

## EXCISE TAX REDUCTION ACT OF 1954

MARCH 29, 1954.—Ordered to be printed

Mr. REED of New York, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany H. R. 8224]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8224) to reduce excise taxes, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 4, 21, 22, 23, 24, 26, 27, 28, 29, 32, 33, 34, 37, 38, and 39.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 8, 9, 10, 12, 13, 15, 16, 17, 20, 25, 30, 31, 35, 36, 40, 41, 42, 43, 46, 47, 48, 49, 50, 51, 52, 53, and 54 and agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(f) *EXEMPTIONS OF ADMISSIONS OF FIFTY CENTS OR LESS.*—Section 1700 (a) (1) (relating to rate of tax on single or season tickets and subscriptions) is hereby amended by striking out the second sentence thereof and inserting in lieu thereof the following: "No tax shall be imposed under this paragraph on the amount paid for admission—

"(A) if the amount paid for admission is 50 cents or less, or

"(B) in the case of a season ticket or subscription, if the amount which would be charged to the holder or subscriber for a single admission is 50 cents or less."

And the Senate agree to the same.

## Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

On page 3, of the Senate engrossed amendments, strike out lines 16 through 22, inclusive, and insert:

*subsection (a) applies*”.

*(4) The last sentence of section 1700 (e) (1) (relating to tax on cabarets, roof gardens, etc.) is hereby amended by striking out “subsection (a) (1)” and inserting in lieu thereof “paragraph (1) or (3) of subsection (a)”.*

And the Senate agree to the same.

## Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with amendments as follows:

On page 5, line 16, of the Senate engrossed amendments, strike out “Civic” and insert *Certain Amateur*

On page 6, of the Senate engrossed amendments, strike out lines 1 through 5, inclusive, and insert:

*“(f) CERTAIN AMATEUR THEATER PERFORMANCES.—Any admission to an amateur performance presented and performed by a civic or community theater group or organization—if no part of the net earnings thereof inures to the benefit of any private stockholder or individual.”*

And the Senate agree to the same.

## Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

*The amendments made by section 201 (other than subsection (b) thereof) shall apply only with respect to amounts paid for admissions on or after April 1, 1954. In addition, such amendments shall apply—*

*(1) in the case of any season ticket or subscription, only if all the admissions under such ticket or subscription can occur only on or after April 1, 1954; and*

*(2) in the case of the permanent use of a box or seat or a lease for the use of such box or seat, only if all the performances or exhibitions at which the box or seat is used or reserved by or for the lessee or holder can occur only on or after April 1, 1954.*

*The amendment made by subsection (b) shall apply only with respect to amounts paid on or after April 1, 1954, for admissions on or after such date.*

And the Senate agree to the same.

## Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

On page 7, line 21, of the Senate engrossed amendments, after “machining operations”, insert *(including forging, drawing, rolling, shearing, punching, and stamping)*; and the Senate agree to the same.

## Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with amendments as follows:

Beginning on page 8, line 25, of the Senate engrossed amendments, strike out "is held on such date" and insert *on such date is held*

On page 9, line 4, of the Senate engrossed amendments, strike out "one-half" and insert *the difference between*

On page 9, line 5, of the Senate engrossed amendments, strike out "article," and insert *article and the tax made applicable to such article on and after April 1, 1954,*

On page 10, line 6, of the Senate engrossed amendments, after "section", insert *to the same extent as if such credits or refunds constituted credits or refunds of such taxes*

And the Senate agree to the same.

## Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

**SEC. 506. SPECIAL CREDIT OR REFUND OF TRANSPORTATION AND ADMISSIONS TAXES.**

*Notwithstanding any other provision of law, in any case in which tax has been collected prior to April 1, 1954, at the rate in effect (without regard to the amendments made by this Act) prior to April 1, 1954, for or in connection with the transportation of persons which begins on or after April 1, 1954, or for admissions (referred to in section 201, other than subsections (b), (c), and (g) thereof, of this Act) on or after April 1, 1954, the person who collected the tax shall pay the same over to the United States; but credit or refund (without interest) of the tax collected in excess of that applicable (by reason of the amendments made by this Act) on or after April 1, 1954, shall be allowed to the person who collected the tax as if such credit or refund were a credit or refund under the applicable provision of the Internal Revenue Code, but only to the extent that, prior to the time such transportation has begun or prior to the event to which the right to admission relates, he has repaid the amount of such excess to the person from whom he collected the tax, or has obtained the consent of such person to the allowance of the credit or refund. For the purpose of this Act, transportation shall not be considered to have begun on or after April 1, 1954, if any part of the transportation paid for (or for which payment has been obligated) commenced before April 1, 1954.*

And the Senate agree to the same.

**Amendment numbered 45:**

That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows:

On page 13, line 10, of the Senate engrossed amendments, strike out "506" and insert 507; and the Senate agree to the same.

DANIEL A. REED,  
THOMAS A. JENKINS,  
RICHARD M. SIMPSON,  
JERE COOPER,  
W. D. MILLS,

*Managers on the Part of the House.*

E. D. MILLIKIN,  
HUGH BUTLER,  
EDWARD MARTIN,  
ED C. JOHNSON,

*Managers on the Part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8224) to reduce excise taxes, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos. 1 and 2: These are clerical amendments. The Senate recedes.

Amendment No. 3: Under existing law the admissions tax in the case of roof gardens, cabarets, and similar places is 20 percent. The bill as passed the House would have reduced the rate of tax to 10 percent. The Senate amendment continues the 20 percent rate. The House recedes.

Amendment No. 4: This is a clerical amendment. The Senate recedes.

Amendment No. 5: This amendment provides that the tax on admissions shall be 1 percent for each 10 cents or major fraction thereof. Under the house bill the tax would be 1 cent for each 10 cents or fraction thereof. The House recedes.

Amendment No. 6: This amendment (for which there is no corresponding provision in the House bill) provides that the tax on admissions under section 1700 (a) (1) of the Internal Revenue Code will not apply in the case of any admission of 60 cents or less. The House recedes with an amendment under which such tax will not apply in the case of any admission of 50 cents or less.

Amendment No. 7: This amendment (for which there is no corresponding provision in the House bill) retains the existing rate of 1 cent for each 5 cents or major fraction thereof in the case of admissions, if the principal amusement or recreation offered with respect thereto is horse or dog racing at a race track. This amendment also contains technical provisions with respect to the tax on permanent use or lease of box seats, sales outside the box office, and cabarets, which are necessary because of the higher rate of tax on admissions to such racing events. The House recedes with a technical amendment.

Amendment No. 8: Under this amendment (for which there is no corresponding provision in the House bill) admissions to an athletic game between teams composed of students from elementary or secondary schools would be exempt from tax, if the entire gross proceeds from such game inure to the benefit of a hospital for crippled children. Under existing law the game must be between two elementary or secondary schools. The House recedes.

Amendment No. 9: Under this amendment (for which there is no corresponding provision in the House bill) admissions to athletic games and exhibitions and to wrestling and boxing matches between educational institutions will be exempt if held during the regular athletic season for such event and if the proceeds therefrom inure exclusively to the benefit of such institutions. The House recedes.

Amendment No. 10: Under existing law admissions to historic sites, houses, and shrines, and museums conducted in connection therewith, maintained and operated by certain societies and organizations are exempt from tax. Under the Senate amendment (for which there is no corresponding provision in the House bill) the existing exemption is continued. In addition, this amendment exempts from tax admissions to certain museums of history, art, and science and to planetariums operated by States or their political subdivisions, by the United States, or by nonprofit societies and organizations. The amendment also extends the existing exemption for historic sites, houses, and shrines to those operated by States or their political subdivisions or by the United States. The House recedes.

Amendment No. 11: Under this amendment (for which there is no corresponding provision in the House bill) there is exempted from tax admissions to performances presented by a civic theater or community theater group or organization, if no part of the net earnings thereof inures to the benefit of any private stockholder or individual. The House recedes with amendments making it clear that the exemption is to apply only in the case of amateur performances which are presented and performed by a civic or community theater group or organization.

Amendments Nos. 12 and 13: The House bill reduced the tax on dues and memberships, and the tax on initiation fees, from the existing rate of 20 percent to 10 percent. The Senate amendments continue the 20 percent rate for both taxes. The House recedes.

Amendment No. 14: This is a technical amendment relating to the effective date for the changes in the taxes on admissions and dues. The House recedes with technical and conforming changes.

Amendment No. 15: The House bill reduced the tax on firearms, shells, and cartridges from 11 percent to 10 percent. Under the Senate amendment the existing 11 percent rate is retained. The House recedes.

Amendment No. 16: This is a clerical amendment. The House recedes.

Amendment No. 17: Under this amendment (for which there is no corresponding provision in the House bill) it is provided that the existing rate of tax of 2 cents per 1,000 matches shall not exceed 10 percent of the price for which the matches are sold by the producer, manufacturer, or importer. The House recedes.

Amendment No. 18: Under this amendment (for which there is no corresponding provision in the House bill) it is provided that the existing rate of tax on lubricating oils of 6 cents a gallon shall not, in the case of oils used primarily in cutting and machining operations on metals and known commercially as cutting oils, exceed 10 percent of the price for which such cutting oils are sold by the manufacturer or producer. The House recedes with an amendment making it clear that the term "cutting and machining operations", as used in the Senate amendment, includes forging, drawing, rolling, shearing, punching, and stamping.

Amendment No. 19: Under this amendment (for which there is no corresponding provision in the House bill) the manufacturers' excise taxes on refrigerators, quick-freeze units, and electric, gas, and oil appliances are reduced from 10 percent to 5 percent. The Senate amendment also includes a provision for floor stocks refunds on such

articles. The House recedes with technical amendments to the floor stocks refund provisions.

Amendment No. 20: This is a clerical amendment. The House recedes.

Amendment No. 21: This is a clerical amendment. The Senate recedes.

Amendment No. 22: This is a clerical amendment. The Senate recedes.

Amendment No. 23: The House bill reduced from 20 to 10 percent the tax on the use of safe deposit boxes. Under the Senate amendment, the existing 20 percent rate is retained. The Senate recedes.

Amendment No. 24: This is a clerical amendment. The Senate recedes.

Amendment No. 25: This is a technical amendment to correct an error in the House bill. The House recedes.

Amendment No. 26: This is a clerical amendment. The Senate recedes.

Amendment No. 27: This is a clerical amendment. The Senate recedes.

Amendment No. 28: This is a clerical amendment. The Senate recedes.

Amendment No. 29: This is a technical amendment relating to the effective date for the termination of the war tax rate insofar as it relates to roof gardens, cabarets, and similar places. The Senate recedes.

Amendments Nos. 30 and 31: These amendments provide that, in the case of floor stocks refunds on electric light bulbs and tubes, claim for credit or refund must be filed before August 1, 1954, and based on a request for reimbursement by the person holding the light bulbs or tubes which is submitted to the manufacturer or producer before July 1, 1954. The House recedes.

Amendment No. 32: This is a clerical amendment. The Senate recedes.

Amendment No. 33: This is a clerical amendment. The Senate recedes.

Amendment No. 34: This is a clerical amendment. The Senate recedes.

Amendment No. 35: This is a technical amendment relating to the effective date of certain provisions of the bill. The amendment provides that in determining whether such provisions apply, an article shall not be considered sold before April 1, 1954, unless possession or right to possession passes to the purchaser before such date. The House recedes.

Amendment No. 36: This is a technical amendment made necessary by amendment No. 35. The House recedes.

Amendment No. 37: This was a technical amendment made necessary by amendment No. 23. The Senate recedes.

Amendments Nos. 38 and 39: These were clerical amendments. The Senate recedes.

Amendments Nos. 40, 41, 42, and 43: These amendments make technical and clerical changes made necessary by other amendments. The House recedes.

Amendment No. 44: This amendment adds to the bill a new section relating to the crediting or refunding of overpayments of tax on ad-

missions and on transportation where an excessive amount of tax is collected before April 1, 1954, for transportation of persons beginning on or after April 1, 1954, or for admissions on or after such date. The House recedes with technical and conforming changes.

Amendment No. 45: Under existing law, the tax on benzol, benzene, naphtha, and certain other liquids is paid by the producer, and then if the liquid is sold for use or used in farm tractors or other than in motor vehicles, motorboats, or airplanes, a refund or credit is allowable. Under the Senate amendment, the tax will be collected at the retail level if the fuels are sold for use or used in motor vehicles, motorboats, or airplanes, and no tax will be collected if they are sold or used for other purposes. Under the Senate amendment the rates of tax are the same as under the bill as it passed the House. The House recedes with a clerical amendment which changes the section number.

Amendment No. 46: This amendment strikes out matter which becomes surplusage by reason of amendment No. 45. The House recedes.

Amendments Nos. 47, 48, 49, 50, 51, 52, 53, and 54: These are clerical amendments made necessary by amendments Nos. 45 and 46. The House recedes.

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