

ACCRUED VACATION PAY

August 20, 1964.—Ordered to be printed

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

CONFERENCE REPORT

[To accompany H.R. 10467]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10467) to continue for a temporary period certain existing rules relating to the deductibility of accrued vacation pay, 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, and 4, and agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

On page 3, lines 2 and 3, of the Senate engrossed amendments strike out “, acting through the Bureau of Public Roads,”.

And the Senate 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,
JOHN W. BYRNES,

Managers on the Part of the House.

HARRY F. BYRD,
RUSSELL B. LONG,
GEO. A. SMATHERS,
JOHN WILLIAMS,
FRANK CARLSON,

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. 10467) to continue for a temporary period certain existing rules relating to the deductibility of accrued vacation pay, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment provides that the value of the taxable estate of Carbon P. Dubbs (as otherwise determined under subch. A of ch. 11 of the 1954 Code) shall be determined by deducting from the value of the gross estate the sum of \$808,147.87, if cash and property equal to this sum are transferred within 60 days after the date of the enactment of the bill to the Department of State. The House recedes.

Amendment No. 2: This amendment authorizes the Commissioner of Internal Revenue to enter into a closing agreement under the 1954 Code in order to satisfy the requirements of a settlement, to which the United States is a party, in the probate proceedings relating to the estate of Anna Gould de Talleyrand. Under the closing agreement authorized by this amendment, certain deductions will be allowed in computing the taxable estate of Anna Gould de Talleyrand. The House recedes.

Amendment No. 3: This amendment authorizes and directs the Secretary of Commerce, acting through the Bureau of Public Roads, to investigate and study the feasibility of imposing taxes, on those transit and commuter systems which are the beneficiaries of Federal financial assistance under the Urban Mass Transportation Act of 1964 (Public Law 88-365), for the purpose of raising revenues to defray Federal expenditures under that act. The Secretary of Commerce is to report the results of the investigation and study, together with his recommendations, to the Committee on Ways and Means and the Committee on Finance not later than June 30, 1965. The House recedes with an amendment which strikes out the requirement that the Secretary of Commerce act through the Bureau of Public Roads.

Amendment No. 4: Section 318 of the 1954 Code provides rules of constructive ownership which are applicable in determining ownership of stock under certain provisions of the 1954 code. Under existing law, stock constructively owned by a partnership, estate, trust, or corporation is considered as owned (in proportion to their interests) by the members of the partnership, the beneficiaries of the estate or trust, or a shareholder of the corporation who owns 50 percent or more of the stock of the corporation. Also under existing law, stock owned by a partner, a beneficiary of an estate or trust, or a 50-percent owner of the stock of a corporation is considered as owned

by the partnership, estate, trust, or corporation. The combination of these two rules (known as "sidewise attribution") has the effect of treating stock owned by one member of a partnership, by one beneficiary of an estate or trust, or by one 50-percent owner of the stock of a corporation as being owned by the other partners, by the other beneficiaries of the estate or trust, or by another 50-percent owner of the stock of the corporation.

The amendment eliminates sidewise attribution. Thus, stock constructively owned by a partnership, estate, trust, or corporation (by reason of its being considered the owner of stock owned by a partner, a beneficiary of the estate or trust, or a 50-percent owner of the stock of the corporation) shall not be considered as owned by it for purposes of applying the rule which treats a partner, a beneficiary of an estate or trust, or a 50-percent owner of the stock of a corporation as owning proportionately the stock owned by the partnership, estate, trust, or corporation.

This amendment takes effect on the date of the enactment of the bill, except that, for purposes of sections 302 and 304 of the 1954 Code this amendment does not apply with respect to distributions in payment for stock acquisitions or redemptions, if such acquisitions or redemptions occurred before the date of the enactment of the bill.

The House recesses.

W. D. MILLS,
CECIL R. KING,
HALE BOGGS,
JOHN W. BYRNES,
Managers on the Part of the House.

○