

**CHAPTER 25—GENERAL PROVISIONS  
RELATING TO EMPLOYMENT TAXES**

- Sec.  
3501. Collection and payment of taxes.  
3502. Nondeductibility of taxes in computing taxable income.  
3503. Erroneous payments.  
3504. Acts to be performed by agents.  
3505. Liability of third parties paying or providing for wages.  
3506. Individuals providing companion sitting placement services.  
[3507. Repealed.]  
3508. Treatment of real estate agents and direct sellers.  
3509. Determination of employer's liability for certain employment taxes.  
3510. Coordination of collection of domestic service employment taxes with collection of income taxes.

AMENDMENTS

2010—Pub. L. 111-226, title II, §219(b)(3), Aug. 10, 2010, 124 Stat. 2403, struck out item 3507 "Advance payment of earned income credit".

1994—Pub. L. 103-387, §2(b)(2), Oct. 22, 1994, 108 Stat. 4074, added item 3510.

1990—Pub. L. 101-508, title XI, §11801(b)(16), Nov. 5, 1990, 104 Stat. 1388-522, struck out item 3510 "Credit for increased social security employee taxes and railroad retirement tier 1 employee taxes imposed during 1984".

1983—Pub. L. 98-67 repealed amendments made by section 307 of Pub. L. 97-248. See 1982 Amendment note below.

Pub. L. 98-21, title I, §123(b)(2), Apr. 20, 1983, 97 Stat. 88, added item 3510.

1982—Pub. L. 97-248, title II, §§269(d), 270(b), Sept. 3, 1982, 96 Stat. 553, 554, added items 3508 and 3509.

Pub. L. 97-248, title III, §§307(b)(5), 308(a), Sept. 3, 1982, 96 Stat. 591, provided that, applicable to payments of interest, dividends, and patronage dividends paid or credited after June 30, 1983, the caption of chapter 25 is amended by inserting "AND COLLECTION OF INCOME TAXES AT SOURCE". Section 102(a), (b) of Pub. L. 98-67, title I, Aug. 5, 1983, 97 Stat. 369, repealed subtitle A (§§301-308) of title III of Pub. L. 97-248 as of the close of June 30, 1983, and provided that the Internal Revenue Code of 1954 [now 1986] [this title] shall be applied and administered (subject to certain exceptions) as if such subtitle A (and the amendments made by such subtitle A) had not been enacted.

1978—Pub. L. 95-600, title I, §105(b)(2), Nov. 6, 1978, 92 Stat. 2776, added item 3507.

1977—Pub. L. 95-171, §10(b), Nov. 12, 1977, 91 Stat. 1356, added item 3506.

1966—Pub. L. 89-719, title I, §105(c), Nov. 2, 1966, 80 Stat. 1139, added item 3505.

**§ 3501. Collection and payment of taxes**

**(a) General rule**

The taxes imposed by this subtitle shall be collected by the Secretary and shall be paid into the Treasury of the United States as internal-revenue collections.

**(b) Taxes with respect to non-cash fringe benefits**

The taxes imposed by this subtitle with respect to non-cash fringe benefits shall be collected (or paid) by the employer at the time and in the manner prescribed by the Secretary by regulations.

(Aug. 16, 1954, ch. 736, 68A Stat. 471; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 98-369, div. A, title V, §531(d)(5), July 18, 1984, 98 Stat. 885.)

AMENDMENTS

1984—Pub. L. 98-369 designated existing provisions as subsec. (a), added heading, and added subsec. (b).

1976—Pub. L. 94-455 struck out "or his delegate" after "Secretary".

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 effective Jan. 1, 1985, see section 531(h) of Pub. L. 98-369, set out as an Effective Date note under section 132 of this title.

**§ 3502. Nondeductibility of taxes in computing taxable income**

(a) The taxes imposed by section 3101 of chapter 21, and by sections 3201 and 3211 of chapter 22 shall not be allowed as a deduction to the taxpayer in computing taxable income under subtitle A.

(b) The tax deducted and withheld under chapter 24 shall not be allowed as a deduction either to the employer or to the recipient of the income in computing taxable income under subtitle A.

(Aug. 16, 1954, ch. 736, 68A Stat. 471; Pub. L. 97-248, title III, §§305(b), 308(a), Sept. 3, 1982, 96 Stat. 588, 591; Pub. L. 98-67, title I, §102(a), Aug. 5, 1983, 97 Stat. 369.)

AMENDMENTS

1983—Subsecs. (b), (c). Pub. L. 98-67 repealed amendments made by Pub. L. 97-248. See 1982 Amendment note below.

1982—Subsecs. (b), (c). Pub. L. 97-248 provided that, applicable to payments of interest, dividends, and patronage dividends paid or credited after June 30, 1983, subsec. (b) is amended and a new subsec. (c) is added. Section 102(a), (b) of Pub. L. 98-67, title I, Aug. 5, 1983, 97 Stat. 369, repealed subtitle A (§§301-308) of title III of Pub. L. 97-248 as of the close of June 30, 1983, and provided that the Internal Revenue Code of 1954 [now 1986] [this title] shall be applied and administered (subject to certain exceptions) as if such subtitle A (and the amendments made by such subtitle A) had not been enacted.

**§ 3503. Erroneous payments**

Any tax paid under chapter 21 or 22 by a taxpayer with respect to any period with respect to which he is not liable to tax under such chapter shall be credited against the tax, if any, imposed by such other chapter upon the taxpayer, and the balance, if any, shall be refunded.

(Aug. 16, 1954, ch. 736, 68A Stat. 471.)

**§ 3504. Acts to be performed by agents**

In case a fiduciary, agent, or other person has the control, receipt, custody, or disposal of, or pays the wages of an employee or group of employees, employed by one or more employers, the Secretary, under regulations prescribed by him, is authorized to designate such fiduciary, agent, or other person to perform such acts as are required of employers under this title and as the Secretary may specify. Except as may be otherwise prescribed by the Secretary, all provisions of law (including penalties) applicable in respect of an employer shall be applicable to a fiduciary, agent, or other person so designated but, except as so provided, the employer for whom such fiduciary, agent, or other person acts shall remain subject to the provisions of law (in-