

**Tax Preparers: Unreported Income**  
**Criminal Penalties and Fines**  
Imprisonment (Up to 18 Years)

**Felonies**

**1. IRC §7201: Tax Evasion**

(Willful Evasion of Tax)

**Felony:** Up to 5 years in prison

**Fine:** \$100,000 (individual)  
\$500,000 (corporation)

**2. IRC §7206: Fraudulent Tax Return**

(Preparation)

**Felony:** Up to 3 years in prison

**Fine:** \$100,000 (individual)  
\$500,000 (corporation)

**3. Additional Felonies:**

**IRC §7212:** Obstruct (Impede Collection of Tax)

Felony: Up to 3 years in prison. Fine: \$5,000

**18 U.S.C. 371** – Conspiracy to Impede Tax Collection

(Separate Charge of Impeding)

Felony: Up to 5 years in prison

**Misdemeanors**

**4. IRC §7203: Failure to File Tax Return**

(Keep Records, Supply Information)

**Misdemeanor:** Up to 1 year in prison

**Fine:** \$25,000 (individual)  
\$100,000 (corporation)

**5. IRC §7210: Failure to Comply with Summons**

(Testimony, Production of Books & Records)

**Misdemeanor:** Up to 1 year in prison

**Fine:** \$1,000