

"(B) If any portion of a partner's distributive share of the ordinary net income or loss from a trade or business carried on by a partnership is community income or loss under the community property laws applicable to such share, all of such distributive share shall be included in computing the net earnings from self-employment of such partner, and no part of such share shall be taken into account in computing the net earnings from self-employment of the spouse of such partner;

"(7) In the case of any taxable year beginning on or after the effective date specified in section 219, (A) the term 'possession of the United States' as used in section 251 of the Internal Revenue Code shall not include Puerto Rico, and (B) a citizen or resident of Puerto Rico shall compute his net earnings from self-employment in the same manner as a citizen of the United States and without regard to the provisions of section 252 of such code.

If the taxable year of a partner is different from that of the partnership, the distributive share which he is required to include in computing his net earnings from self-employment shall be based upon the ordinary net income or loss of the partnership for any taxable year of the partnership (even though beginning prior to 1951) ending within or with his taxable year.

Post, p. 517.

53 Stat. 79.
26 U. S. C. § 251;
Sup. III, § 251.
Post, p. 944.

53 Stat. 80.
26 U. S. C. § 252.
Post, p. 944.

"Self-Employment Income

"(b) The term 'self-employment income' means the net earnings from self-employment derived by an individual (other than a non-resident alien individual) during any taxable year beginning after 1950; except that such term shall not include—

"(1) That part of the net earnings from self-employment which is in excess of: (A) \$3,600, minus (B) the amount of the wages paid to such individual during the taxable year; or

"(2) The net earnings from self-employment, if such net earnings for the taxable year are less than \$400.

In the case of any taxable year beginning prior to the effective date specified in section 219, an individual who is a citizen of Puerto Rico (but not otherwise a citizen of the United States) and who is not a resident of the United States during such taxable year shall be considered, for the purposes of this subsection, as a nonresident alien individual. An individual who is not a citizen of the United States but who is a resident of the Virgin Islands or (after the effective date specified in section 219) a resident of Puerto Rico shall not, for the purposes of this subsection, be considered to be a nonresident alien individual.

Post, p. 517.

"Trade or Business

"(c) The term 'trade or business', when used with reference to self-employment income or net earnings from self-employment, shall have the same meaning as when used in section 23 of the Internal Revenue Code, except that such term shall not include—

"(1) The performance of the functions of a public office;

"(2) The performance of service by an individual as an employee (other than service described in section 210 (a) (16) (B) performed by an individual who has attained the age of eighteen);

"(3) The performance of service by an individual as an employee or employee representative as defined in section 1532 of the Internal Revenue Code;

"(4) The performance of service by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

53 Stat. 12.
28 U. S. C. § 23; Sup.
III, § 23.
Post, pp. 929, 941,
959, 1210.

Ante, p. 498.

53 Stat. 181.
26 U. S. C. § 1532.