

(b) **CLERICAL AMENDMENT.**—The table of sections for subchapter B of chapter 68 is amended by adding at the end thereof the following new item:

“Sec. 6700. Promoting abusive tax shelters, etc.”

26 USC 6700
note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on the day after the date of the enactment of this Act.

SEC. 321. ACTION TO ENJOIN PROMOTERS OF ABUSIVE TAX SHELTERS, ETC.

26 USC 7409.

(a) **GENERAL RULE.**—Subchapter A of chapter 76 (relating to civil actions by the United States) is amended by redesignating section 7408 as section 7409 and by inserting after section 7407 the following new section:

26 USC 7408.

“SEC. 7408. ACTION TO ENJOIN PROMOTERS OF ABUSIVE TAX SHELTERS, ETC.

“(a) **AUTHORITY TO SEEK INJUNCTION.**—A civil action in the name of the United States to enjoin any person from further engaging in conduct subject to penalty under section 6700 (relating to penalty for promoting abusive tax shelters, etc.) 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 conduct subject to penalty under section 6700. 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 conduct subject to penalty under section 6700 (relating to penalty for promoting abusive tax shelters, etc.), 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 section 6700.

“(c) **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.”

(b) **CLERICAL AMENDMENT.**—The table of sections for subchapter A of chapter 76 is amended by striking out the last item and inserting in lieu thereof the following:

“Sec. 7408. Action to enjoin promoters of abusive tax shelters, etc.

“Sec. 7409. Cross references.”

26 USC 7408
note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on the day after the date of the enactment of this Act.

SEC. 322. PROCEDURAL RULES APPLICABLE TO PENALTIES UNDER SECTIONS 6700, 6701, AND 6702.

(a) **GENERAL RULE.**—Subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end thereof the following new section: