

**(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.
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-em-

ployment 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 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”.

Subsec. (b)(1). Pub. L. 113-295, § 221(a)(90), substituted “2.9 percent of the amount of the self-employment income for such taxable year.” for “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.”

2010—Subsec. (b). Pub. L. 111-148, § 9015(b)(1), designated existing provisions as par. (1), inserted heading, and added par. (2).

Subsec. (b)(2)(A). Pub. L. 111-152, § 1402(b)(1)(B)(i), added cl. (ii) and redesignated former cl. (ii) as (iii).

Pub. L. 111-148, § 10906(b), substituted “0.9 percent” for “0.5 percent” in introductory provisions.

Subsec. (b)(2)(B). Pub. L. 111-152, § 1402(b)(1)(B)(ii), substituted “under clause (i), (ii), or (iii) (whichever is applicable)” for “under clauses (i) and (ii)”.

2004—Subsec. (c). Pub. L. 108-203 substituted “exclusively to the laws applicable to” for “to taxes or contributions for similar purposes under”.

1990—Subsecs. (c), (d). Pub. L. 101-508 redesignated subsec. (d) as (c) and struck out former subsec. (c) which provided a credit against self-employment taxes imposed by this section.