

NB: This unofficial compilation of the U.S. Code is current as of Jan. 4, 2010 (see <http://www.law.cornell.edu/uscode/uscpriint.html>).

Any vehicle fringe benefit shall be treated as wages from which amounts are required to be deducted and withheld under this chapter for purposes of section 6051.

(3) Vehicle fringe benefit

For purposes of this subsection, the term "vehicle fringe benefit" means any fringe benefit—

(A) which constitutes wages (as defined in section 3401), and

(B) which consists of providing a highway motor vehicle for the use of the employee.

(t) Extension of withholding to certain payments made by Government entities

(1) General rule

The Government of the United States, every State, every political subdivision thereof, and every instrumentality of the foregoing (including multi-State agencies) making any payment to any person providing any property or services (including any payment made in connection with a government voucher or certificate program which functions as a payment for property or services) shall deduct and withhold from such payment a tax in an amount equal to 3 percent of such payment.

(2) Property and services subject to withholding

Paragraph (1) shall not apply to any payment—

(A) except as provided in subparagraph (B), which is subject to withholding under any other provision of this chapter or chapter 3,

(B) which is subject to withholding under section 3406 and from which amounts are being withheld under such section,

(C) of interest,

(D) for real property,

(E) to any governmental entity subject to the requirements of paragraph (1), any tax-exempt entity, or any foreign government,

(F) made pursuant to a classified or confidential contract described in section 6050M (e)(3),

(G) made by a political subdivision of a State (or any instrumentality thereof) which makes less than \$100,000,000 of such payments annually,

(H) which is in connection with a public assistance or public welfare program for which eligibility is determined by a needs or income test, and

(I) to any government employee not otherwise excludable with respect to their services as an employee.

(3) Coordination with other sections

For purposes of sections 3403 and 3404 and for purposes of so much of subtitle F (except section 7205) as relates to this chapter, payments to any person for property or services which are subject to withholding shall be treated as if such payments were wages paid by an employer to an employee.

Footnotes

¹ See References in Text note below.

(Aug. 16, 1954, ch. 736, 68A Stat. 457; Aug. 9, 1955, ch. 666, § 2, 69 Stat. 605; Pub. L. 87-256, § 110(g)(2), Sept. 21, 1961, 75 Stat. 537; Pub. L. 88-272, title III, § 302(a), (b), Feb. 26, 1964, 78 Stat. 140; Pub. L. 89-97, title III, § 313(d)(3)-(5), July 30, 1965, 79 Stat. 384; Pub. L. 89-212, § 2(c), Sept. 29, 1965, 79 Stat. 859; Pub. L. 89-368, title I, § 101(a)-(e)(3), Mar. 15, 1966, 80 Stat. 38-61; Pub. L. 90-364, title I, § 102(c), June 28, 1968, 82 Stat. 256; Pub. L. 91-36, § 2(a), June 30, 1969, 83 Stat. 42; Pub. L. 91-53, § 6(a), Aug. 7, 1969, 83 Stat. 96; Pub. L. 91-172, title VIII, § 805(a)-(e), (f)(1), (g), Dec. 30, 1969, 83 Stat. 686, 704-708; Pub. L. 92-178, title II, § 208(a), (b)(1), (c)-(h)(1), Dec. 10, 1971, 85 Stat. 512-517; Pub. L. 94-12, title II, §§ 202(b), 205, Mar. 29, 1975, 89 Stat. 29, 32; Pub. L. 94-164, §§ 2(b)(2), 5 (a)(1), Dec. 23, 1975, 89 Stat. 971, 975; Pub. L. 94-331, § 3(a)(1), June 30, 1976, 90 Stat. 782;