Who is liable for paying the investment tax?

Any taxpayer who has net investment income and modified adjusted gross income (MAGI) in excess of the applicable threshold amount is subject to the 3.8 percent net investment income tax. The applicable thresholds are MAGI in excess of $200,000 for single taxpayers, $125,000 for married taxpayers filing separately and $250,000 for married couples filing jointly. Unlike many other income threshold amounts, these thresholds are not indexed annually for inflation.[[1]](#footnote-1)

In addition to individuals, the net investment income tax applies to certain trusts and estates.[[2]](#footnote-2) Nonresident aliens are not subject to the tax.[[3]](#footnote-3)

1. See Preamble to notice of proposed rulemaking, REG-130507-11, 77 Fed. Reg. 72611, 72615. [↑](#footnote-ref-1)
2. IRC Sec. 1411(a). [↑](#footnote-ref-2)
3. IRC Sec. 1411(e). [↑](#footnote-ref-3)