

**Tax Payers: Unreported Income**  
**Criminal Penalties and Fines**  
Imprisonment (Up to 14 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. Additional Felonies**

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

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**

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

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

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

**Fines (Penalties)**

**1. Civil Tax Fraud**

**Maximum Penalty:** 75% of Tax Due

**IRC §6651(f):** Fraudulent Failure to File Tax Return

**IRC §6663(a):** Fraudulent Tax Return Filed

**2. Failure to Pay Tax**

**Maximum Penalty:** 25% of Tax Due

**IRC §6651(a)(2):** Shown on Return

**IRC §6651(a)(3):** Not Shown on Return