

Calendar No. 199

82D CONGRESS }
1st Session }

SENATE

} REPORT
No. 220

AMENDING SECTION 10, PUBLIC LAW 378, EIGHTY-FIRST CONGRESS

APRIL 17, 1951.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 2654]

The Committee on Finance, to whom was referred the bill (H. R. 2654) to amend section 10 of Public Law 378, Eighty-first Congress, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The purpose of this bill is to extend until January 1, 1952, the period during which a claim for a refund may be filed under section 939 of the Internal Revenue Code. This section, which was added by section 10 (a) of Public Law 378 of the Eighty-first Congress, allows an exemption from the additional estate tax for the estates of citizens or residents of the United States dying on or after December 7, 1941, and before January 1, 1947, while in active service in the military or naval forces of the United States or of any of the other United Nations, if the decedent was killed in action or died as a result of wounds or other injuries, or of disease, suffered while in line of duty by reason of a hazard to which he was subjected as incident to his military or naval service. Subsection (b) of section 10 extended to October 25, 1950, the time during which claim for refund of an overpayment resulting from the application of section 10 might be made if such refund was prevented on October 25, 1949) the date of enactment of Public Law 378), or within 1 year thereafter by the operation of any law or rule of law (other than sec. 3761 of the Internal Revenue Code, relating to compromises).

The attention of your committee has been called to the fact that in some cases estates of deceased servicemen have not had an opportunity within the prescribed time to invoke the benefits intended by the Congress under section 10 of Public Law 378, and your committee believes

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therefore that it is only fair to permit these estates to have additional time within which to file claims for refund. Since no interest is permitted on any refund and since the number of estates which have not been able to file timely claims is small, the loss of revenue will be inconsequential.

The Treasury Department has no objection to the enactment of this bill.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SUBSECTION (B) OF SECTION 10 OF ACT OF OCTOBER 25 1949 (PUBLIC LAW 378, 81ST CONG.)

SEC. 10. EXEMPTION FROM THE ADDITIONAL ESTATE TAX FOR CERTAIN MEMBERS OF ARMED FORCES.

(a) * * *

(b) If the refund of any overpayment resulting from the application of this section is prevented on the date of the enactment of this Act, or [within one year from such date] *at any time prior to January 1, 1952*, by the operation of any law or rule of law (other than section 3761 of the Internal Revenue Code, relating to compromises), refund of such overpayment may, nevertheless, be made if claim therefor is filed [within one year from the date of the enactment of this Act] *prior to January 1, 1952*.

