

1988—Subsec. (d)(3). Pub. L. 100-647 substituted “subsection (d)(4)” for “subsection (d)(3)”.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-508 effective as if included in the enactment of Pub. L. 100-647, § 2003(d), see section 5130(b) of Pub. L. 101-508, set out as a note under section 1402 of this title.

EFFECTIVE DATE

Pub. L. 97-248, title II, § 270(c), Sept. 3, 1982, 96 Stat. 554, provided that: “The amendment made by this section [enacting this section] shall take effect on the date of the enactment of this Act [Sept. 3, 1982], except that such amendments shall not apply to any assessment made before January 1, 1983.”

**§ 3510. Coordination of collection of domestic service employment taxes with collection of income taxes**

**(a) General rule**

Except as otherwise provided in this section—

(1) returns with respect to domestic service employment taxes shall be made on a calendar year basis,

(2) any such return for any calendar year shall be filed on or before the 15th day of the fourth month following the close of the employer’s taxable year which begins in such calendar year, and

(3) no requirement to make deposits (or to pay installments under section 6157) shall apply with respect to such taxes.

**(b) Domestic service employment taxes subject to estimated tax provisions**

**(1) In general**

Solely for purposes of section 6654, domestic service employment taxes imposed with respect to any calendar year shall be treated as a tax imposed by chapter 2 for the taxable year of the employer which begins in such calendar year.

**(2) Employers not otherwise required to make estimated payments**

Paragraph (1) shall not apply to any employer for any calendar year if—

(A) no credit for wage withholding is allowed under section 31 to such employer for the taxable year of the employer which begins in such calendar year, and

(B) no addition to tax would (but for this section) be imposed under section 6654 for such taxable year by reason of section 6654(e).

**(3) Annualization**

Under regulations prescribed by the Secretary, appropriate adjustments shall be made in the application of section 6654(d)(2) in respect of the amount treated as tax under paragraph (1).

**(c) Domestic service employment taxes**

For purposes of this section, the term “domestic service employment taxes” means—

(1) any taxes imposed by chapter 21 or 23 on remuneration paid for domestic service in a private home of the employer, and

(2) any amount withheld from such remuneration pursuant to an agreement under section 3402(p).

For purposes of this subsection, the term “domestic service in a private home of the employer” includes domestic service described in section 3121(g)(5).

**(d) Exception where employer liable for other employment taxes**

To the extent provided in regulations prescribed by the Secretary, this section shall not apply to any employer for any calendar year if such employer is liable for any tax under this subtitle with respect to remuneration for services other than domestic service in a private home of the employer.

**(e) General regulatory authority**

The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section. Such regulations may treat domestic service employment taxes as taxes imposed by chapter 1 for purposes of coordinating the assessment and collection of such employment taxes with the assessment and collection of domestic employers’ income taxes.

**(f) Authority to enter into agreements to collect State unemployment taxes**

**(1) In general**

The Secretary is hereby authorized to enter into an agreement with any State to collect, as the agent of such State, such State’s unemployment taxes imposed on remuneration paid for domestic service in a private home of the employer. Any taxes to be collected by the Secretary pursuant to such an agreement shall be treated as domestic service employment taxes for purposes of this section.

**(2) Transfers to State account**

Any amount collected under an agreement referred to in paragraph (1) shall be transferred by the Secretary to the account of the State in the Unemployment Trust Fund.

**(3) Subtitle F made applicable**

For purposes of subtitle F, any amount required to be collected under an agreement under paragraph (1) shall be treated as a tax imposed by chapter 23.

**(4) State**

For purposes of this subsection, the term “State” has the meaning given such term by section 3306(j)(1).

(Added Pub. L. 103-387, § 2(b)(1), Oct. 22, 1994, 108 Stat. 4073; amended Pub. L. 113-295, div. A, title II, § 221(a)(102), Dec. 19, 2014, 128 Stat. 4052.)

PRIOR PROVISIONS

A prior section 3510, added Pub. L. 98-21, title I, § 123(b)(1), Apr. 20, 1983, 97 Stat. 88, provided a credit for increased social security employee taxes and railroad retirement tier 1 employee taxes imposed during 1984, prior to repeal by Pub. L. 101-508, title XI, § 11801(a)(42), Nov. 5, 1990, 104 Stat. 1388-521.

AMENDMENTS

2014—Subsec. (b)(4). Pub. L. 113-295 struck out par. (4). Text read as follows: “In the case of any taxable year beginning before January 1, 1998, no addition to tax shall be made under section 6654 with respect to any underpayment to the extent such underpayment was created or increased by this section.”

## EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-295 effective Dec. 19, 2014, subject to a savings provision, see section 221(b) of Pub. L. 113-295, set out as a note under section 1 of this title.

## EFFECTIVE DATE

Pub. L. 103-387, §2(b)(3), Oct. 22, 1994, 108 Stat. 4074, provided that: “The amendments made by this subsection [enacting this section] shall apply to remuneration paid in calendar years beginning after December 31, 1994.”

## EXPANDED INFORMATION TO EMPLOYERS

Pub. L. 103-387, §2(b)(4), Oct. 22, 1994, 108 Stat. 4074, provided that: “The Secretary of the Treasury or the Secretary’s delegate shall prepare and make available information on the Federal tax obligations of employers with respect to employees performing domestic service in a private home of the employer. Such information shall also include a statement that such employers may have obligations with respect to such employees under State laws relating to unemployment insurance and workers compensation.”

### § 3511. Certified professional employer organizations

#### (a) General rules

For purposes of the taxes, and other obligations, imposed by this subtitle—

(1) a certified professional employer organization shall be treated as the employer (and no other person shall be treated as the employer) of any work site employee performing services for any customer of such organization, but only with respect to remuneration remitted by such organization to such work site employee, and

(2) the exemptions, exclusions, definitions, and other rules which are based on type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

#### (b) Successor employer status

For purposes of sections 3121(a)(1), 3231(e)(2)(C), and 3306(b)(1)—

(1) a certified professional employer organization entering into a service contract with a customer with respect to a work site employee shall be treated as a successor employer and the customer shall be treated as a predecessor employer during the term of such service contract, and

(2) a customer whose service contract with a certified professional employer organization is terminated with respect to a work site employee shall be treated as a successor employer and the certified professional employer organization shall be treated as a predecessor employer.

#### (c) Liability of certified professional employer organization

Solely for purposes of its liability for the taxes and other obligations imposed by this subtitle—

(1) a certified professional employer organization shall be treated as the employer of any individual (other than a work site employee or a person described in subsection (f)) who is performing services covered by a contract meeting the requirements of section 7705(e)(2), but only with respect to remuneration remit-

ted by such organization to such individual, and

(2) the exemptions, exclusions, definitions, and other rules which are based on type of employer and which would (but for paragraph (1)) apply shall apply with respect to such taxes imposed on such remuneration.

#### (d) Treatment of credits

##### (1) In general

For purposes of any credit specified in paragraph (2)—

(A) such credit with respect to a work site employee performing services for the customer applies to the customer, not the certified professional employer organization,

(B) the customer, and not the certified professional employer organization, shall take into account wages and employment taxes—

(i) paid by the certified professional employer organization with respect to the work site employee, and

(ii) for which the certified professional employer organization receives payment from the customer, and

(C) the certified professional employer organization shall furnish the customer and the Secretary with any information necessary for the customer to claim such credit.

##### (2) Credits specified

A credit is specified in this paragraph if such credit is allowed under—

(A) section 41 (credit for increasing research activity),

(B) section 45A (Indian employment credit),

(C) section 45B (credit for portion of employer social security taxes paid with respect to employee cash tips),

(D) section 45C (clinical testing expenses for certain drugs for rare diseases or conditions),

(E) section 45R (employee health insurance expenses of small employers),

(F) section 51 (work opportunity credit),

(G) section 1396 (empowerment zone employment credit), and

(H) any other section as provided by the Secretary.

#### (e) Special rule for related party

This section shall not apply in the case of a customer which bears a relationship to a certified professional employer organization described in section 267(b) or 707(b). For purposes of the preceding sentence, such sections shall be applied by substituting “10 percent” for “50 percent”.

#### (f) Special rule for certain individuals

For purposes of the taxes imposed under this subtitle, an individual with net earnings from self-employment derived from the customer’s trade or business (including a partner in a partnership that is a customer) is not a work site employee with respect to remuneration paid by a certified professional employer organization.

#### (g) Reporting requirements and obligations

The Secretary shall develop such reporting and recordkeeping rules, regulations, and proce-