

Internal Revenue Code Section 4975(c)(1)(A)

Tax on prohibited transactions

- (a) Initial taxes on disqualified person. There is hereby imposed a tax on each prohibited transaction. The rate of tax shall be equal to 15 percent of the amount involved with respect to the prohibited transaction for each year (or part thereof) in the taxable period. The tax imposed by this subsection shall be paid by any disqualified person who participates in the prohibited transaction (other than a fiduciary acting only as such).
- (b) Additional taxes on disqualified person. In any case in which an initial tax is imposed by subsection (a) on a prohibited transaction and the transaction is not corrected within the taxable period, there is hereby imposed a tax equal to 100 percent of the amount involved. The tax imposed by this subsection shall be paid by any disqualified person who participated in the prohibited transaction (other than a fiduciary acting only as such).
- (c) Prohibited transaction.
 - (1) General rule. For purposes of this section, the term "prohibited transaction" means any direct or indirect—
 -  (A) sale or exchange, or leasing, of any property between a plan and a disqualified person;
 - (B) lending of money or other extension of credit between a plan and a disqualified person;
 - (C) furnishing of goods, services, or facilities between a plan and a disqualified person;
 - (D) transfer to, or use by or for the benefit of, a disqualified person of the income or assets of a plan;
 - (E) act by a disqualified person who is a fiduciary whereby he deals with the income or assets of a plan in his own interest or for his own account;
or
 - (F) receipt of any consideration for his own personal account by any disqualified person who is a fiduciary from any party dealing with the plan in connection with a transaction involving the income or assets of the plan.