

INCOME TAX TREATMENT OF TERMINAL RAILROAD  
CORPORATIONS

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OCTOBER 5, 1962.—Ordered to be printed

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Mr. MILLS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 12599]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12599) relating to the income tax treatment of terminal railroad corporations and their shareholders, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 7 and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

W. D. MILLS,  
CECIL R. KING,  
HALE BOGGS,  
NOAH MASON,  
JOHN W. BYRNES,

*Managers on the Part of the House.*

HARRY F. BYRD,  
ROBT. S. KERR,  
RUSSELL LONG,  
JOHN J. WILLIAMS,  
CARL T. CURTIS,

*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. 12599) relating to the income tax treatment of terminal railroad corporations and their shareholders, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

### SECTIONS 1 AND 2. TERMINAL RAILROAD CORPORATIONS

The bill as passed by the House provided rules for the computation of the taxable income of certain railroad terminal corporations and their shareholders. The new treatment under the bill was applicable to all years to which the Internal Revenue Code of 1954 or the Internal Revenue Code of 1939 applies.

Senate amendment No. 3, and the conference agreement, provide additional rules relating to the application of the bill in the case of taxable years ending before the date of the enactment of the bill. The House recedes.

Senate amendments Nos. 1 and 2, and the conference agreement, also make technical changes to permit the application of section 281 to certain corporations which are common parent corporations and to certain corporations having short taxable years. The House recedes.

### SECTION 3. STATISTICAL STUDIES, ETC.

Senate amendment No. 5, and the conference agreement, amend the Internal Revenue Code of 1954 to authorize the Secretary of the Treasury or his delegate to make special statistical studies and compilations involving data taken from tax returns, declarations, etc., to engage in special studies and compilations jointly with parties making such a request, and to furnish transcripts of these special studies and compilations to the parties making the request where they pay the cost of the work performed.

Amendment No. 5, and the conference agreement, also authorize the Secretary of Treasury or his delegate to admit employees and officials of States, the Commonwealth of Puerto Rico, possessions of the United States, local governments of any of the above, the District of Columbia, or of foreign governments to training courses conducted by the Internal Revenue Service and to supply them with texts and other training aids. In this case the Secretary of the Treasury may require the payment of a reasonable fee not to exceed the cost of the training and training aids.

Amendment No. 5, and the conference agreement, also provide that payments for work or services performed—

(1) pursuant to the new section 7515 (special statistical studies and compilations),

(2) pursuant to the new section 7516 (supplying of training and training aids), and

(3) for a State or a department or agency of the Federal Government in supplying certain copies and data,

are to be deposited in a separate account. This separate account may be used to reimburse appropriations which bore all or part of the costs of such work or services, or to refund excess sums when necessary.

The House recedes on Senate amendment No. 5.

SECTION 4. ALLOWANCE OF CERTAIN REFUNDS

Senate amendment No. 6, and the conference agreement, make a technical amendment to section 6512(b)(2) of the Internal Revenue Code of 1954 (relating to limit on amount of credit or refund of overpayment determined by the Tax Court).

The House recedes.

SECTION 5. COOPERATIVE BANKS

Senate amendment No. 7, and the conference agreement, in effect provide that for cooperative banks to qualify for the special bad debt reserve provisions of section 593 of the code (as amended by sec. 6 of the Revenue Act of 1962) they must meet essentially the same requirements as to the character of their investments as are provided for domestic building and loan associations. The House recedes.

W. D. MILLS,  
CECIL R. KING,  
HALE BOGGS,  
NOAH MASON,  
JOHN W. BYRNES,

*Managers on the Part of the House.*

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