

FREE ENTRY OF STAINED GLASS FOR CONGREGATION EMANUEL OF DENVER, COLO.

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Mr. LONG of Louisiana, from the Committee on Finance,
submitted the following

R E P O R T

[To accompany H. R. 4599]

The Committee on Finance, to which was referred the bill (H. R. 4599) to provide for the free entry of certain stained glass for the Congregation Emanuel of Denver, Colo., having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

PURPOSE OF THE HOUSE PROVISION

The purpose of H. R. 4599, as passed by the House, is to permit the refund of duties paid on certain stained glass which were imported for the use of the Congregation Emanuel of Denver, Colo.

EXPLANATION OF COMMITTEE AMENDMENT

The Committee on Finance amended the House-passed bill to include provisions extending duty-free treatment to chipped colored glass windows imported for the use of St. Ann's Church, Las Vegas, Nev. Glass covered by this amendment was entered at Los Angeles apparently under consumption entry No. 04016 in January 1963. It was claimed to be duty free under paragraph 1810 of the Tariff Act of 1930. However, free entry was denied by the customs collector and duty was assessed at the rate of 30 percent ad valorem. The glass windows imported for St. Ann's Church, like those provided for in the House bill, were valued at more than \$15 per square foot and the glass bits were bonded or joined together by cement. For the same reasons which justify the House provision, and which prompted the Customs Court to hold that duty-free treatment applied in the situation litigated in 1960, the committee concluded that this amendment for St. Ann's Church merits favorable consideration.

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GENERAL STATEMENT

The glass covered by the House bill consisted of colored glass in panels imported for use in the construction of a new synagogue and auxiliary buildings for the Congregation Emanuel, Denver, Colo. The imports were entered under Denver consumption entries 1339 (June 29, 1960), 222 (Aug. 11, 1960), 257 (Aug. 18, 1960), and 319 (Aug. 31, 1960). They were claimed to be duty free under the provision in paragraph 1810 of the original rate schedules of the Tariff Act of 1930 for "stained or painted window glass or stained or painted windows which are works of art, when imported to be used in houses of worship, and valued at \$15 or more per square foot." However, free entry was denied by the customs collector and the entries were liquidated with assessment of duty at the rate of 30 percent ad valorem. Protests against the duty assessment were filed and the matter is pending before the U.S. Customs Court.

The principal issue involved in the litigation is whether panels of stained glass formed from pieces of stained glass set in concrete were excluded from classification under the above-quoted provision of paragraph 1810 because the pieces were set in concrete rather than in lead or other metal comes. This very issue was resolved in favor of an importer in a 1960 decision of the U.S. Customs Court (C.D. 2171), but the Bureau of Customs did not follow that decision, with a view to retrial of the issue (T.D. 55181, dated July 18, 1960). Representatives of the Treasury Department have advised your committee that if the principle of C.D. 2171 had been applied to the glass panels covered by H.R. 4599, the merchandise would have been admitted duty free under paragraph 1810.

On August 31, 1963, the new Tariff Schedules of the United States became effective pursuant to the Tariff Classification Act of 1962. Item 850.30 of the new schedules is derived from the aforementioned provision of paragraph 1810 of the old schedules, although stated in different terms in some respects. In December 1963, the Bureau of Customs ruled (T.D. 56102(58)) that stained glass windows for churches in which the pieces of glass are joined together by, or set in, lead or cement and otherwise meeting the requirements specified in item 850.30, may be classifiable free of duty under such item 850.30. Representatives of the Treasury Department have advised that glass panels such as those to which H.R. 4599 relates, entered after the effective date of the revised tariff schedules, would be eligible for duty-free treatment under item 850.30.

In view of the fact that under the principle of C.D. 2171, which involved similar glass, the glass panels in question could have been accorded free entry by the customs authorities under the old tariff schedules, and since the Customs Bureau concedes that the panels would be entitled to duty-free treatment under the revised tariff schedules, your committee feels that in equity the importer of the glass in question should be absolved from duty liability, notwithstanding the pending litigation. The glass has been used for the purpose for which it was imported, and any competitive impact on similar domestic products that might have been involved has long since passed. Also, it might be noted that legislation passed in the 87th

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Congress (Public Law 87-572) exempted from duty similar stained glass imported under the old tariff schedules for three different houses of worship.

Your committee agrees with the Committee on Ways and Means of the House that in the circumstances the bill together with the amendment made by the committee, merits favorable action.

