

under paragraph (1) shall not exceed the amount of recovery zone facility bond limitation allocated to such issuer under section 1400U-1.

(c) Recovery zone property

For purposes of this section—

(1) In general

The term “recovery zone property” means any property to which section 168 applies (or would apply but for section 179) if—

(A) such property was constructed, reconstructed, renovated, or acquired by purchase (as defined in section 179(d)(2)) by the taxpayer after the date on which the designation of the recovery zone took effect,

(B) the original use of which in the recovery zone commences with the taxpayer, and

(C) substantially all of the use of which is in the recovery zone and is in the active conduct of a qualified business by the taxpayer in such zone.

(2) Qualified business

The term “qualified business” means any trade or business except that—

(A) the rental to others of real property located in a recovery zone shall be treated as a qualified business only if the property is not residential rental property (as defined in section 168(e)(2)), and

(B) such term shall not include any trade or business consisting of the operation of any facility described in section 144(c)(6)(B).

(3) Special rules for substantial renovations and sale-leaseback

Rules similar to the rules of subsections (a)(2) and (b) of section 1397D shall apply for purposes of this subsection.

(d) Nonapplication of certain rules

Sections 146 (relating to volume cap) and 147(d) (relating to acquisition of existing property not permitted) shall not apply to any recovery zone facility bond.

(Added Pub. L. 111-5, div. B, title I, §1401(a), Feb. 17, 2009, 123 Stat. 350.)

CHAPTER 2—TAX ON SELF-EMPLOYMENT INCOME

Sec.	
1401.	Rate of tax.
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§ 1401. Rate of tax

(a) Old-age, survivors, and disability insurance

In addition to other taxes, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax equal to the following percent of the amount of the self-employment income for such taxable year:

In the case of a taxable year		
Beginning after:	And before:	Percent:
December 31, 1983	January 1, 1988	11.40
December 31, 1987	January 1, 1990	12.12
December 31, 1989		12.40

(b) Hospital insurance

In addition to the tax imposed by the preceding subsection, there shall be imposed for each

taxable year, on the self-employment income of every individual, a tax equal to the following percent of the amount of the self-employment income for such taxable year:

In the case of a taxable year		
Beginning after:	And before:	Percent:
December 31, 1983	January 1, 1985	2.60
December 31, 1984	January 1, 1986	2.70
December 31, 1985		2.90

(c) Relief from taxes in cases covered by certain international agreements

During any period in which there is in effect an agreement entered into pursuant to section 233 of the Social Security Act with any foreign country, the self-employment income of an individual shall be exempt from the taxes imposed by this section to the extent that such self-employment income is subject under such agreement exclusively to the laws applicable to the social security system of such foreign country.

(Aug. 16, 1954, ch. 736, 68A Stat. 353; Sept. 1, 1954, ch. 1206, title II, §208(a), 68 Stat. 1093; Aug. 1, 1956, ch. 836, title II, §202(a), 70 Stat. 845; Pub. L. 85-840, title IV, §401(a), Aug. 28, 1958, 72 Stat. 1041; Pub. L. 87-64, title II, §201(a), June 30, 1961, 75 Stat. 140; Pub. L. 89-97, title I, §111(c)(4), title III, §321(a), July 30, 1965, 79 Stat. 342, 394; Pub. L. 90-248, title I, §109(a)(1), (b)(1), Jan. 2, 1968, 81 Stat. 835, 836; Pub. L. 92-336, title II, §204 (a)(1), (b)(1), July 1, 1972, 86 Stat. 420, 421; Pub. L. 92-603, title I, §135(a)(1), (b)(1), Oct. 30, 1972, 86 Stat. 1362, 1363; Pub. L. 93-233, §6(b)(1), Dec. 31, 1973, 87 Stat. 955; Pub. L. 94-455, title XIX, §1901(a)(154), Oct. 4, 1976, 90 Stat. 1789; Pub. L. 95-216, title I, §101(a)(3), (b)(3), title III, §317(b)(1), Dec. 20, 1977, 91 Stat. 1511, 1512, 1539; Pub. L. 98-21, title I, §124(a), (b), Apr. 20, 1983, 97 Stat. 89; Pub. L. 101-508, title XI, §11801(a)(36), (c)(16), Nov. 5, 1990, 104 Stat. 1388-521, 1388-527; Pub. L. 108-203, title IV, §415, Mar. 2, 2004, 118 Stat. 530; Pub. L. 111-148, title IX, §9015(b)(1), title X, §10906(b), Mar. 23, 2010, 124 Stat. 871, 1020; Pub. L. 111-152, title I, §1402(b)(1)(B), Mar. 30, 2010, 124 Stat. 1063.)

AMENDMENT OF SUBSECTION (b)

Pub. L. 111-152, title I, §1402(b)(1)(B), (3), Mar. 30, 2010, 124 Stat. 1063, provided that, applicable with respect to remuneration received, and taxable years beginning after, Dec. 31, 2012, subsection (b)(2) of this section, as added and amended by sections 9015 and 10906 of Pub. L. 111-148, is amended:

(1) in subparagraph (A), by striking “and” at the end of clause (i), redesignating clause (ii) as (iii), and adding after clause (i) the following new clause:

“(ii) in the case of a married taxpayer (as defined in section 7703) filing a separate return, 1/2 of the dollar amount determined under clause (i), and”; and

(2) in subparagraph (B), by striking “under clauses (i) and (ii)” and inserting “under clause (i), (ii), or (iii) (whichever is applicable)”.

Pub. L. 111-148, title X, §10906(b), (c), Mar. 23, 2010, 124 Stat. 1020, provided that, applicable with respect to remuneration received, and taxable years beginning, after Dec. 31, 2012, subsection (b)(2)(A) of this section, as added by sec-