

## EXCISE TAX REDUCTION ACT OF 1965

JUNE 16, 1965.—Ordered to be printed

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

### CONFERENCE REPORT

[To accompany H.R. 8371]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8371) 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 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 26, 29, 30, 31, 36, 42, 43, 44, 45, 46, 47, 48, 49, 85, 104, 107, and 108.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 32, 33, 34, 35, 37, 38, 39, 40, 41, 50, 51, 52, 53, 55, 56, 57, 58, 59, 60, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, and 102, 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:

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

*"4 percent for the period January 1, 1967, through December 31, 1967.*

*"2 percent for the period January 1, 1968, through December 31, 1968.*

*"1 percent for the period after December 31, 1968.*

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:

Restore the matter proposed to be stricken out by the Senate amendment, and—

(1) On page 6 of the House engrossed bill, line 7, strike out "If" and insert: *Except as provided in subsection (g), if.*

(2) On page 6 of the House engrossed bill, beginning with line 15, strike out all through line 9, on page 7, and insert:

"(1) *GENERAL RULE.—Except as provided in paragraph (2), not more than one claim may be filed under subsection (a) by any person with respect to lubricating oil used during his taxable year. No claim shall be allowed under this paragraph with respect to lubricating oil used during any taxable year unless filed by such person not later than the time prescribed by law for filing an income tax return for such taxable year. For purposes of this subsection, a person's taxable year shall be his taxable year for purposes of subtitle A, except that a person's first taxable year beginning after December 31, 1965, shall include the period after December 31, 1965, and before the beginning of such first taxable year.*

"(2) *EXCEPTION.—If \$1,000 or more is payable under this section to any person with respect to lubricating oil used during any of the first three quarters of his taxable year, a claim may be filed under this section by such person with respect to gasoline used during such quarter. No claim filed under this paragraph shall be allowed unless filed on or before the last day of the first quarter following the quarter for which the claim is filed.*

On page 7 of the House engrossed bill, line 10, strike out "paid" and insert: *payable.*

On page 8 of the House engrossed bill, after line 18, insert:

"(g) *INCOME TAX CREDIT IN LIEU OF PAYMENT.—*

"(1) *PERSONS NOT SUBJECT TO INCOME TAX.—Payment shall be made under subsection (a) only to—*

"(A) *the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions,*  
or

"(B) *an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).*

"(2) *EXCEPTION.—Paragraph (1) shall not apply to a payment of a claim filed under subsection (b)(2).*

"(3) *Allowance of credit against income tax.—*

*— "For allowance of credit against the tax imposed by subtitle A for lubricating oil used, see section 39."*

On page 8 of the House engrossed bill, line 19, strike out "(g)" and insert: (h).

On page 9 of the House engrossed bill, in the material following line 3, strike out "**section 6424**" and insert: **sections 39 and 6424.**

And the Senate agree to the same.

**Amendment numbered 54:**

That the House recede from its disagreement to the amendment of the Senate numbered 54, 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:

(b) *CONVEYANCES.*—Section 4316 (relating to tax on conveyances) is amended by adding at the end thereof the following new sentence: "The tax imposed by this section shall not apply on or after January 1, 1968."

And the Senate agree to the same.

**Amendment numbered 61:**

That the House recede from its disagreement to the amendment of the Senate numbered 61, 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:

(9) *by striking out subparagraphs (N), (O), (P), and (Q) of subsection (b)(2);*

And the Senate agree to the same.

**Amendment numbered 72:**

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows:

Restore the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 43 of the House engrossed bill, line 18, strike out "July 1, 1965" and insert: *on the day after the date of the enactment of this Act*; and the Senate agree to the same.

**Amendment numbered 101:**

That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with the following amendments:

**ON PAGE 43 OF THE SENATE ENGROSSED AMENDMENTS, LINES 10 AND 11, STRIKE OUT "GASOLINE." AND INSERT: GASOLINE AND LUBRICATING OIL.**

On page 49 of the Senate engrossed amendments, beginning with line 8, strike out all through line 6 on page 50, and insert:

**"Sec. 39. Certain uses of gasoline and lubricating oil.**

"(a) *GENERAL RULE.*—There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the amounts payable to the taxpayer—

"(1) *under section 6420 with respect to gasoline used during the taxable year on a farm for farming purposes (determined without regard to section 6420(h)),*

"(2) *under section 6421 with respect to gasoline used during the taxable year (A) otherwise than as a fuel in a highway vehicle or (B) in vehicles while engaged in furnishing certain public passenger land transportation service (determined without regard to section 6421(i)), and*

“(3) under section 6424 with respect to lubricating oil used during the taxable year otherwise than in a highway motor vehicle (determined without regard to section 6424(g)).

“(b) TRANSITIONAL RULES.—For purposes of paragraphs (1) and (2) of subsection (a), a taxpayer’s first taxable year beginning after June 30, 1965, shall include the period after June 30, 1965, and before the beginning of such first taxable year. For purposes of paragraph (3) of subsection (a), a taxpayer’s first taxable year beginning after December 31, 1965, shall include the period after December 31, 1965, and before the beginning of such first taxable year.

“(c) EXCEPTION.—Credit shall not be allowed under subsection (a) for any amount payable under section 6421 or 6424, if a claim for such amount is timely filed, and under section 6421(i) or 6424(g) is payable, under such section.”

On page 50 of the Senate engrossed amendments, in the material following line 11, strike out “gasoline.” and insert: *GASOLINE AND LUBRICATING OIL.*

On page 50 of the Senate engrossed amendments, in the fourth and fifth line from the bottom of the page strike out “gasoline.” and insert: *gasoline and lubricating oil.*

On page 51 of the Senate engrossed amendments, line 5, strike out “gasoline)” and insert: *gasoline and lubricating oil).*

On page 52 of the Senate engrossed amendments, line 11, strike out “gasoline)” and insert: *gasoline and lubricating oil).*

On page 52 of the Senate engrossed amendments, line 23, strike out “GASOLINE” and insert: *GASOLINE AND LUBRICATING OIL.*

On page 53 of the Senate engrossed amendments, lines 2 and 3, strike out “gasoline” each place it appears and insert: *gasoline and lubricating oil.*

And the Senate agree to the same.

Amendment numbered 103:

That the House recede from its disagreement to the amendment of the Senate numbered 103, 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. 811. Exchanges for sale of poultry.**

“(a) EXEMPTION FROM TAX.—A corporation, association, or organization organized and operated exclusively for the purpose of providing an exchange for the sale of poultry for the poultry growers of a particular locality shall be treated for purposes of the Internal Revenue Code of 1954 as an organization described in section 501(c) (relating to list of exempt organizations) of such Code, if—

(1) such corporation, association, or organization has no capital stock and is not organized for profit,

(2) no member of the governing body of such corporation, association, or organization receives any compensation from such corporation, association, or organization,

(3) the net earnings of such corporation, association, or organization (except for reasonable additions to reserves for the operation of such exchange) are devoted exclusively to disseminating information as to the best methods of poultry culture and to other agricultural purposes, and

(4) *at all times on and after June 10, 1965, and before the close of its last taxable year beginning before January 1, 1966, all of the net assets of such corporation, association, or organization must, on liquidation for any reason, be transferred to an educational organization which is exempt from tax under section 501(a) of such Code or which is an agency or instrumentality of, or is owned or operated by, a State.*

(b) *APPLICATION OF SUBSECTION (a).—Subsection (a) shall apply to taxable years beginning after December 31, 1953, and ending after August 16, 1964, which begin before January 1, 1966.*

And the Senate agree to the same.

Amendment numbered 105:

That the House recede from its disagreement to the amendment of the Senate numbered 105, 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. 812. Prohibition upon levies on mail.**

(a) *IN GENERAL.—Section 6334(a) (relating to property exempt from levy) is amended by adding at the end thereof the following new paragraph:*

*“(5) UNDELIVERED MAIL.—Mail, addressed to any person, which has not been delivered to the addressee.”*

(b) *EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.*

And the Senate agree to the same.

Amendment numbered 106:

That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment, as follows:

On page 62 of the Senate engrossed amendments, line 4, strike out “814” and insert 813; and the Senate agree to the same.

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JAMES UTT,

*Managers on the Part of the House.*

RUSSELL B. LONG,  
GEORGE SMATHERS,  
JOHN J. 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. 8371) 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:

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 27, 28, 32, 33, 37, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 55, 56, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 72, 73, 74, 75, 76, 77, 78, 81, 82, 84, 87, 88, 89, 90, and 92. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature, or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

### JUNE-JULY EFFECTIVE DATE

Amendments Nos. 1, 2, 71, and 86: The bill as passed by the House provided a July 1, 1965, effective date for the repeal or reduction of most of the manufacturers and retailers excise taxes, as well as certain other taxes. The Senate amendments changed the effective date for the retail and manufacturers taxes having a July 1 effective date in the House bill and the stamp tax on playing cards, to the day after the date of the enactment of the bill. The House recedes.

### AUTOMOBILE TAX RATE REDUCTIONS

Amendments Nos. 3, 4, and 5: The bill as passed by the House provided for a schedular repeal of the 10-percent manufacturers excise tax on passenger cars and trailers. Under this schedule, the tax rate would have decreased to 7 percent on July 1, 1965, to 6 percent on January 1, 1966, to 4 percent on January 1, 1967, and to 2 percent on January 1, 1968. Starting on January 1, 1969, the tax would have been repealed.

Under the Senate amendments, the passenger-car tax is reduced to 1 percent on the following schedule: On the day after enactment, the rate is reduced to 7 percent; on January 1, 1966, to 6 percent; on January 1, 1967, to 5 percent; on January 1, 1968, to 3 percent; and on January 1, 1969, to 1 percent. However, the last 4 percentage points of reduction are contingent on the automobiles being equipped with those safety devices which are required to be included on automobiles purchased by the U.S. Government.

In addition, under the Senate amendments, 1 percentage point of the tax on passenger cars is to be set aside in a special fund in the U.S. Treasury for use by the President (on appropriation) for carrying

out a program for the disposal of old or wrecked automobiles. Amounts received after June 30, 1965 (representing liabilities for tax incurred after June 30, 1965), are to be covered into the fund.

Under the conference agreement, the rate reduction schedule included in the House bill was adopted with the exception that on January 1, 1969, the tax is reduced to 1 percentage point, as under the Senate amendments, rather than repealed. In addition, the Senate receded on its amendments conditioning 4 percentage points of the rate reduction on the automobile being equipped with certain safety devices and setting aside 1 percentage point of the tax in a special fund.

#### LUBRICATING OIL

Amendment No. 7: The bill as passed by the House continued the 6-cent-a-gallon excise tax on lubricating oil, but provided for refunds to ultimate purchasers of taxes paid with respect to such oil used for nonhighway purposes. It also allocated the tax attributable to lubricating oil used for highway purposes to the highway trust fund. The House bill also repealed the 3-cent-per-gallon excise tax on cutting oil, effective January 1, 1966.

The Senate amendment deleted these provisions of the House bill.

The House recedes with amendments conforming to the action on amendment No. 101.

#### FLOOR-STOCK REFUNDS—SPORTING GOODS

Amendment No. 24: The bill as passed by the House did not provide for a floor-stock refund of the tax on sporting goods. This amendment provides for such a refund on sporting goods. The House recedes.

#### FLOOR-STOCK REFUNDS—PLAYING CARDS

Amendments Nos. 25, 34, and 38: The bill as passed by the House repealed the 13-cent-per-pack tax on playing cards, but it did not provide for a floor-stock refund with respect to tax-paid inventories of these cards held by retailers and wholesalers on the date of repeal. Senate amendments Nos. 25 and 38 provide for floor-stock refunds with respect to the tax on playing cards. Senate amendment No. 34 treats playing cards as having been sold if removed for consumption or sale before the effective date and (if not sold before such date) treats the manufacturer as the dealer. The House recedes.

#### FLOOR-STOCK REFUNDS—AUTOMOBILE PARTS

Amendments Nos. 26, 29, 30, 31, and 36: The bill as passed by the House provided for floor-stock refunds of the tax on automobile parts and accessories. Senate amendments Nos. 26, 29, 30, 31, and 36 struck out the provisions for this refund. The Senate recedes.

#### EFFECTIVE DATE OF REPEAL OF TAX ON REAL ESTATE CONVEYANCES

Amendment No. 54: The bill as passed by the House provided for the repeal of the tax on real estate conveyances as of January 1, 1966. Under Senate amendment No. 54 the effective date of the repeal would be January 1, 1969. Under the conference agreement the effective date of the repeal is January 1, 1968.

## MANUFACTURED TOBACCO

Amendments Nos. 57 and 91: Senate amendment No. 57 repeals the tax on manufactured tobacco. Under Senate amendment No. 91, this repeal is effective January 1, 1966. The House recedes.

## INSTALLMENT SALES, ETC.

Amendment No. 79: The bill as passed by the House provided that in the case of leases, installment sales, chattel mortgage arrangements, etc., where the vendor retains title to or a security interest in the article until a future date, the lower rate of tax would apply to payments received after the date of repeal or reduction.

Senate amendment No. 79 would permit the lower rate of tax to apply in such cases only if the vendor establishes that the amount of the remaining payments after the effective date of the bill has been reduced by an amount equal to the tax reduction. The House recedes.

## ELECTRIC LIGHT BULBS

Amendment No. 80: The bill as passed by the House repealed most of the manufacturers excise taxes, effective July 1, 1965. It repealed the tax on electric light bulbs January 1, 1966, but made no provision for the continued tax-free purchase or use of such bulbs by manufacturers for use in the further manufacture of articles which themselves were taxable on the date of enactment of the bill, on which the tax is repealed the next day.

The Senate added an amendment which permits the continued tax-free purchase or use of electric light bulbs by manufacturers for inclusion in these articles. The House recedes.

## INITIATION FEES—NEW CLUBS

Amendment No. 83: Under the House bill the effective date of the repeal of the tax on club initiation fees is January 1, 1966. Under Senate amendment No. 83, the effective date of the repeal of the tax on initiation fees is July 1, 1965, in the case of initiation fees paid to a new club or organization which first makes its facilities available to members on or after such date. The House recedes.

## EFFECTIVE DATE OF REPEAL OF DOCUMENTARY STAMP TAXES ON SECURITIES

Amendment No. 85: Under the bill as passed by the House the effective date of the repeal of the tax on issuances or transfers of stock and debt certificates was January 1, 1966. Under Senate amendment No. 85 the effective date was December 31, 1965. The Senate recedes.

## MOTOR VEHICLES

Amendment No. 93: This Senate amendment makes the following changes in the provisions of the Internal Revenue Code relating to the manufacturers excise tax on automotive items:

1. The manufacturers tax on trucks and parts and accessories is made inapplicable to articles designed to be mounted or placed on

automobile trucks, automobile truck chassis, or automobile chassis and to be used primarily as living quarters.

2. The manufacturers tax on trucks and parts and accessories is made inapplicable to truck bodies, parts, and accessories primarily designed for use in connection with the processing, hauling, or spreading of feed, seed, or fertilizer in connection with a farm activity.

3. The manufacturers tax on trucks is made inapplicable to 3-wheeled motor vehicles powered by a motor which does not exceed 18 brake-horsepower (rated at 4,000 r.p.m.) if the chassis does not weigh over a thousand pounds.

4. The manufacturers tax on trucks is made inapplicable to the value of used parts used in the manufacture of the truck if the parts are furnished by the customer.

5. It is made clear that new parts used in rebuilding other auto parts are subject to tax in the same manner as new parts used in repairing.

6. The manufacturers tax on trucks, buses, etc., is made inapplicable to schoolbuses purchased by independent operators for their use under a contract arrangement with a school to transport schoolchildren. The House recesses.

#### GASOLINE

Amendment No. 94: Senate amendment No. 94 adds section 802 to the bill which provides (a) that sales of casinghead and natural gasoline are to be taxed only when they are sold for use as fuel on motor vehicles, motorboats, or airplanes and defines gasoline as that suitable for use as a motor fuel; (b) for the repeal of the requirement that petroleum-product manufacturers must be bonded; and (c) for the elimination of the requirement that for supplies for vessels and aircraft to be purchased free of tax, registration numbers must be used. The House recesses.

#### CERTAIN TRANSPORTATION OF MEMBERS OF THE ARMED FORCES WHILE ON LEAVE

Amendment No. 95: Under existing law payments in the United States for "uninterrupted international air transportation" are exempt from the tax on transportation by air if the air transportation begins or ends outside the United States or the 225-mile zone in Canada or Mexico. To be exempt as uninterrupted air transportation the scheduled interval between portions of the transportation in the United States must not exceed 6 hours. Under Senate amendment No. 95 in applying this provision in the case of personnel of the U.S. Army, Air Force, Navy, Marine Corps, and Coast Guard traveling in uniform at their own expense when on official leave, furlough, or pass, the scheduled interval at the first stop upon reaching the United States, or the last stop upon leaving the United States, is to be deemed to be not more than 6 hours if a ticket for the subsequent portion of such transportation is purchased within 6 hours after the end of the earlier portion of such transportation and the purchaser accepts and utilizes the first accommodations actually available to him for such subsequent portion. The Senate amendment is to apply with respect to amounts paid for transportation beginning on or after July 1, 1965. The House recesses.

## POLICIES ISSUED BY FOREIGN INSURERS

**Amendment No. 96:** This amendment authorizes the Secretary of the Treasury or his delegate to institute a return system for payment of the tax on premiums charged for insurance or reinsurance policies, indemnity bonds, or annuity contracts, issued by a foreign insurer. Under existing law the tax is paid by the use of documentary stamps. The amendment further provides that when such a return system is instituted, tax will be imposed on the basis of premiums paid rather than on the basis of the premiums charged. The House recedes.

## DISTILLED SPIRITS

**Amendment No. 97:** This Senate amendment makes the following changes:

(1) It removes the requirement that distilled spirits must be returned to the bonded premises of a distilled spirits plant within 6 months of the time they are withdrawn as a prerequisite for claiming a credit or refund.

(2) The mingling, etc., of distilled spirits is permitted without the payment of the rectification tax if the spirits are of the same type or class.

(3) Proprietors of distilled-spirits plants are permitted to destroy (under supervision) distilled spirits returned to bonded premises.

(4) The redistillation of articles containing denatured distilled spirits on the bonded premises of a distilled-spirits plant is allowed.

(5) The relanding in the United States of exported distilled spirits is permitted when this is done with no intent to defraud the Government.

The House recedes.

## WINE

**Amendment No. 98:** This amendment raises the quantity of carbon dioxide that can be contained in still wine from 0.256 gram per 100 milliliters to 0.277 gram per 100 milliliters effective July 1, 1965. In addition, this amendment deletes the reserve inventory requirement with respect to the amelioration or sweetening of wines and also authorizes the use of other sugars and the limited use of liquid sugar at appropriate points where the use of pure dry sugar is presently prescribed. The House recedes.

## EXPORTATION OF LIQUORS TO POSSESSIONS

**Amendment No. 99:** This amendment provides that the exemption for exports of liquors shall include shipments to any possession of the United States. The House recedes.

## TOBACCO

**Amendment No. 100:** This amendment (1) clarifies the definitions of cigars and cigarettes, and (2) in cases where a refund is allowable with respect to the tobacco taxes, permits a credit instead of a refund. The House recedes.

INCOME TAX CREDIT IN LIEU OF PAYMENTS WITH RESPECT TO CERTAIN  
USES OF GASOLINE AND LUBRICATING OIL

Amendment No. 101: Under present law, farmers and other nonhighway users may obtain refunds of taxes used for farm and other off-highway purposes. Credits for such taxes are not provided. The bill as passed by the House made no change in this refund procedure.

Senate amendment No. 101 provides that the tax on gasoline used for farm use or other nonhighway purposes may be credited against the farmer's or other user's income tax liability. Under the amendment, if the excise tax on such gasoline exceeded the user's income tax liability the excess would be refunded to the user.

The House recedes with an amendment which provides the same procedure for lubricating oil used for nonhighway purposes.

## EXCISE TAX STATUTE OF LIMITATIONS

Senate Amendment No. 102. This amendment, for which there is no corresponding provision in the House bill, amends section 6501 of the code to provide that where an entry is made on an excise tax return with respect to a particular tax, the statute of limitations for assessment of such tax will begin to run in respect of all amounts of such tax properly reportable on such return. In addition, it amends section 6501 to provide a 6-year statute of limitations, instead of the present 3-year statute, for assessment of an excise tax for a calendar quarter if there is omitted from the return an amount of such tax properly includible therein which exceeds 25 percent of the amount included therein. The House recedes.

## POULTRY GROWERS EXCHANGES

Amendment No. 103: This amendment provided income tax exemption for certain poultry growers exchanges which met specified conditions regarding their organization and operation. The exemption would have applied from the date of the enactment of the Internal Revenue Code of 1954 and for all future years.

The House recedes with an amendment which limits the exemption under this provision to taxable years of such organizations which begin before January 1, 1966, to which the 1954 Code applies.

## GASOLINE LOST BY LEAKAGE OR SPILLAGE

Amendment No. 104: Senate amendment No. 104 would have provided for refunds of taxes paid on gasoline held by a dealer to the extent such gasoline is lost by leakage or spillage. The amendment applied to gasoline lost after June 30, 1962. The Senate recedes.

## EXEMPTIONS OF MAIL FROM LEVY

Amendment No. 105: Senate amendment No. 105 exempts mail which is undelivered or unopened from levy to collect taxes. The House recedes with an amendment restricting such exemption to undelivered mail.

## STATE SWEEPSTAKES EXEMPT FROM WAGERING TAX

Amendment No. 106: Senate amendment No. 106 exempts from the wagering taxes State-conducted sweepstakes, wagering pools, and lotteries in which the winners are determined by the results of a horse race, if the wager is placed with State employees or agents. The House recedes with a clerical amendment.

## DUAL DISTRIBUTION ON TIRES

Amendment No. 107: This amendment, for which there was no corresponding provision in the House bill, provided that the 10¢ cents per pound tax on tires and inner tubes would be imposed in the case of such products sold through a manufacturer's retail store or outlet, at the time the tire or inner tube was delivered to such store or outlet rather than at the time of sale. The Senate recedes.

## REPORTS TO CONGRESS ON EFFECT OF EXCISE TAX REDUCTION

Amendment No. 108: Senate amendment No. 108 directs the Council of Economic Advisers to report to Congress on or before June 30, 1966, and on or before June 30 of each year thereafter through 1970, with respect to the economic effects of the tax reductions or repeals made by the bill. The Senate recedes.

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