



TaxNewsFlash

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Notice 2025-24: Relief from penalties for failure to timely file disclosure statements for micro-captive reportable transactions

The IRS today released [Notice 2025-24](#) providing relief from penalties under sections 6707A(a) and 6707(a) for participants in, and material advisors to, micro-captive reportable transactions for failure to file disclosure statements required to be filed with the Office of Tax Shelter Analysis (OTSA) under sections 6011 and 6111 by April 14, 2025, and April 30, 2025, respectively, so long as the required disclosure statements are filed with OTSA by July 31, 2025.

Background

The U.S. Treasury Department and IRS on January 14, 2025, published [final regulations](#) (T.D. 10029) in the Federal Register identifying transactions that are the same as, or substantially similar to, certain micro-captive transactions as listed transactions, a type of reportable transaction, and certain other micro-captive transactions as transactions of interest, another type of reportable transaction.

The final regulations provide that material advisors and certain participants in these listed transactions are required to file disclosures with the IRS and will be subject to penalties for failure to disclose. Taxpayers use Form 8886, *Reportable Transaction Disclosure Statement* to disclose information for each reportable transaction in they participate. Material advisors to any reportable transaction file Form 8918, *Material Advisor Disclosure Statement* to disclose certain information about the reportable transaction.

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