7429(b), on or before the day on which the district court judgment in such action becomes final, or

(B) if subparagraph (A) does not apply, before the day after the expiration of the period provided in section 7429(a) for requesting an administrative review, and if such review is requested, before the day after the expiration of the period provided in section 7429(b), for commencing an action in the district court.

**(2) Exceptions**

With respect to any property described in paragraph (1), the exceptions provided by subsection (b)(3)(B) shall apply.

(Aug. 16, 1954, ch. 736, 68A Stat. 836; Pub. L. 94-455, title XII, §1204(c)(7)–(9), title XIX, §1906(a)(38), (b)(13)(A), Oct. 4, 1976, 90 Stat. 1698, 1830, 1834; Pub. L. 100-203, title X, §10713(b)(2)(E), Dec. 22, 1987, 101 Stat. 1330-470; Pub. L. 100-647, title VI, §6245(a), Nov. 10, 1988, 102 Stat. 3750; Pub. L. 101-239, title VII, §7822(d)(2), Dec. 19, 1989, 103 Stat. 2425.)

## AMENDMENTS

1989—Subsec. (b)(3)(A)(iii). Pub. L. 101-239 made technical correction to Pub. L. 100-203, §10713(b)(2)(E)(iii), see 1987 Amendment note below.

1988—Subsec. (b)(3)(C). Pub. L. 100-647 added subpar. (C).

1987—Subsec. (a). Pub. L. 100-203, §10713(b)(2)(E)(i), substituted “6851, 6852,” for “6851”.

Subsec. (b)(3)(A). Pub. L. 100-203, §10713(b)(2)(E)(ii), substituted “6851, 6852, or 6861” for “6851 or 6861”.

Subsec. (b)(3)(A)(iii). Pub. L. 100-203, §10713(b)(2)(E)(iii), as amended by Pub. L. 101-239, substituted “6851(a), 6852(a), nor 6861(a)” for “6851(a) nor 6861(a)”.

1976—Subsec. (a). Pub. L. 94-455, §§1204(c)(7), 1906(b)(13)(A), inserted reference to section 6851, substituted “an assessment” for “a jeopardy assessment”, struck out “or his delegate” after “Secretary”, and substituted “such assessment” for “the jeopardy assessment”.

Subsec. (b)(3)(A). Pub. L. 94-455, §1204(c)(8), substituted “an assessment has been made under section 6851 or 6861,” for “a jeopardy assessment has been made under section 6861” in provisions preceding cl. (i), added cl. (i), redesignated former cl. (i) as (ii) and substituted “before the issuance of the notice of deficiency described in section 6851(b) or 6861(b), and the expiration of the period” for “if section 6861(b) is applicable, prior to the issuance of the notice of deficiency and the expiration of the time”, redesignated former cl. (ii) as (iii) and substituted “assessment), before the expiration” for “jeopardy assessment under section 6861), prior to the expiration” and “if neither sections 6851(a) nor 6861(a) were applicable” for “if section 6861(a) were not applicable”, and inserted provisions following cl. (iii).

Subsec. (b)(3)(B)(ii). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsec. (b)(3)(C). Pub. L. 94-455, §1906(a)(38), struck out subpar. (C) which had limited the applicability of subpars. (A) and (B) to jeopardy assessments made on or after Jan. 1, 1955, with respect to taxes imposed by this title, and with respect to taxes imposed by the Internal Revenue Code of 1939.

Subsec. (c). Pub. L. 94-455, §1204(c)(9), added subsec. (c).

## EFFECTIVE DATE OF 1989 AMENDMENT

Amendment by Pub. L. 101-239 effective as if included in the provision of the Revenue Act of 1987, Pub. L. 100-203, title X, to which such amendment relates, see section 7823 of Pub. L. 101-239, set out as a note under section 26 of this title.

## EFFECTIVE DATE OF 1988 AMENDMENT

Section 6245(b) of Pub. L. 100-647 provided that: “The amendments made by this section [amending this section] shall take effect on the 90th day after the date of the enactment of this Act [Nov. 10, 1988].”

## EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1204(c)(7)–(9) of Pub. L. 94-455 applicable with respect to action taken under section 6851, 6861, or 6862 of this title where notice and demand takes place after Feb. 28, 1977, see section 1204(d) of Pub. L. 94-455, as amended, set out as a note under section 6851 of this title.

Amendment by section 1906(a)(38), (b)(13)(A) of Pub. L. 94-455 effective on first day of first month which begins more than ninety days after Oct. 4, 1976, see section 1906(d)(1) of Pub. L. 94-455, set out as a note under section 6013 of this title.

## CROSS REFERENCES

Bond to stay assessment and collection, see section 7485 of this title.

Other provisions for bonds, see section 7103 of this title.

Sale of seized property, see section 6335 of this title.

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 6861, 7103 of this title.

**§ 6864. Termination of extended period for payment in case of carryback**

**For termination of extensions of time for payment of income tax granted to corporations expecting carrybacks in case of jeopardy, see section 6164(h).**

(Aug. 16, 1954, ch. 736, 68A Stat. 837.)

**PART III—SPECIAL RULES WITH RESPECT TO CERTAIN CASH**

Sec.

6867. Presumptions where owner of large amount of cash is not identified.

**§ 6867. Presumptions where owner of large amount of cash is not identified****(a) General rule**

If the individual who is in physical possession of cash in excess of \$10,000 does not claim such cash—

(1) as his, or

(2) as belonging to another person whose identity the Secretary can readily ascertain and who acknowledges ownership of such cash,

then, for purposes of sections 6851 and 6861, it shall be presumed that such cash represents gross income of a single individual for the taxable year in which the possession occurs, and that the collection of tax will be jeopardized by delay.

**(b) Rules for assessing**

In the case of any assessment resulting from the application of subsection (a)—

(1) the entire amount of the cash shall be treated as taxable income for the taxable year in which the possession occurs,

(2) such income shall be treated as taxable at the highest rate of tax specified in section 1, and

(3) except as provided in subsection (c), the possessor of the cash shall be treated (solely with respect to such cash) as the taxpayer for purposes of chapters 63 and 64 and section 7429(a)(1).

**(c) Effect of later substitution of true owner**

If, after an assessment resulting from the application of subsection (a), such assessment is abated and replaced by an assessment against the owner of the cash, such later assessment shall be treated for purposes of all laws relating to lien, levy and collection as relating back to the date of the original assessment.

**(d) Definitions**

For purposes of this section—

**(1) Cash**

The term “cash” includes any cash equivalent.

**(2) Cash equivalent**

The term “cash equivalent” means—

- (A) foreign currency,
- (B) any bearer obligation, and
- (C) any medium of exchange which—

- (i) is of a type which has been frequently used in illegal activities, and
- (ii) is specified as a cash equivalent for purposes of this part in regulations prescribed by the Secretary.

**(3) Value of cash equivalent**

Any cash equivalent shall be taken into account—

- (A) in the case of a bearer obligation, at its face amount, and
- (B) in the case of any other cash equivalent, at its fair market value.

(Added Pub. L. 97-248, title III, § 330(a), Sept. 3, 1982, 96 Stat. 619; amended Pub. L. 100-647, title I, § 1001(a)(1), Nov. 10, 1988, 102 Stat. 3349.)

AMENDMENTS

1988—Subsec. (b)(2). Pub. L. 100-647 substituted “the highest rate of tax specified in section 1” for “a 50-percent rate”.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

EFFECTIVE DATE

Section 330(c) of Pub. L. 97-248 provided that: “The amendments made by subsections (a) and (b) [enacting this section] shall take effect on the day after the date of the enactment of this Act [Sept. 3, 1982].”

**Subchapter B—Receiverships, Etc.**

Sec.

6871. Claims for income, estate, gift, and certain excise taxes in receivership proceedings, etc.

6872. Suspension of period on assessment.

Sec.

6873. Unpaid claims.

AMENDMENTS

1980—Pub. L. 96-589, § 6(g)(3)(A), (B), Dec. 24, 1980, 94 Stat. 3410, substituted “Receiverships, Etc.” for “Bankruptcy and Receiverships” in subchapter heading, and “gift, and certain excise taxes in receivership proceedings, etc.” for “and gift taxes in bankruptcy and receivership proceedings” in item 6871.

SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in sections 6216, 6503, 7811 of this title.

**§ 6871. Claims for income, estate, gift, and certain excise taxes in receivership proceedings, etc.**

**(a) Immediate assessment in receivership proceedings**

On the appointment of a receiver for the taxpayer in any receivership proceeding before any court of the United States or of any State or of the District of Columbia, any deficiency (together with all interest, additional amounts, and additions to the tax provided by law) determined by the Secretary in respect of a tax imposed by subtitle A or B or by chapter 41, 42, 43, or 44 on such taxpayer may, despite the restrictions imposed by section 6213(a) on assessments, be immediately assessed if such deficiency has not theretofore been assessed in accordance with law.

**(b) Immediate assessment with respect to certain title 11 cases**

Any deficiency (together with all interest, additional amounts, and additions to the tax provided by law) determined by the Secretary in respect of a tax imposed by subtitle A or B or by chapter 41, 42, 43, or 44 on—

- (1) the debtor’s estate in a case under title 11 of the United States Code, or
- (2) the debtor, but only if liability for such tax has become res judicata pursuant to a determination in a case under title 11 of the United States Code,

may, despite the restrictions imposed by section 6213(a) on assessments, be immediately assessed if such deficiency has not theretofore been assessed in accordance with law.

**(c) Claim filed despite pendency of tax court proceedings**

In the case of a tax imposed by subtitle A or B or by chapter 41, 42, 43, or 44—

- (1) claims for the deficiency and for interest, additional amounts, and additions to the tax may be presented, for adjudication in accordance with law, to the court before which the receivership proceeding (or the case under title 11 of the United States Code) is pending, despite the pendency of proceedings for the redetermination of the deficiency pursuant to a petition to the Tax Court; but
- (2) in the case of a receivership proceeding, no petition for any such redetermination shall be filed with the Tax Court after the appointment of the receiver.

(Aug. 16, 1954, ch. 736, 68A Stat. 838; Pub. L. 85-866, title I, § 88, Sept. 2, 1958, 72 Stat. 1665; Pub. L. 94-455, title XIX, §§ 1906(b)(13)(A), (c)(1),

Oct. 4, 1976, 90 Stat. 1834, 1835; Pub. L. 96-589, §6(g)(1), Dec. 24, 1980, 94 Stat. 3409; Pub. L. 101-239, title VII, §7841(d)(2), Dec. 19, 1989, 103 Stat. 2428.)

#### AMENDMENTS

1989—Pub. L. 101-239 substituted “or 44” for “44, or 45” in subsections. (a), (b), and (c).

1980—Subsec. (a). Pub. L. 96-589 amended subsec. (a) generally, substituting reference to appointment of a receiver for the taxpayer in any receivership proceedings, for reference to adjudication of bankruptcy of a taxpayer in a liquidating proceeding, the filing or the approval of a petition or the approval of a petition against any taxpayer in any other bankruptcy proceeding, or the appointment of a receiver for any taxpayer in any receivership proceeding, and inserted reference to chapters 41, 42, 43, 44, and 45.

Subsecs. (b), (c). Pub. L. 96-589 added subsec. (b), redesignated former subsec. (b) as (c), inserted reference to chapters 41, 42, 43, 44, and 45, and struck out reference to bankruptcy proceedings.

1976—Subsec. (a). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Pub. L. 94-455, §1906(c)(1), struck out “or Territory” after “any State”.

1958—Subsec. (a). Pub. L. 85-866, §88(a), substituted “the filing or (where approval is required by the Bankruptcy Act) the approval of a petition of, or the approval of a petition against, any taxpayer” for “the approval of a petition of, or against, any taxpayer”.

Subsec. (b). Pub. L. 85-866, §88(b), substituted “the filing or (where approval is required by the Bankruptcy Act) the approval of a petition of, or the approval of a petition against, any taxpayer” for “approval of the petition”.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-589 effective Oct. 1, 1979, but not applicable to proceedings under Title 11, Bankruptcy, commenced before Oct. 1, 1979, see section 7(e) of Pub. L. 96-589, set out as a note under section 108 of this title.

#### EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 effective on first day of first month which begins more than ninety days after Oct. 4, 1976, see section 1906(d)(1) of Pub. L. 94-455, set out as a note under section 6013 of this title.

#### EFFECTIVE DATE OF 1958 AMENDMENT

Amendment by Pub. L. 85-866 effective Aug. 17, 1954, see section 1(c)(2) of Pub. L. 85-866, set out as a note under section 165 of this title.

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 5 section 5568; title 37 section 558.

### § 6872. Suspension of period on assessment

If the regulations issued pursuant to section 6036 require the giving of notice by any fiduciary in any case under title 11 of the United States Code, or by a receiver in any other court proceeding, to the Secretary of his qualification as such, the running of the period of limitations on the making of assessments shall be suspended for the period from the date of the institution of the proceeding to a date 30 days after the date upon which the notice from the receiver or other fiduciary is received by the Secretary; but the suspension under this sentence shall in no case be for a period in excess of 2 years.

(Aug. 16, 1954, ch. 736, 68A Stat. 838; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90

Stat. 1834; Pub. L. 96-589, §6 (i)(12), Dec. 24, 1980, 94 Stat. 3411.)

#### AMENDMENTS

1980—Pub. L. 96-589 substituted “any case under title 11 of the United States Code” for “any proceeding under the Bankruptcy Act”.

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-589 effective Oct. 1, 1979, but not applicable to proceedings under Title 11, Bankruptcy, commenced before Oct. 1, 1979, see section 7(e) of Pub. L. 96-589, set out as a note under section 108 of this title.

### § 6873. Unpaid claims

#### (a) General rule

Any portion of a claim for taxes allowed in a receivership proceeding which is unpaid shall be paid by the taxpayer upon notice and demand from the Secretary after the termination of such proceeding.

#### (b) Cross references

(1) For suspension of running of period of limitations on collection, see section 6503(b).

(2) For extension of time for payment, see section 6161(c).

(Aug. 16, 1954, ch. 736, 68A Stat. 838; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 96-589, §6(g)(2), Dec. 24, 1980, 94 Stat. 3409.)

#### AMENDMENTS

1980—Subsec. (a). Pub. L. 96-589 struck out reference to proceedings under the Bankruptcy Act.

1976—Subsec. (a). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-589 effective Oct. 1, 1979, but not applicable to proceedings under Title 11, Bankruptcy, commenced before Oct. 1, 1979, see section 7(e) of Pub. L. 96-589, set out as a note under section 108 of this title.

#### CROSS REFERENCES

Payment on notice and demand, see section 6155 of this title.

## CHAPTER 71—TRANSFEREES AND FIDUCIARIES

Sec.	
6901.	Transferred assets.
6902.	Provisions of special application to transferees.
6903.	Notice of fiduciary relationship.
6904.	Prohibition of injunctions.
6905.	Discharge of executor from personal liability for decedent's income and gift taxes.

#### AMENDMENTS

1970—Pub. L. 91-614, title I, §101(e)(2), Dec. 31, 1970, 84 Stat. 1837, added item 6905.

#### CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 6216, 6503, 6504, 7421, 7508 of this title.

### § 6901. Transferred assets

#### (a) Method of collection

The amounts of the following liabilities shall, except as hereinafter in this section provided, be

assessed, paid, and collected in the same manner and subject to the same provisions and limitations as in the case of the taxes with respect to which the liabilities were incurred:

**(1) Income, estate, and gift taxes**

**(A) Transferees**

The liability, at law or in equity, of a transferee of property—

(i) of a taxpayer in the case of a tax imposed by subtitle A (relating to income taxes),

(ii) of a decedent in the case of a tax imposed by chapter 11 (relating to estate taxes), or

(iii) of a donor in the case of a tax imposed by chapter 12 (relating to gift taxes),

in respect of the tax imposed by subtitle A or B.

**(B) Fiduciaries**

The liability of a fiduciary under section 3713(b) of title 31, United States Code<sup>1</sup> in respect of the payment of any tax described in subparagraph (A) from the estate of the taxpayer, the decedent, or the donor, as the case may be.

**(2) Other taxes**

The liability, at law or in equity of a transferee of property of any person liable in respect of any tax imposed by this title (other than a tax imposed by subtitle A or B), but only if such liability arises on the liquidation of a partnership or corporation, or on a reorganization within the meaning of section 368(a).

**(b) Liability**

Any liability referred to in subsection (a) may be either as to the amount of tax shown on a return or as to any deficiency or underpayment of any tax.

**(c) Period of limitations**

The period of limitations for assessment of any such liability of a transferee or a fiduciary shall be as follows:

**(1) Initial transferee**

In the case of the liability of an initial transferee, within 1 year after the expiration of the period of limitation for assessment against the transferor;

**(2) Transferee of transferee**

In the case of the liability of a transferee of a transferee, within 1 year after the expiration of the period of limitation for assessment against the preceding transferee, but not more than 3 years after the expiration of the period of limitation for assessment against the initial transferor;

except that if, before the expiration of the period of limitation for the assessment of the liability of the transferee, a court proceeding for the collection of the tax or liability in respect thereof has been begun against the initial transferor or the last preceding transferee, respectively, then the period of limitation for assessment of the liability of the transferee shall ex-

pire 1 year after the return of execution in the court proceeding.

**(3) Fiduciary**

In the case of the liability of a fiduciary, not later than 1 year after the liability arises or not later than the expiration of the period for collection of the tax in respect of which such liability arises, whichever is the later.

**(d) Extension by agreement**

**(1) Extension of time for assessment**

If before the expiration of the time prescribed in subsection (c) for the assessment of the liability, the Secretary and the transferee or fiduciary have both consented in writing to its assessment after such time, the liability may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon. For the purpose of determining the period of limitation on credit or refund to the transferee or fiduciary of overpayments of tax made by such transferee or fiduciary or overpayments of tax made by the transferor of which the transferee or fiduciary is legally entitled to credit or refund, such agreement and any extension thereof shall be deemed an agreement and extension thereof referred to in section 6511(c).

**(2) Extension of time for credit or refund**

If the agreement is executed after the expiration of the period of limitation for assessment against the taxpayer with reference to whom the liability of such transferee or fiduciary arises, then in applying the limitations under section 6511(c) on the amount of the credit or refund, the periods specified in section 6511(b)(2) shall be increased by the period from the date of such expiration to the date of the agreement.

**(e) Period for assessment against transferor**

For purposes of this section, if any person is deceased, or is a corporation which has terminated its existence, the period of limitation for assessment against such person shall be the period that would be in effect had death or termination of existence not occurred.

**(f) Suspension of running of period of limitations**

The running of the period of limitations upon the assessment of the liability of a transferee or fiduciary shall, after the mailing to the transferee or fiduciary of the notice provided for in section 6212 (relating to income, estate, and gift taxes), be suspended for the period during which the Secretary is prohibited from making the assessment in respect of the liability of the transferee or fiduciary (and in any event, if a proceeding in respect of the liability is placed on the docket of the Tax Court, until the decision of the Tax Court becomes final), and for 60 days thereafter.

**(g) Address for notice of liability**

In the absence of notice to the Secretary under section 6903 of the existence of a fiduciary relationship, any notice of liability enforceable under this section required to be mailed to such person, shall, if mailed to the person subject to

<sup>1</sup> So in original. Probably should be followed by a comma.