

**Internal Revenue Service, Treasury****§ 1.1401-1**

Section 1.6038A-1 also issued under 26 U.S.C. 6038A.  
 Section 1.6038A-2 also issued under 26 U.S.C. 6038A.  
 Section 1.6038A-3 also issued under 26 U.S.C. 6038A and 7701(l).  
 Section 1.6038A-4 also issued under 26 U.S.C. 6038A.  
 Section 1.6038A-5 also issued under 26 U.S.C. 6038A.  
 Section 1.6038A-6 also issued under 26 U.S.C. 6038A.  
 Section 1.6038A-7 also issued under 26 U.S.C. 6038A.  
 Section 1.6038B-1 also issued under 26 U.S.C. 6038B.  
 Section 1.6038B-1T also issued under 26 U.S.C. 6038B.  
 Section 1.6038B-2 also issued under 26 U.S.C. 6038B.  
 Section 1.6041-2T also issued under 26 U.S.C. 6041(d).  
 Section 1.6041-3 also issued under 26 U.S.C. 62 and 6041(a).  
 Section 1.6042-3 also issued under 26 U.S.C. 6045.  
 Section 1.6045-1 also issued under 26 U.S.C. 6045.  
 Section 1.6045-2 also issued under 26 U.S.C. 6045.  
 Section 1.6045-4 also issued under 26 U.S.C. 6045.  
 Section 1.6046A-1 also issued under 26 U.S.C. 6046A.  
 Section 1.6049-4 also issued under 26 U.S.C. 6049 (a), (b), and (d).  
 Section 1.6049-5 also issued under 26 U.S.C. 6049 (a), (b), and (d).  
 Section 1.6049-5T also issued under 26 U.S.C. 6049.  
 Section 1.6049-6 also issued under 6049(a), (b), and (d).  
 Section 1.6049-7 also issued under 26 U.S.C. 860G(e), 1275(c) and 26 U.S.C. 6049(d)(7)(D).  
 Section 1.6050E-1 also issued under 26 U.S.C. 6050E.  
 Section 1.6050H-1 also issued under 26 U.S.C. 6050H.  
 Section 1.6050H-1T also issued under 26 U.S.C. 6050H.  
 Section 1.6050H-2 also issued under 26 U.S.C. 6050H.  
 Section 1.6050I-1 also issued under 26 U.S.C. 6050I.  
 Section 1.6050I-2 also issued under 26 U.S.C. 6050I.  
 Section 1.6050K-1 also issued under 26 U.S.C. 6050K.  
 Section 1.6050M-1 also issued under 26 U.S.C. 6050M.  
 Section 1.6050P-1 also issued under 26 U.S.C. 6050P.  
 Section 1.6050S-1T also issued under 26 U.S.C. 6050S(g).  
 Section 1.6050S-2T also issued under 26 U.S.C. 6050S(g).

Section 1.6061-2T also issued under 26 U.S.C. 6061.  
 Section 1.6065-2T also issued under 26 U.S.C. 6065.  
 Section 1.6081-2 also issued under 26 U.S.C. 6081(a).  
 Section 1.6081-4 also issued under 26 U.S.C. 6081(a).  
 Section 1.6081-6 also issued under 26 U.S.C. 6081(a).  
 Section 1.6081-7 also issued under 26 U.S.C. 6081(a).  
 Section 1.6302-1 also issued under 26 U.S.C. 6302(c) and (h).  
 Section 1.6302-2 also issued under 26 U.S.C. 6302(h).  
 Section 1.6302-3 also issued under 26 U.S.C. 6302(h).  
 Section 1.6302-4 also issued under 26 U.S.C. 6302(a), (c), and (h).  
 Section 1.6411-4 also issued under 26 U.S.C. 6402(i) and 6411(c).  
 Section 1.6662-6 also issued under 26 U.S.C. 6662.  
 Section 1.6695-1 also issued under 26 U.S.C. 6060(b) and 6695(b).  
 Section 1.6695-2 also issued under 26 U.S.C. 6695(g).  
 Section 1.6851-2 also issued under 26 U.S.C. 6851(d).  
 Section 1.7520-1 also issued under 26 U.S.C. 7520(c)(2).  
 Section 1.7520-2 also issued under 26 U.S.C. 7520(c)(2).  
 Section 1.7520-3 also issued under 26 U.S.C. 7520(c)(2).  
 Section 1.7520-4 also issued under 26 U.S.C. 7520(c)(2).  
 Section 1.7701(1)-1 also issued under 26 U.S.C. 7701(1).  
 Section 1.7701(1)-3 also issued under 26 U.S.C. 7701(1).  
 Section 1.7872-5T also issued under 26 U.S.C. 7872.

SOURCE: Sections 1.1401-1 to 1.1403-1 contained in T.D. 6691, 28 FR 12796, Dec. 3, 1963, unless otherwise noted.

**TAX ON SELF-EMPLOYMENT INCOME****§ 1.1401-1 Tax on self-employment income.**

(a) There is imposed, in addition to other taxes, a tax upon the self-employment income of every individual at the rates prescribed in section 1401(a) (old-age, survivors, and disability insurance) and (b) (hospital insurance). (See subparagraphs (1) and (2) of paragraph (b) of this section.) This tax shall be levied, assessed, and collected as

**§ 1.1402(a)-1**

part of the income tax imposed by subtitle A of the Code and, except as otherwise expressly provided, will be included with the tax imposed by section 1 or 3 in computing any deficiency or overpayment and in computing the interest and additions to any deficiency, overpayment, or tax. Since the tax on self-employment income is part of the income tax, it is subject to the jurisdiction of the Tax Court of the United States to the same extent and in the same manner as the other taxes under subtitle A of the Code. Furthermore, with respect to taxable years beginning after December 31, 1966, this tax must be taken into account in computing any estimate of the taxes required to be declared under section 6015.

(b) The rates of tax on self-employment income are as follows:

(1) For old-age, survivors, and disability insurance:

<i>Taxable year</i>	<i>Percent</i>
Beginning before January 1, 1957 .....	3
Beginning after December 31, 1956 and before January 1, 1959 .....	3.375
Beginning after December 31, 1958 and before January 1, 1960 .....	3.75
Beginning after December 31, 1959 and before January 1, 1962 .....	4.5
Beginning after December 31, 1961 and before January 1, 1963 .....	4.7
Beginning after December 31, 1962 and before January 1, 1966 .....	5.4
Beginning after December 31, 1965 and before January 1, 1967 .....	5.8
Beginning after December 31, 1966 and before January 1, 1968 .....	5.9
Beginning after December 31, 1967 and before January 1, 1969 .....	5.8
Beginning after December 31, 1968 and before January 1, 1971 .....	6.3
Beginning after December 31, 1970 and before January 1, 1973 .....	6.9
Beginning after December 31, 1972 .....	7.0

(2) For hospital insurance:

<i>Taxable year</i>	<i>Percent</i>
Beginning after December 31, 1965 and before January 1, 1967 .....	0.35
Beginning after December 31, 1966 and before January 1, 1968 .....	.50
Beginning after December 31, 1967 and before January 1, 1973 .....	.60
Beginning after December 31, 1972 and before January 1, 1974 .....	1.0
Beginning after December 31, 1973 and before January 1, 1978 .....	.90
Beginning after December 31, 1977 and before January 1, 1981 .....	1.10
Beginning after December 31, 1980 and before January 1, 1986 .....	1.35
Beginning after December 31, 1985 .....	1.50

(c) In general, self-employment income consists of the net earnings derived by an individual (other than a nonresident alien) from a trade or business carried on by him as sole proprietor or by a partnership of which he is a member, including the net earnings of certain employees as set forth in §1.1402(c)-3, and of crew leaders, as defined in section 3121(o) (see such section and the regulations thereunder in part 31 of this chapter (Employment Tax Regulations)). See, however, the exclusions, exceptions, and limitations set forth in §§1.1402(a)-1 through 1.1402(h)-1.

[T.D. 6993, 34 FR 828, Jan. 18, 1969, as amended by T.D. 7333, 39 FR 4445, Dec. 24, 1974]

**§ 1.1402(a)-1 Definition of net earnings from self-employment.**

(a) Subject to the special rules set forth in §§1.1402(a)-3 to 1.1402(a)-17, inclusive, and to the exclusions set forth in §§1.1402(c)-2 to 1.1402(c)-7, inclusive, the term “net earnings from self-employment” means:

(1) The gross income derived by an individual from any trade or business carried on by such individual, less the deductions allowed by chapter 1 of the Code which are attributable to such trade or business, plus

(2) His distributive share (whether or not distributed), as determined under section 704, of the income (or minus the loss), described in section 702(a)(9) and as computed under section 703, from any trade or business carried on by any partnership of which he is a member.

(b) Gross income derived by an individual from a trade or business includes payments received by him from a partnership of which he is a member for services rendered to the partnership or for the use of capital by the partnership, to the extent the payments are determined without regard to the income of the partnership. However, such payments received from a partnership not engaged in a trade or business within the meaning of section 1402(c) and §1.1402(c)-1 do not constitute gross income derived by an individual from a trade or business. See section 707(c) and the regulations thereunder, relating to guaranteed payments to a member of a partnership for services or the use of capital. See also section 706(a)