

changes in pay rates, on the earlier of (1) date of expiration of such moratorium, or (2) date as of which the railway labor organization through collective bargaining agreement makes amendment applicable, see section 109(b) of Pub. L. 93-69, set out as a note under section 3201 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Amendment by section 2(a) of Pub. L. 89-212 effective only with respect to tips received after 1965, and amendment by section 4 of Pub. L. 89-212 effective only with respect to calendar months after the month in which Pub. L. 89-212 is enacted, see section 6 of Pub. L. 89-212, set out as a note under section 3201 of this title.

EFFECTIVE DATE OF 1959 AMENDMENT

Amendment by Pub. L. 86-28 effective, except as otherwise provided, first day of calendar month next following May 1959, see section 202 of Pub. L. 86-28, set out as a note under section 3201 of this title.

EFFECTIVE DATE OF 1954 AMENDMENT

Amendment by act Aug. 31, 1954, effective as if enacted as a part of the Internal Revenue Code of 1986 [formerly I.R.C. 1954], see section 407 of act Aug. 31, 1954, as amended, set out as a note under section 3201 of this title.

Subchapter B—Tax on Employee Representatives

Sec.	
3211.	Rate of tax.
3212.	Determination of compensation.

§ 3211. Rate of tax

(a) Tier 1 tax

In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to the applicable percentage of the compensation received during any calendar year by such employee representative for services rendered by such employee representative. For purposes of the preceding sentence, the term “applicable percentage” means the percentage equal to the sum of the rates of tax in effect under subsections (a) and (b) of section 3101 and subsections (a) and (b) of section 3111 for the calendar year.

(b) Tier 2 tax

(1) In general

In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to the applicable percentage of the compensation received during any calendar year by such employee representatives for services rendered by such employee representative.

(2) Applicable percentage

For purposes of paragraph (1), the term “applicable percentage” means—

- (A) 14.75 percent in the case of compensation received during 2002,
- (B) 14.20 percent in the case of compensation received during 2003, and
- (C) in the case of compensation received during any calendar year after 2003, the percentage determined under section 3241 for such calendar year.

(c) Cross reference

For application of different contribution bases with respect to the taxes imposed by subsections (a) and (b), see section 3231(e)(2).

(Aug. 16, 1954, ch. 736, 68A Stat. 432; Aug. 31, 1954, ch. 1164, pt. II, §206(a), 68 Stat. 1040; Pub. L. 86-28, pt. II, §201(c), May 19, 1959, 73 Stat. 29; Pub. L. 88-133, title II, §201, Oct. 5, 1963, 77 Stat. 221; Pub. L. 89-97, title I, §§105(b)(2), 111(c)(2), July 30, 1965, 79 Stat. 335, 342; Pub. L. 89-212, §§4, 5(b), Sept. 29, 1965, 79 Stat. 861; Pub. L. 89-699, title III, §301 (b), (d), Oct. 30, 1966, 80 Stat. 1078; Pub. L. 89-700, title III, §301(v), (vi), Oct. 30, 1966, 80 Stat. 1088, 1089; Pub. L. 91-215, §4, Mar. 17, 1970, 84 Stat. 70; Pub. L. 93-69, title I, §102(c), July 10, 1973, 87 Stat. 162; Pub. L. 94-93, title II, §202, Aug. 9, 1975, 89 Stat. 466; Pub. L. 94-455, title XIX, §1903(a)(8), Oct. 4, 1976, 90 Stat. 1807; Pub. L. 97-34, title VII, §741(b), Aug. 13, 1981, 95 Stat. 347; Pub. L. 98-76, title II, §§211(c), 223, Aug. 12, 1983, 97 Stat. 419, 421; Pub. L. 101-508, title V, §5125(b), Nov. 5, 1990, 104 Stat. 1388-285; Pub. L. 107-90, title II, §§203(a), 204(b), Dec. 21, 2001, 115 Stat. 891.)

AMENDMENTS

2001—Subsec. (a). Pub. L. 107-90, §204(b), added subsec. (a) and struck out former subsec. (a), which related to imposition of tier 1 and 2 taxes.

Subsec. (b). Pub. L. 107-90, §204(b), added subsec. (b). Pub. L. 107-90, §203(a), struck out subsec. (b) which read as follows: “In addition to other taxes, there is hereby imposed on the income of each employee representative a tax at a rate equal to the rate of excise tax imposed on every employer, provided for in section 3221(c), for each man-hour for which compensation is paid to him for services rendered as an employee representative.”

Subsec. (c). Pub. L. 107-90, §204(b), added subsec. (c). 1990—Subsec. (a). Pub. L. 101-508 substituted “applicable” for “following” before “percentage of the” and provision defining the term “applicable percentage” for provision specifying that in the case of compensation received during 1985 the rate of tax was 14.10 percent, for 1986 or 1987 the rate was 14.30 percent, for 1988 or 1989 the rate was 15.02 percent, and for 1990 or thereafter the rate was 15.30 percent.

1983—Subsec. (a). Pub. L. 98-76, §223, substituted provisions imposing a two tiered tax on each employee representative equal to the percentage of the compensation received during any calendar year by such employee representative for services rendered as is set out in accompanying tables, for provisions that had imposed on each employee representative a tax equal to 12.75 percent plus the sum of the rates of tax imposed with respect to wages by sections 3101(a), 3101(b), 3111(a), and 3111(b) of so much of the compensation paid in any calendar month to such employee representative for services rendered by him as was not in excess of an amount equal to one-twelfth of the current maximum annual taxable “wage” as defined in section 3121 for any month.

Pub. L. 98-76, §211(c), substituted “12.75 percent” for “11.75 percent”.

1981—Subsec. (a). Pub. L. 97-34 substituted “11.75” for “9.5”.

1976—Subsec. (a). Pub. L. 94-455 substituted “3111(a), and 3111(b)” for “3111(a), 3111(b)”, struck out “of the Internal Revenue Code of 1954” before “of so much of the compensation”, “after September 30, 1973,” after “rendered by him”, “of the Internal Revenue Code of 1954” after “as defined in section 3121”, and “after September 30, 1973” after “for any month”.

1975—Subsec. (a). Pub. L. 94-93 inserted “in any calendar month” after “compensation paid”.

1973—Subsec. (a). Pub. L. 93-69 substituted new tax rate provisions on income of employee representatives for services rendered after Sept. 30, 1973, for former provisions which prescribed 12½, 13, 14, 14½, and 15 percent on income for services rendered after Sept. 30, 1965, Dec. 31, 1965, Dec. 31, 1966, Dec. 31, 1967, and Dec. 31,