

**(4) Regulations**

The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including—

(A) rules for the certification of qualified opportunity funds for the purposes of this section,

(B) rules to ensure a qualified opportunity fund has a reasonable period of time to reinvest the return of capital from investments in qualified opportunity zone stock and qualified opportunity zone partnership interests, and to reinvest proceeds received from the sale or disposition of qualified opportunity zone property, and

(C) rules to prevent abuse.

**(f) Failure of qualified opportunity fund to maintain investment standard**

**(1) In general**

If a qualified opportunity fund fails to meet the 90-percent requirement of subsection (c)(1),<sup>2</sup> the qualified opportunity fund shall pay a penalty for each month it fails to meet the requirement in an amount equal to the product of—

(A) the excess of—

(i) the amount equal to 90 percent of its aggregate assets, over

(ii) the aggregate amount of qualified opportunity zone property held by the fund, multiplied by

(B) the underpayment rate established under section 6621(a)(2) for such month.

**(2) Special rule for partnerships**

In the case that the qualified opportunity fund is a partnership, the penalty imposed by paragraph (1) shall be taken into account proportionately as part of the distributive share of each partner of the partnership.

**(3) Reasonable cause exception**

No penalty shall be imposed under this subsection with respect to any failure if it is shown that such failure is due to reasonable cause.

(Added Pub. L. 115-97, title I, §13823(a), Dec. 22, 2017, 131 Stat. 2184.)

EFFECTIVE DATE

Section effective on Dec. 22, 2017, see section 13823(d) of Pub. L. 115-97, set out as an Effective Date of 2017 Amendment note under section 1016 of this title.

**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-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,

<sup>2</sup> So in original. Probably should be “subsection (d)(1).”