

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.	Rate of tax.
1401.	Rate of tax.
1402.	Definitions.
1403.	Miscellaneous provisions.

§ 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 12.4 percent of the amount of the self-employment income for such taxable year.

(b) Hospital insurance

(1) In general

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 2.9 percent of the amount of the self-employment income for such taxable year.

(2) Additional tax

(A) In general

In addition to the tax imposed by paragraph (1) and the preceding subsection, there is hereby imposed on every taxpayer (other than a corporation, estate, or trust) for each taxable year beginning after December 31, 2012, a tax equal to 0.9 percent of the self-employment income for such taxable year which is in excess of—

(i) in the case of a joint return, \$250,000,

(ii) in the case of a married taxpayer (as defined in section 7703) filing a separate return, ½ of the dollar amount determined under clause (i), and

(iii) in any other case, \$200,000.

(B) Coordination with FICA

The amounts under clause (i), (ii), or (iii) (whichever is applicable) of subparagraph (A) shall be reduced (but not below zero) by the amount of wages taken into account in determining the tax imposed under section 3121(b)(2) with respect to the taxpayer.

(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; Pub. L. 113-295, div. A, title II, § 221(a)(89), (90), Dec. 19, 2014, 128 Stat. 4050.)

REFERENCES IN TEXT

Section 233 of the Social Security Act, referred to in subsec. (c), is classified to section 433 of Title 42, The Public Health and Welfare.

AMENDMENTS

2014—Subsec. (a). Pub. L. 113-295, § 221(a)(89), substituted “12.4 percent of the amount of the self-employment income for such taxable year.” for “the following