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Rev. Rul. 69-184

Bona fide members of a partnership are not employees of the partnership within the meaning of the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, and the Collection of Income Tax at Source on Wages (chapters 21, 23, and 24, respectively, subtitle C, Internal Revenue Code of 1954). Such a partner who devotes his time and energies in the conduct of the trade or business of the partnership, or in providing services to the partnership as an independent contractor, is, in either event, a self-employed individual rather than an individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee. Sections 1402(a) and 3121(d)(2) of the Code.

Remuneration received by a partner from the partnership is not "wages" with respect to "employment" and therefore is not subject to the taxes imposed by the Federal Insurance Contributions Act and the Federal Unemployment Tax Act. Such remuneration also is not subject to Federal income tax withholding.

S.S.T. 23, C.B. XV-2, 405 (1936), is superseded, since the position set forth therein is restated under current statute and regulations in this Revenue Ruling.

¹ ¶ Prepared pursuant to Rev. Proc. 67-6, C.B. 1967-1, 576.