

TITLE 4: ECONOMIC RESOURCES
DIVISION 1: REVENUE AND TAXATION

§ 18129. Special Rules for Accuracy Related Penalties.

(a) *Penalties Applicable Only Where Return Filed.* The penalties provided in sections 18127 and 18128 of this Division shall apply only in cases where a return of tax is filed (other than a return prepared by the Secretary under the authority of section 1836(b) or (c) of this Division).

(b) *Reasonable Cause Exception.* No penalty shall be imposed under sections 18127 and 18128 of this Division with respect to any portion of an underpayment if it is shown that there was a reasonable cause for such portion and that the taxpayer acted in good faith with respect to such portion.

Source: PL 14-35, § 4 (1919), modified.

Commission Comment: In subsections (a) and (b) above, the Commission changed the section numbers originally referenced in PL 14-35 to the proper renumbered section numbers pursuant to its authority by 1 CMC § 3806(c).