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SENATE.

{ REPORT
No. 113.

ADDITIONAL INTERNAL REVENUE COLLECTION DISTRICTS.

JUNE 13 (calendar day, JUNE 14), 1921.—Ordered to be printed.

Mr. CURTIS, from the Committee on Finance, submitted the following

REPORT.

[To accompany S. 2051.]

The Committee on Finance, to whom was referred the bill (S. 2051) to amend section 3143 of the Revised Statutes, to permit an increase in the number of collection districts for the collection of internal revenue and the number of collectors of internal revenue from 64 to 74, having given the same careful consideration, reports the same back to the Senate with an amendment, and as amended recommends that the bill do pass.

The amendment recommended is to correct a clerical error in the title to the bill by changing the figures "3143" to "3142."

This legislation is recommended by the Treasury Department, and the reasons for its enactment are fully set out in the following letter of the Secretary, which is made a part of this report, to wit:

TREASURY DEPARTMENT,
Washington, June 1, 1921.

The PRESIDENT OF THE SENATE.

SIR: Since the passage of the revenue acts of 1913, 1916, 1917, and 1918 and the adoption of the eighteenth amendment to the Constitution, the work, service, and needs of the Internal Revenue Service have been entirely transformed.

In less than 10 years the number of taxpayers filing returns with collectors of internal revenue has increased from less than 600,000 to an aggregate of approximately 9,000,000 annually.

Practically all of the 600,000 taxpayers dealt with collectors of internal revenue but once each year. With monthly returns required of sales, taxpayers and quarterly payments permitted to those filing income-tax returns, the 9,000,000 persons filing returns during 1920 had a total of more than 15,000,000 separate transactions with collectors of internal revenue during that year.

Because of this marked increase in the number of people who come in contact with collectors of internal revenue, it appears imperative that internal-revenue collection district offices be located at such points as will afford the greatest possible convenience to taxpayers. The increase in volume of work in the larger collection district offices also presents serious accounting difficulties.

The number of internal-revenue collection districts, now limited by law to a total of 64, is not sufficient to meet the increasing needs of the service. It is therefore recommended that the number permitted by law be increased to a maximum of 74.

2 ADDITIONAL INTERNAL REVENUE COLLECTION DISTRICTS.

An amendment to section 3142, Revised Statutes, as amended by section 1, act of July 16, 1914 (Stat., 454, 475), is suggested, as follows:

"On and after July 1, 1921, the whole number of collection districts for the collection of internal revenue and the whole number of collectors of internal revenue shall not exceed 74."

It is imperative that consideration be given to the proposed increase in internal-revenue collection districts at the very earliest possible date.

Respectfully,

A. W. MELLON, *Secretary.*

