

**TITLE 26 - INTERNAL REVENUE CODE**  
**Subtitle F - Procedure and Administration**  
**CHAPTER 76 - JUDICIAL PROCEEDINGS**  
**Subchapter A - Civil Actions by the United States**

**§ 7408. Actions to enjoin specified conduct related to tax shelters and reportable transactions**

**(a) Authority to seek injunction**

A civil action in the name of the United States to enjoin any person from further engaging in specified conduct may be commenced at the request of the Secretary. Any action under this section shall be brought in the district court of the United States for the district in which such person resides, has his principal place of business, or has engaged in specified conduct. The court may exercise its jurisdiction over such action (as provided in section 7402 (a)) separate and apart from any other action brought by the United States against such person.

**(b) Adjudication and decree**

In any action under subsection (a), if the court finds—

- (1) that the person has engaged in any specified conduct, and
- (2) that injunctive relief is appropriate to prevent recurrence of such conduct,

the court may enjoin such person from engaging in such conduct or in any other activity subject to penalty under this title.

**(c) Specified conduct**

For purposes of this section, the term “specified conduct” means any action, or failure to take action, which is—

- (1) subject to penalty under section 6700, 6701, 6707, or 6708, or
- (2) in violation of any requirement under regulations issued under section 330 of title 31, United States Code.

**(d) Citizens and residents outside the United States**

If any citizen or resident of the United States does not reside in, and does not have his principal place of business in, any United States judicial district, such citizen or resident shall be treated for purposes of this section as residing in the District of Columbia.

(Added Pub. L. 97–248, title III, § 321(a), Sept. 3, 1982, 96 Stat. 612; amended Pub. L. 98–369, div. A, title I, § 143(b), July 18, 1984, 98 Stat. 682; Pub. L. 108–357, title VIII, § 820(a), (b)(1), Oct. 22, 2004, 118 Stat. 1585.)

**Prior Provisions**

A prior section 7408 was renumbered section 7410 of this title.

**Amendments**

2004—Pub. L. 108–357, § 820(b)(1), amended section catchline generally, substituting “Actions to enjoin specified conduct related to tax shelters and reportable transactions” for “Action to enjoin promoters of abusive tax shelters, etc.”

Subsecs. (a) to (d). Pub. L. 108–357, § 820(a), added subsecs. (a) to (c), redesignated former subsec. (c) as (d), and struck out former subsecs. (a) and (b), which authorized a civil action to enjoin any person from further engaging in conduct subject to penalty under section 6700 or 6701 of this title and authorized the court, if it found that the person had engaged in such conduct and that injunctive relief was appropriate, to enjoin such person from engaging in such conduct or in any other activity subject to penalty under section 6700 or 6701.

1984—Subsec. (a). Pub. L. 98–369, § 143(b)(1), (2), inserted “or section 6701 (relating to penalties for aiding and abetting understatement of tax liability)” and inserted reference to section 6701 at end of second sentence.

*NB: This unofficial compilation of the U.S. Code is current as of Jan. 2, 2006 (see <http://www.law.cornell.edu/uscode/uscprint.html>).*

Subsec. (b). Pub. L. 98-369, § 143(b)(1), (3), inserted “or section 6701 (relating to penalties for aiding and abetting understatement of tax liability),” in par. (1) and inserted reference to section 6701 at end.

#### **Effective Date of 2004 Amendment**

Pub. L. 108-357, title VIII, § 820(c), Oct. 22, 2004, 118 Stat. 1585, provided that: “The amendment made by this section [amending this section] shall take effect on the day after the date of the enactment of this Act [Oct. 22, 2004].”

#### **Effective Date of 1984 Amendment**

Amendment by Pub. L. 98-369 effective on day after July 18, 1984, see section 143(c) of Pub. L. 98-369, set out as a note under section 6700 of this title.

#### **Effective Date**

Section 321(c) of Pub. L. 97-248 provided that: “The amendments made by this section [enacting this section] shall take effect on the day after the date of the enactment of this Act [Sept. 3, 1982].”