

[Committee Print—As Agreed to in Conference.]

75TH CONGRESS,
1st Session.

H. R. 4280.

SEPTEMBER 29, 1917.

The part printed in roman shows House bill. Senate amendments are indicated in italic and stricken-through type. House text stricken out by the Senate and restored in conference is shown in small capitals. New language inserted by the conferees is in capitals. ALL MATTER WHICH THE CONFEREES PROPOSE TO OMIT IS ENCLOSED IN BRACKETS OR SHOWN IN STRICKEN THROUGH TYPE.]

AN ACT

To provide revenue to defray war expenses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I.—WAR INCOME TAX.

4 SECTION 1. That **[(1) during the present war]** in
5 addition to the normal tax imposed by subdivision (a) of section
6 one of the Act entitled "An Act to increase the revenue, and
7 for other purposes," approved September eighth, nineteen
8 hundred and sixteen, there shall be levied, assessed, col-
9 lected, and paid a like normal tax of two per centum upon
10 the income of every **(2) individual individual, a citizen**

1 *or resident of the United States*, received in the calendar
2 year nineteen hundred and seventeen and every calendar
3 year thereafter.

4 SEC. 2. That **[(3) *during the present war*]** in addition
5 to the additional tax imposed by subdivision (b) of section
6 one of such Act of September eighth, nineteen hundred and
7 sixteen, there shall be levied, assessed, collected, and paid a
8 like additional tax upon the income of every individual
9 received in the calendar year nineteen hundred and seven-
10 teen and every calendar year thereafter, as follows:

11 One per centum per annum upon the amount by which
12 the total net income exceeds \$5,000 and does not exceed
13 \$7,500;

14 Two per centum per annum upon the amount by which
15 the total net income exceeds \$7,500 and does not exceed
16 \$10,000;

17 Three per centum per annum upon the amount by which
18 the total net income exceeds \$10,000 and does not exceed
19 \$12,500;

20 Four per centum per annum upon the amount by which
21 the total net income exceeds \$12,500 and does not exceed
22 \$15,000;

23 **(4)Five** **[(Six)]** FIVE per centum per annum upon the
24 amount by which the total net income exceeds \$15,000 and
25 does not exceed \$20,000;

1 **(5)**~~Six~~ [*Eight*] **SEVEN** per centum per annum upon the
 2 amount by which the total net income exceeds \$20,000 and
 3 does not exceed \$40,000;

4 Ten per centum per annum upon the amount by
 5 which the total net income exceeds \$40,000 and does not
 6 exceed \$60,000;

7 **(6)**~~Thirteen and seventy-five one hundredths~~ *Fourteen*
 8 per centum per annum upon the amount by which the total
 9 net income exceeds \$60,000 and does not exceed \$80,000;

10 **(7)**~~Seventeen and five tenths~~ *Eighteen* per centum per
 11 annum upon the amount by which the total net income
 12 exceeds \$80,000 and does not exceed \$100,000;

13 **(8)**~~Twenty-one and twenty-five one hundredths~~ *Twenty-*
 14 *two* per centum per annum upon the amount by which the total
 15 net income exceeds \$100,000 and does not exceed \$150,000;

16 Twenty-five per centum per annum upon the
 17 amount by which the total net income exceeds \$150,000
 18 and does not exceed \$200,000;

19 Thirty per centum per annum upon the amount
 20 by which the total net income exceeds \$200,000 and
 21 does not exceed \$250,000;

22 **(9)**~~Thirty-three and seventy-five one hundredths~~ *Thirty-*
 23 *four* per centum per annum upon the amount by which the
 24 total net income exceeds \$250,000 and does not exceed
 25 \$300,000;

1 ~~(10) Thirty-seven and five tenths~~ *Thirty-seven* per
2 centum per annum upon the amount by which the total net
3 income exceeds \$300,000 and does not exceed \$500,000;

4 ~~(11) Forty-one and twenty-five one hundredths~~ per
5 centum per annum upon the amount by which the total net
6 income exceeds \$500,000 and does not exceed \$1,000,000.

7 ~~Forty-five per centum upon the amount by which the~~
8 ~~total net income exceeds \$1,000,000.~~

9 *Forty per centum per annum upon the amount by which*
10 *the total net income exceeds \$500,000 and does not exceed*
11 *\$750,000.*

12 *Forty-five per centum per annum upon the amount by*
13 *which the total net income exceeds \$750,000 and does not*
14 *exceed \$1,000,000.*

15 *Fifty per centum per annum upon the amount by which*
16 *the total net income exceeds \$1,000,000.*

17 SEC. 3. ~~(12) The~~ *That the taxes imposed by sections*
18 *one and two of this Act shall be computed, levied, assessed,*
19 *collected, and paid upon the same basis and in the same*
20 *manner as the similar taxes imposed by section one of such*
21 *Act of September eighth, nineteen hundred and sixteen,*
22 *except that in the case of the tax imposed by section one of*
23 *this Act (a) the exemptions (13) of \$3,000 and \$4,000 pro-*
24 *vided in section seven of such Act of September eighth, nine-*
25 *teen hundred and sixteen, (14) as amended by this Act, shall*

1 be, respectively, \$1,000 and \$2,000, ~~(15) instead of \$3,000~~
 2 ~~and \$4,000~~; and (b) the returns required under subdivisions (b)
 3 and (c) of section eight of such Act ~~(16)~~, *as amended by this Act*,
 4 shall be required in the case of net incomes of \$1,000 or over,
 5 in the case of unmarried persons, and \$2,000 or over in
 6 the case of married persons, instead of \$3,000 or over, as
 7 therein provided, ~~(17) and (c) the provisions requiring~~
 8 ~~the normal tax of individuals to be deducted and~~
 9 ~~withheld at the source of the income shall not apply~~
 10 ~~to the new two per centum normal tax herein proscribed~~
 11 ~~until on and after January first, nineteen hundred and~~
 12 ~~eighteen, and thereafter shall apply only to incomes exceed-~~
 13 ~~ing \$3,000 as provided in Title I of such Act of September~~
 14 ~~eighth, nineteen hundred and sixteen~~ AND (C) THE PRO-
 15 VISIONS OF SUBDIVISION (C) OF SECTION NINE
 16 OF SUCH ACT, AS AMENDED BY THIS ACT, RE-
 17 QUIRING THE NORMAL TAX OF INDIVIDUALS
 18 ON INCOME DERIVED FROM INTEREST TO BE
 19 DEDUCTED AND WITHHELD AT THE SOURCE OF
 20 THE INCOME SHALL NOT APPLY TO THE NEW
 21 TWO PER CENTUM NORMAL TAX PRESCRIBED IN
 22 SECTION ONE OF THIS ACT UNTIL ON AND AFTER
 23 JANUARY FIRST, NINETEEN HUNDRED AND
 24 EIGHTEEN, AND THEREAFTER ONLY ONE TWO
 25 PER CENTUM NORMAL TAX SHALL BE DEDUCTED

1 AND WITHHELD AT THE SOURCE UNDER THE
 2 PROVISIONS OF SUCH SUBDIVISION (C), AND ANY
 3 FURTHER NORMAL TAX FOR WHICH THE RECIP-
 4 IENT OF SUCH INCOME IS LIABLE UNDER THIS
 5 ACT OR SUCH ACT OF SEPTEMBER EIGHTH, NINE-
 6 TEEN HUNDRED AND SIXTEEN, AS AMENDED BY
 7 THIS ACT, SHALL BE PAID BY SUCH RECIPIENT.

8 SEC. 4. That in addition to the tax imposed by (18)sub-
 9 *division (a) of section ten of such Act of September eighth,*
 10 *nineteen hundred and sixteen, (19)as amended by this Act,*
 11 *there shall be levied, assessed, collected, and paid a like tax of*
 12 *(20)two four per centum upon the income received in the*
 13 *calendar year nineteen hundred and seventeen and every*
 14 *calendar year thereafter, by every corporation, joint-stock*
 15 *company or association, or insurance company, subject to the*
 16 *tax imposed by that (21)subdivision of that section, except*
 17 *that if it has fixed its own fiscal year, the tax imposed by this*
 18 *section (22)for the fiscal year ending during the calendar*
 19 *year nineteen hundred and seventeen shall be levied, assessed,*
 20 *collected, and paid only on that (23)portion proportion of its*
 21 *income (24)for the fiscal year ending during the calendar*
 22 *year nineteen hundred and seventeen for such fiscal year*
 23 *which the period between January first, nineteen hundred*
 24 *and seventeen, and the end of such fiscal year bears to the*
 25 *whole of such fiscal year.*

1 The tax imposed by this section shall be computed,
 2 levied, assessed, collected, and paid upon the same incomes and
 3 in the same manner as the tax imposed by (25) *subdivision*
 4 *(a)* of section ten of such Act of September eighth, nineteen
 5 hundred and (26) ~~sixteen~~ *sixteen*, as amended by this Act,
 6 'EXCEPT THAT FOR THE PURPOSE OF THE TAX
 7 IMPOSED BY THIS SECTION THE INCOME EM-
 8 BRACED IN A RETURN OF A CORPORATION, JOINT-
 9 STOCK COMPANY OR ASSOCIATION, OR INSUR-
 10 ANCE COMPANY, SHALL BE CREDITED WITH
 11 THE AMOUNT RECEIVED AS DIVIDENDS UPON
 12 THE STOCK OR FROM THE NET EARNINGS OF
 13 ANY OTHER CORPORATION, JOINT-STOCK COM-
 14 PANY OR ASSOCIATION, OR INSURANCE COM-
 15 PANY, WHICH IS TAXABLE UPON ITS NET IN-
 16 COME AS PROVIDED IN THIS TITLE.

17 ~~(27) SEC. 5. That every individual, corporation, joint stock~~
 18 ~~company or association, or insurance company, that is liable~~
 19 ~~to pay or that has paid the taxes imposed by Title I of such~~
 20 ~~Act of September eighth, nineteen hundred and sixteen,~~
 21 ~~upon the net income received in the calendar year nineteen~~
 22 ~~hundred and sixteen, shall pay, in addition to such taxes, a~~
 23 ~~tax equivalent to thirty three and one third per centum of~~
 24 ~~such taxes, to be assessed and collected under the provisions~~

¹ The matter here inserted takes the place of the Senate amendment stricken out on page 171 of this bill, lines 1 to 17.

1 ~~of existing law, and paid on or before September fifteenth,~~
2 ~~nineteen hundred and seventeen, except that in the case of~~
3 ~~a corporation, joint stock company or association, or insurance~~
4 ~~company, which has fixed its own fiscal year, such tax shall~~
5 ~~be paid within one hundred and sixty-five days after the~~
6 ~~close of the fiscal year ending during the calendar year nine-~~
7 ~~teen hundred and seventeen.~~

8 ~~(28) SEC. 6. That on and after January first, nineteen hun-~~
9 ~~dred and eighteen, individuals, partnerships, withholding~~
10 ~~agents, corporations, joint stock companies or associations, and~~
11 ~~insurance companies liable for the payment of income, muni-~~
12 ~~tions, or excess profits taxes, under existing law or under this~~
13 ~~Act, shall pay, without levy, assessment, or notice, simul-~~
14 ~~taneously with the submission of their return of tax, the~~
15 ~~amount of tax for the payment of which they are shown b~~
16 ~~such return to be liable. If any tax is not paid at the time~~
17 ~~when it is due under the provisions of this section, there shall~~
18 ~~be added (except in the case of an error made in good faith in~~
19 ~~computing the amount of the tax) the sum of five per centum~~
20 ~~to the amount of tax unpaid and interest at the rate of one~~
21 ~~per centum per month upon the amount of such unpaid tax~~
22 ~~from the time it becomes due. This section shall not apply~~
23 ~~in the case of any income tax (payable otherwise than by a~~
24 ~~withholding agent) imposed upon an individual upon whose~~
25 ~~net income no tax is imposed under subdivision (b) of section~~

1 ~~one of such Act of September eighth, nineteen hundred and~~
 2 ~~sixteen, or under section two of this Act.~~

3 ~~(29)SEC. 7. That collectors of internal revenue are author-~~
 4 ~~ized to receive uncertified checks in payment of income, muni-~~
 5 ~~tions, and excess profits taxes, during such time and under~~
 6 ~~such regulations as the Commissioner of Internal Revenue,~~
 7 ~~with the approval of the Secretary of the Treasury, shall pre-~~
 8 ~~scribe, but if a check so received is not paid by the bank on~~
 9 ~~which it is drawn the person by whom such check has been~~
 10 ~~tendered shall remain liable for the payment of the tax and~~
 11 ~~for all legal penalties and additions the same as if such check~~
 12 ~~had not been tendered.~~

13 SEC. (30)§ 5. That the provisions of this title shall not
 14 extend to (31) *Porto Rico* or the Philippine Islands, and the
 15 (32) *Porto Rican* or Philippine Legislature shall have power
 16 by due enactment to amend, alter, modify, or repeal the
 17 income tax laws in force in (33) *Porto Rico* or the Philippine
 18 Islands (34), respectively.

19 ¹ [(35) SEC. 6. That section five of such Act of September
 20 eighth, nineteen hundred and sixteen, is hereby amended by
 21 adding at the end of subdivision (a) a further paragraph
 22 numbered nine, to read as follows:

23 “Ninth. Contributions or gifts actually made within
 24 the year to corporations or associations organized and operated
 25 exclusively for religious, charitable, scientific, or educational

¹This amendment is transferred without change to page 153 of this bill.

1 *purposes, or to societies for the prevention of cruelty to children*
 2 *or animals, no part of the net income of which inures to the*
 3 *benefit of any private stockholder or individual, to an amount*
 4 *not in excess of fifteen per centum of the taxpayer's taxable*
 5 *net income as computed without the benefit of this paragraph.*
 6 *Such contributions or gifts shall be allowable as deductions*
 7 *only if verified under rules and regulations prescribed by the*
 8 *Commissioner of Internal Revenue, with the approval of the*
 9 *Secretary of the Treasury.'']*

10 TITLE II.—WAR ~~(36) EXCESS~~ EXCESS PROFITS TAX.

11 ~~(37) SEC. 200. That in addition to the tax imposed by Title~~
 12 ~~II of the Act entitled "An Act to provide increased revenue~~
 13 ~~to defray the expenses of the increased appropriations for~~
 14 ~~the Army and Navy and the extensions of fortifications,~~
 15 ~~and for other purposes," approved March third, nineteen~~
 16 ~~hundred and seventeen, there shall be levied, assessed,~~
 17 ~~collected, and paid a like excess profits tax of eight per centum~~
 18 ~~upon the income received in the calendar year nineteen hun-~~
 19 ~~dred and seventeen and every calendar year thereafter by~~
 20 ~~every corporation, joint stock company or association, insur-~~
 21 ~~ance company, and partnership. Such tax shall be com-~~
 22 ~~puted, levied, assessed, collected, and paid, for the same years,~~
 23 ~~upon the same incomes, upon the same basis, and in the same~~
 24 ~~manner as the tax imposed by Title II of such Act of March~~
 25 ~~third, nineteen hundred and seventeen, as amended by this~~

1 ~~Act. Income derived from dividends upon stock of other~~
 2 ~~corporations or partnerships which are subject to the tax~~
 3 ~~imposed by this title and Title II of such Act of March third,~~
 4 ~~nineteen hundred and seventeen, shall be exempt from the~~
 5 ~~tax imposed by this title and the tax imposed by Title II of~~
 6 ~~such Act of March third, nineteen hundred and seventeen.~~

7 ~~SBC. 201. That sections two hundred, two hundred and~~
 8 ~~two, and two hundred and four of the Act entitled "An~~
 9 ~~Act to provide increased revenue to defray the expenses of~~
 10 ~~the increased appropriations for the Army and Navy and~~
 11 ~~extensions of fortifications, and for other purposes," ap-~~
 12 ~~proved March third, nineteen hundred and seventeen, are~~
 13 ~~hereby amended to read as follows:~~

14 ~~"SBC. 200. That when used in this title—~~

15 ~~"The term 'corporation' includes joint stock companies~~
 16 ~~or associations, and insurance companies:~~

17 ~~"The term 'United States' means only the States, the~~
 18 ~~Territories of Alaska and Hawaii, and the District of Co-~~
 19 ~~lumbia; and~~

20 ~~"The term 'taxable year' means the twelve months~~
 21 ~~ending December thirty first, excepting in the case of a~~
 22 ~~corporation or partnership allowed to fix its own fiscal year,~~
 23 ~~in which case it means such fiscal year. The first taxable~~
 24 ~~year shall be the year ending December thirty first, nineteen~~
 25 ~~hundred and seventeen, except that in the case of a corpora-~~

1 tion or partnership which has fixed its own fiscal year it shall
2 be the fiscal year ending during the calendar year nineteen
3 hundred and seventeen."

4 "Sec. 202. That for the purpose of this title, actual
5 capital invested means (1) actual cash paid in, (2) the
6 actual cash value of property paid in other than cash, for
7 stock or shares in such corporation or partnership, at the
8 time of such payment, and (3) paid in or earned surplus
9 and undivided profits used or employed in the business: *Pro-*
10 *vided,* That the good will, including trade marks and trade
11 brands, or the franchise of a corporation or partnership, is not
12 to be included in the actual capital invested, unless the cor-
13 poration or partnership made payment therefor specifically
14 as such in cash or tangible property, the value of such good
15 will, trade marks, trade brands, or franchise, not to exceed
16 the actual cash or actual value of the tangible property paid
17 therefor at the time of such payment."

18 "Sec. 204. That corporations exempt from tax under
19 the provisions of section eleven of Title I of such Act of Sep-
20 tember eighth, nineteen hundred and sixteen, and partner-
21 ships carrying on or doing the same business shall be exempt
22 from the provisions of this title. In the case of profes-
23 sional partnerships having no substantial capital, the income
24 derived from the professional services of the partners shall be
25 exempt from the provisions of this title. Income derived

1 ~~from dividends upon stock of other corporations or partner-~~
2 ~~ships which are subject to the tax imposed by this title shall~~
3 ~~be exempt from the provisions of this title."~~

4 **[SEC. 200. That when used in this title—**

5 *The term "corporation" includes joint-stock companies*
6 *or associations, and insurance companies;*

7 *The term "domestic" means created under the laws of*
8 *the United States, or of any State, Territory, or District*
9 *thereof, and the term "foreign" means created under the laws*
10 *of any other possession of the United States or of any foreign*
11 *country or government;*

12 *The term "United States" means only the States, the*
13 *Territories of Alaska and Hawaii, and the District of Co-*
14 *lumbia;*

15 *The term "taxable year" means the twelve months ending*
16 *December thirty-first, excepting in the case of a corporation*
17 *or partnership which has fixed its own fiscal year, in which*
18 *case it means such fiscal year. The first taxable year shall be*
19 *the year ending December thirty-first, nineteen hundred and*
20 *seventeen, except that in the case of a corporation or partner-*
21 *ship which has fixed its own fiscal year it shall be the fiscal year*
22 *ending during the calendar year nineteen hundred and seven-*
23 *teen. If a corporation or partnership, prior to March first,*
24 *nineteen hundred and eighteen, makes a return covering its*
25 *own fiscal year, and includes therein the income received dur-]*

1 [ing that part of the fiscal year falling within the calendar year
2 nineteen hundred and sixteen, the tax for such taxable year
3 shall be that proportion of the tax computed upon the excess
4 profits during such full fiscal year which the time from Janu-
5 ary first, nineteen hundred and seventeen, to the end of such
6 fiscal year bears to the full fiscal year; and

7 The term "prewar period" means the calendar years
8 nineteen hundred and eleven, nineteen hundred and twelve,
9 and nineteen hundred and thirteen, or, if a corporation or
10 partnership was not in existence or an individual was not
11 engaged in a trade or business during the whole of such period,
12 then as many of such years during the whole of which the cor-
13 poration or partnership was in existence or the individual
14 was engaged in the trade or business.

15 SEC. 201. That in addition to the taxes under existing
16 law and under this Act, there shall be levied, assessed, col-
17 lected, and paid for each taxable year upon the income of
18 every corporation, partnership, or individual, a tax (herein-
19 after in this title referred to as the tax) equal to the following
20 percentages of the war profits (determined as hereinafter
21 provided):

22 Twelve per centum of the amount of such war profits
23 not in excess of fifteen per centum of the deduction allowed by
24 section two hundred and three, section two hundred and four,
25 or section two hundred and five, as the case may be (the "de-]

1 [duction allowed" by section two hundred and four and sec-
2 tion two hundred and five, being the difference between the
3 net income and the war profits as there determined);

4 Sixteen per centum of the amount by which such war
5 profits exceed fifteen per centum of such deduction and do
6 not exceed twenty-five per centum thereof;

7 Twenty per centum of the amount by which such war
8 profits exceed twenty-five per centum of such deduction and
9 do not exceed fifty per centum thereof;

10 Twenty-five per centum of the amount by which such
11 war profits exceed fifty per centum of such deduction and
12 do not exceed seventy-five per centum thereof;

13 Thirty per centum of the amount by which such war
14 profits exceed seventy-five per centum of such deduction and
15 do not exceed one hundred per centum thereof;

16 Thirty-five per centum of the amount by which such war
17 profits exceed one hundred per centum of such deduction and
18 do not exceed one hundred and fifty per centum thereof;

19 Forty per centum of the amount by which such war
20 profits exceed one hundred and fifty per centum of such
21 deduction and do not exceed two hundred per centum thereof;

22 Forty-five per centum of the amount by which such
23 war profits exceed two hundred per centum of such deduc-
24 tion and do not exceed two hundred and fifty per centum
25 thereof;]

1 *[Fifty per centum of the amount by which such war*
2 *profits exceed two hundred and fifty per centum of such*
3 *deduction and do not exceed three hundred per centum thereof;*
4 *and*

5 *Sixty per centum of the amount by which such war*
6 *profits exceed three hundred per centum of such deduction.*

7 *For the purposes of this title all the trades and busi-*
8 *nesses in which a corporation or partnership is engaged shall*
9 *be deemed to be a single trade or business, and all its income*
10 *from whatever source derived shall be deemed to be received*
11 *from such trade or business.*

12 *This title shall apply to all trades or businesses of what-*
13 *ever description (whether continuously carried on or not),*
14 *including the business of rendering any services for a commis-*
15 *sion or of acting as an agent of any description, except—*

16 *(a) An office or employment, including that of a com-*
17 *mercial traveler or agent whose remuneration consists wholly*
18 *of a fixed and definite sum irrespective of the amount of*
19 *business done or any other contingency;*

20 *(b) A profession or occupation, the profits of which*
21 *depend mainly on the personal qualifications of the in-*
22 *dividuals by whom such profession or occupation is carried*
23 *on and in which there is not required the investment of*
24 *more than a nominal capital; and]*

1 **[(c) Incomes derived from the business of life, health,**
 2 *and accident insurance combined in one policy issued on the*
 3 *weekly premium payment plan.*

4 **SEC. 202. That the tax shall not be imposed in the case**
 5 *of a trade or business of a domestic corporation or partner-*
 6 *ship or a citizen or resident of the United States the net*
 7 *income of which trade or business during the taxable year*
 8 *is less than \$5,000, or in the case of a trade or business of a*
 9 *foreign corporation or partnership or a nonresident alien*
 10 *individual the net income of which trade or business during*
 11 *such year from sources within the United States is less than*
 12 *the proportion of \$5,000 which such net income from sources*
 13 *within the United States bears to the entire net income, but*
 14 *no exemption shall be allowed to a foreign corporation or*
 15 *partnership or a nonresident alien individual unless a true*
 16 *and accurate return of the entire net income from the trade*
 17 *or business is filed with the collector of internal revenue.*
 18 *There shall be deducted from the war profits, determined*
 19 *as hereinafter provided, of each citizen or resident of the*
 20 *United States, the sum of \$5,000.*

21 **SEC. 203. That for the purposes of this title the amount**
 22 *of war profits shall be determined, except as otherwise in this*
 23 *title provided—*

24 *(a) In the case of a domestic corporation or partner-*
 25 *ship or of a citizen or resident of the United States by deduct-]*

1 *[ing from the net income of the trade or business received dur-*
2 *ing the taxable year the average amount of the annual net*
3 *income of the trade or business during the prewar period; but*
4 *such deduction shall not be an amount less than six or more*
5 *than ten per centum of the actual invested capital for the*
6 *taxable year.*

7 *(b) In the case of a foreign corporation or partnership*
8 *or of a nonresident alien individual by deducting from the*
9 *net income of the trade or business received from sources*
10 *within the United States during the taxable year the average*
11 *amount of the annual net income of the trade or business from*
12 *sources within the United States during the prewar period;*
13 *but such deduction shall not be an amount less than six or*
14 *more than ten per centum of that proportion of the actual*
15 *invested capital for the taxable year which the net income of*
16 *the trade or business from sources within the United States*
17 *bears to the entire net income.*

18 *(c) If the capital (or, in the case of a foreign corpora-*
19 *tion or partnership or of a nonresident alien individual, that*
20 *proportion thereof which the net income of the trade or busi-*
21 *ness from sources within the United States bears to the*
22 *entire net income) during the taxable year is greater or less*
23 *than the average capital computed upon the same basis, dur-*
24 *ing the prewar period, the war profits shall be determined*
25 *by deducting from the total net income for the taxable year* **]**

1 [an amount which bears the same proportion to the average
2 annual net income for the prewar period which such capital
3 during the taxable year bears to such average capital during
4 the prewar period; but such deduction shall not be an amount
5 less than six or more than ten per centum of the actual
6 invested capital for the taxable year (or, in the
7 case of a foreign corporation or partnership or of a nonresi-
8 dent alien individual, of that proportion of the actual invested
9 capital for the taxable year which the net income of the trade
10 or business from sources within the United States bears to the
11 entire net income).

12 (d) If the Secretary of the Treasury is unable satis-
13 factorily to determine the average amount of the annual net
14 income of the trade or business during the prewar period or
15 the actual invested capital for the taxable year, the war
16 profits shall be determined as provided in subdivision (a) of
17 section two hundred and four.

18 SEC. 204. That (a) if a corporation, partnership, or in-
19 dividual had no net income from the trade or business
20 during the prewar period, or if a corporation or partner-
21 ship was not in existence or an individual was not engaged in
22 the trade or business, during the whole of any one calendar year
23 during the prewar period, the amount of the war profits shall
24 be the same proportion of the net income of the trade or busi-
25 ness received during the taxable year as the proportion which]

1 [the war profits for the same calendar year of representative
2 corporations, partnerships, and individuals, engaged in a
3 like or similar trade or business and whose war profits are
4 determined as provided in section two hundred and three,
5 bears to the total net income of the trade or business received
6 by such corporations, partnerships, and individuals. In the
7 case of a foreign corporation or partnership or of a non-
8 resident alien individual the net income received from sources
9 within the United States during the taxable year shall be
10 used as the basis of computation. In no case shall the differ-
11 ence between the net income for the taxable year and the war
12 profits determined as provided in this section be an amount
13 less than six or more than ten per centum of the actual in-
14 vested capital for the taxable year (or, in the case of a foreign
15 corporation or partnership, or of a nonresident alien indi-
16 vidual, of that proportion of the actual invested capital for
17 the taxable year which the net income of the trade or business
18 from sources within the United States bears to the entire net
19 income); but this limitation shall not apply in the case of a
20 tax required by subdivision (d) of section two hundred and
21 three to be computed under this section on account of the
22 inability of the Secretary of the Treasury satisfactorily to
23 determine the actual invested capital for the taxable year.

24 The proportion between the war profits and the net
25 income in each trade or business shall be determined by the]

1 [Commissioner of Internal Revenue in accordance with
2 regulations prescribed by him with the approval of the Sec-
3 retary of the Treasury. In the case of a corporation or
4 partnership which has fixed its own fiscal year, the propor-
5 tion determined for the calendar year ending during such
6 fiscal year shall be used.

7 A trade or business carried on by a corporation, part-
8 nership, or individual, although formally organized or re-
9 organized on or after January second, nineteen hundred
10 and thirteen, which is substantially a continuation of a
11 trade or business carried on prior to that date, shall, for
12 the purposes of this title, be deemed to have been in existence
13 prior to that date, and the net income of its predecessor
14 prior to that date shall be deemed to have been its net income.

15 (b) If the net income of the trade or business for the
16 taxable year, in the case of a corporation or partnership
17 which was not in existence or of an individual who was not
18 engaged in the trade or business during the whole of any one
19 calendar year during the prewar period, is less than six per
20 centum per annum of the actual invested capital for
21 the taxable year (or in case of a foreign corporation or
22 partnership or a nonresident alien individual is less than
23 six per centum per annum on that proportion of the actual
24 invested capital for the taxable year which the net in-
25 come of the trade or business from sources within the United]

1 *[States bears to the entire net income), there shall be deemed*
2 *to be no war profits.*

3 *SEC. 205. (a) That if the Secretary of the Treasury,*
4 *upon complaint finds either (1) that during the prewar period*
5 *the net return of any domestic corporation or partnership or*
6 *a citizen or resident of the United States from a trade or*
7 *business was low as compared with the net return during such*
8 *period of representative corporations, partnerships, and indi-*
9 *viduals engaged in a like or similar trade or business, or (2)*
10 *that during the prewar period the ratio between the net and*
11 *gross income from such trade or business was substantially*
12 *less than the like ratio in case of representative corporations,*
13 *partnerships, and individuals engaged in a like or similar*
14 *trade or business, then the war profits shall be determined*
15 *in the same manner as provided in subdivision (a) of section*
16 *two hundred and four.*

17 *(b) That if the Secretary of the Treasury, upon com-*
18 *plaint finds either (1) that during the prewar period the net*
19 *return of any foreign corporation or partnership or a non-*
20 *resident alien individual from a trade or business carried on*
21 *within the United States was low as compared with the net*
22 *return during such period of representative corporations,*
23 *partnerships, and individuals engaged in a like or similar*
24 *trade or business, or (2) that during the prewar period the*
25 *ratio between the net and gross income from such trade or]*

1 *[business was substantially less than the like ratio in case of*
2 *representative corporations, partnerships, and individuals*
3 *engaged in a like or similar trade or business, then the war*
4 *profits shall be determined in the same manner as provided*
5 *in subdivision (a) of section two hundred and four.*

6 *(c) The tax shall be assessed upon the basis of the war*
7 *profits determined as provided in section two hundred and*
8 *three, but the taxpayer claiming the benefit of this section*
9 *may at the time of making the return file a claim for abate-*
10 *ment of the amount by which the tax so assessed exceeds a tax*
11 *at like rate computed upon the basis of war profits deter-*
12 *mined as provided in this section. In such event collection*
13 *of the part of the tax covered by such claim for abatement*
14 *shall not be made until the claim is decided, but if in the*
15 *judgment of the Commissioner of Internal Revenue the*
16 *interests of the United States would be jeopardized thereby*
17 *he may require the claimant to give a bond in such*
18 *amount and with such sureties as the Commissioner may*
19 *think wise to safeguard such interests, conditioned for the*
20 *payment of any tax found to be due, with the interest thereon,*
21 *and if such bond, satisfactory to the Commissioner, is not*
22 *given within such time as he prescribes, the full amount of*
23 *tax assessed shall be collected and the amount overpaid, if*
24 *any, shall upon final decision of the application be refunded*
25 *as a tax erroneously or illegally collected.]*

1 **[SEC. 206. That for the purposes of this title net income**
2 *of a corporation shall be ascertained and returned (a) for the*
3 *calendar years nineteen hundred and eleven and nineteen*
4 *hundred and twelve upon the same basis and in the same man-*
5 *ner as provided in section thirty-eight of the Act entitled " An*
6 *Act to provide revenue, equalize duties, and encourage the*
7 *industries of the United States, and for other purposes,"*
8 *approved August fifth, nineteen hundred and nine; (b) for the*
9 *calendar year nineteen hundred and thirteen upon the same*
10 *basis and in the same manner as provided in section II of*
11 *the Act entitled "An Act to reduce tariff duties and to provide*
12 *revenue for the Government, and for other purposes,"*
13 *approved October third, nineteen hundred and thirteen,*
14 *except that the amounts received by it as dividends upon the*
15 *stock or from the net earnings of other corporations, joint-*
16 *stock companies or associations, or insurance companies, sub-*
17 *ject to the tax imposed by section II of such Act of October third,*
18 *nineteen hundred and thirteen, shall also be deducted; and (c)*
19 *for the taxable year upon the same basis and in the same manner*
20 *as provided in Title I of the Act entitled "An Act to increase*
21 *the revenue, and for other purposes," approved September*
22 *eighth, nineteen hundred and sixteen, as amended by this Act,*
23 *except that the amounts received by it as dividends upon the*
24 *stock or from the net earnings of other corporations, joint-stock*
25 *companies or associations, or insurance companies, subject to]*

1 **[the tax imposed by Title I of such Act of September eighth,**
2 **nineteen hundred and sixteen, shall also be deducted.**

3 **[The net income of a partnership or individual shall be**
4 **ascertained and returned for the calendar years nineteen**
5 **hundred and eleven, nineteen hundred and twelve, and nine-**
6 **teen hundred and thirteen and for the taxable year upon the**
7 **same basis and in the same manner as provided in Title I of such**
8 **Act of September eighth, nineteen hundred and sixteen, as**
9 **amended by this Act, except that the credit allowed by subdivi-**
10 **vision (b) of section five of such Act shall also be deducted.**
11 **There shall be allowed (a) in the case of a domestic partnership**
12 **the same deductions as allowed to individuals in subdivision (a)**
13 **of section five of such Act of September eighth, nineteen hun-**
14 **dred and sixteen, as amended by this Act; and (b) in the case**
15 **of a foreign partnership the same deductions as allowed to**
16 **individuals in subdivision (a) of section six of such Act as**
17 **amended by this Act.**

18 **SBO. 207. As used in section two hundred and three**
19 **and in section two hundred and four, the term "capital"**
20 **does not include money or other property borrowed, nor stocks,**
21 **bonds, or other assets, the income from which is not subject**
22 **to the tax imposed by this title, and in case of a corporation**
23 **or partnership means, subject to the above limitation, (1)**
24 **actual cash paid in, (2) the actual cash value of property**
25 **paid in other than cash, for stocks or shares in such corporation]**

1 [or partnership, at the time of such payment, and (3) paid in
 2 or earned surplus and undivided profits used or employed in
 3 the business: Provided, That the good will, including trade-
 4 marks and trade brands, or the franchise of a corporation
 5 or partnership is not to be included unless the corporation or
 6 partnership made payment therefor specifically as such in
 7 cash or tangible property, the value of such good will, trade-
 8 marks, trade brands, or franchise not to exceed the actual
 9 cash or actual value of the tangible property paid therefor
 10 at the time of such payment.

11 As used in such sections the term "capital for the taxa-
 12 ble year" means the capital as of the first day of the second
 13 half of such year, except that if a corporation or partnership
 14 is not then in existence or an individual is not then engaged
 15 in the trade or business, it means the capital as of the day
 16 of commencing business.

17 The limitation in sections two hundred and three and two
 18 hundred and four as to the percentage of capital allowed as a
 19 deduction shall not apply in the case of a trade or business
 20 which is chiefly carried on by means of personal services and
 21 in which the capital is only nominal as compared with the
 22 gross income.

23 *Sec. 208.* That corporations exempt from tax under
 24 the provisions of section eleven of Title I of such Act
 25 of September eighth, nineteen hundred and sixteen, as]

1 *[amended by this Act, and partnerships and individuals carry-*
2 *ing on or doing the same business, or coming within the same*
3 *description, shall be exempt from the provisions of this title.*

4 *SEC. 209. That every partnership having a gross in-*
5 *come of \$5,000 or more for the taxable year, and every*
6 *individual having such a gross income from a trade or busi-*
7 *ness shall render a correct return of the income of the trade*
8 *or business for the taxable year, setting forth specifically the*
9 *gross income for such year, and the deductions allowed in*
10 *this title. Such returns shall be rendered at the same time*
11 *and in the same manner and form as is prescribed for income-*
12 *tax returns under Title I of such Act of September eighth,*
13 *nineteen hundred and sixteen, as amended by this Act.*

14 *SEC. 210. That all administrative, special, and general*
15 *provisions of law, including the laws in relation to the assess-*
16 *ment, remission, collection, and refund of internal-revenue*
17 *taxes not heretofore specifically repealed and not inconsistent*
18 *with the provisions of this title are hereby extended and made*
19 *applicable to all the provisions of this title and to the tax*
20 *herein imposed, and all provisions of Title I of such Act of*
21 *September eighth, nineteen hundred and sixteen, as amended*
22 *by this Act, relating to returns and payment of the tax*
23 *therein imposed, including penalties, are hereby made appli-*
24 *cable to the tax imposed by this title.]*

1 [Premiums paid on life insurance policies covering the
 2 lives of officers, employees, or those financially interested in
 3 the company or copartnership for the benefit of said company
 4 or copartnership shall not be deducted in computing the net
 5 income or profits in determining the amount of taxes to be paid
 6 under this Act or under the Act entitled " An Act to increase
 7 the revenue, and for other purposes," approved September
 8 eighth, nineteen hundred and sixteen.

9 SEC. 211. That the Commissioner of Internal Revenue,
 10 with the approval of the Secretary of the Treasury, shall
 11 make all necessary regulations for carrying out the provisions
 12 of this title, and may require any corporation, partnership or
 13 individual, subject to the provisions of this title, to furnish
 14 him with such facts, data, and information as in his judgment
 15 are necessary to collect the tax imposed by this title.

16 SEC. 212. That Title III (sections three hundred to
 17 three hundred and twelve, inclusive) of the Act entitled "An
 18 Act to increase the revenue, and for other purposes," ap-
 19 proved September eighth, nineteen hundred and sixteen, and
 20 Title II (sections two hundred to two hundred and seven,
 21 inclusive) of the Act entitled "An Act to provide increased
 22 revenue to defray the expenses of the increased appropria-
 23 tions for the Army and Navy, and the extensions of fortifi-]

¹ The matter here stricken out in lines 1 to 8 is reinserted with an amend-
 ment on page 181 of this bill.

1 *[cations, and for other purposes," approved March third,*
 2 *nineteen hundred and seventeen, are hereby repealed.*

3 *Any amount heretofore or hereafter paid on account of*
 4 *the tax imposed by Title II of such Act of March third, nine-*
 5 *teen hundred and seventeen, shall be credited toward the*
 6 *payment of the tax imposed by this title, and if the amount so*
 7 *paid exceeds the amount of such tax the excess shall be re-*
 8 *funded as a tax erroneously or illegally collected.*

9 *No tax shall be imposed for the taxable year nineteen*
 10 *hundred and seventeen under Title III of such Act of Sep-*
 11 *tember eighth, nineteen hundred and sixteen.]*

12 **SEC. 200. THAT WHEN USED IN THIS TITLE—**

13 **THE TERM "CORPORATION" INCLUDES JOINT-**
 14 **STOCK COMPANIES OR ASSOCIATIONS AND IN-**
 15 **SURANCE COMPANIES;**

16 **THE TERM "DOMESTIC" MEANS CREATED**
 17 **UNDER THE LAW OF THE UNITED STATES, OR OF**
 18 **ANY STATE, TERRITORY, OR DISTRICT THEREOF,**
 19 **AND THE TERM "FOREIGN" MEANS CREATED**
 20 **UNDER THE LAW OF ANY OTHER POSSESSION OF**
 21 **THE UNITED STATES OR OF ANY FOREIGN**
 22 **COUNTRY OR GOVERNMENT;**

23 **THE TERM "UNITED STATES" MEANS ONLY**
 24 **THE STATES, THE TERRITORIES OF ALASKA**
 25 **AND HAWAII, AND THE DISTRICT OF COLUMBIA;**

1 THE TERM "TAXABLE YEAR" MEANS THE
2 TWELVE MONTHS ENDING DECEMBER THIRTY-
3 FIRST, EXCEPTING IN THE CASE OF A CORPORA-
4 TION OR PARTNERSHIP WHICH HAS FIXED ITS
5 OWN FISCAL YEAR, IN WHICH CASE IT MEANS
6 SUCH FISCAL YEAR. THE FIRST TAXABLE
7 YEAR SHALL BE THE YEAR ENDING DECEMBER
8 THIRTY-FIRST, NINETEEN HUNDRED AND SEV-
9 ENTEEN, EXCEPT THAT IN THE CASE OF A COR-
10 PORATION OR PARTNERSHIP WHICH HAS FIXED
11 ITS OWN FISCAL YEAR, IT SHALL BE THE FISCAL
12 YEAR ENDING DURING THE CALENDAR YEAR
13 NINETEEN HUNDRED AND SEVENTEEN. IF A
14 CORPORATION OR PARTNERSHIP, PRIOR TO
15 MARCH FIRST, NINETEEN HUNDRED AND EIGHT-
16 EEN, MAKES A RETURN COVERING ITS OWN
17 FISCAL YEAR, AND INCLUDES THEREIN THE IN-
18 COME RECEIVED DURING THAT PART OF THE
19 FISCAL YEAR FALLING WITHIN THE CALENDAR
20 YEAR NINETEEN HUNDRED AND SIXTEEN, THE
21 TAX FOR SUCH TAXABLE YEAR SHALL BE THAT
22 PROPORTION OF THE TAX COMPUTED UPON THE
23 NET INCOME DURING SUCH FULL FISCAL
24 YEAR WHICH THE TIME FROM JANUARY FIRST,
25 NINETEEN HUNDRED AND SEVENTEEN, TO THE

1 END OF SUCH FISCAL YEAR BEARS TO THE FULL
2 FISCAL YEAR; AND

3 THE TERM "PREWAR PERIOD" MEANS THE
4 CALENDAR YEARS NINETEEN HUNDRED AND
5 ELEVEN, NINETEEN HUNDRED AND TWELVE,
6 AND NINETEEN HUNDRED AND THIRTEEN, OR,
7 IF A CORPORATION OR PARTNERSHIP WAS NOT
8 IN EXISTENCE OR AN INDIVIDUAL WAS NOT
9 ENGAGED IN A TRADE OR BUSINESS DURING
10 THE WHOLE OF SUCH PERIOD, THEN AS MANY
11 OF SUCH YEARS DURING THE WHOLE OF WHICH
12 THE CORPORATION OR PARTNERSHIP WAS IN
13 EXISTENCE OR THE INDIVIDUAL WAS ENGAGED
14 IN THE TRADE OR BUSINESS.

15 THE TERMS "TRADE" AND "BUSINESS"
16 INCLUDE PROFESSIONS AND OCCUPATIONS.

17 THE TERM "NET INCOME" MEANS IN THE
18 CASE OF A FOREIGN CORPORATION OR
19 PARTNERSHIP OR A NONRESIDENT ALIEN IN-
20 DIVIDUAL, THE NET INCOME RECEIVED FROM
21 SOURCES WITHIN THE UNITED STATES.

22 SEC. 201. THAT IN ADDITION TO THE TAXES
23 UNDER EXISTING LAW AND UNDER THIS ACT
24 THERE SHALL BE LEVIED, ASSESSED, COL-

LECTED, AND PAID FOR EACH TAXABLE YEAR
UPON THE INCOME OF EVERY CORPORATION,
PARTNERSHIP, OR INDIVIDUAL, A TAX (HEREIN-
AFTER IN THIS TITLE REFERRED TO AS THE
TAX) EQUAL TO THE FOLLOWING PERCENTAGES
OF THE NET INCOME:

TWENTY PER CENTUM OF THE AMOUNT
OF THE NET INCOME IN EXCESS OF THE DE-
DUCTION (DETERMINED AS HEREINAFTER PRO-
VIDED) AND NOT IN EXCESS OF FIFTEEN PER
CENTUM OF THE INVESTED CAPITAL FOR THE
TAXABLE YEAR;

TWENTY-FIVE PER CENTUM OF THE AMOUNT
OF THE NET INCOME IN EXCESS OF FIFTEEN
PER CENTUM AND NOT IN EXCESS OF TWENTY
PER CENTUM OF SUCH CAPITAL;

THIRTY-FIVE PER CENTUM OF THE AMOUNT
OF THE NET INCOME IN EXCESS OF TWENTY PER
CENTUM AND NOT IN EXCESS OF TWENTY-
FIVE PER CENTUM OF SUCH CAPITAL;

FORTY-FIVE PER CENTUM OF THE AMOUNT
OF THE NET INCOME IN EXCESS OF TWENTY-FIVE
PER CENTUM AND NOT IN EXCESS OF THIRTY-
THREE PER CENTUM OF SUCH CAPITAL; AND

1 SIXTY PER CENTUM OF THE AMOUNT OF
2 THE NET INCOME IN EXCESS OF THIRTY-THREE
3 PER CENTUM OF SUCH CAPITAL.

4 FOR THE PURPOSE OF THIS TITLE EVERY
5 CORPORATION OR PARTNERSHIP NOT EXEMPT
6 UNDER THE PROVISIONS OF THIS SECTION SHALL
7 BE DEEMED TO BE ENGAGED IN BUSINESS, AND
8 ALL THE TRADES AND BUSINESSES IN WHICH IT
9 IS ENGAGED SHALL BE TREATED AS A SINGLE
10 TRADE OR BUSINESS, AND ALL ITS INCOME FROM
11 WHATEVER SOURCE DERIVED SHALL BE DEEMED
12 TO BE RECEIVED FROM SUCH TRADE OR BUSI-
13 NESS.

14 THIS TITLE SHALL APPLY TO ALL TRADES
15 OR BUSINESSES OF WHATEVER DESCRIPTION,
16 WHETHER CONTINUOUSLY CARRIED ON OR NOT,
17 EXCEPT—

18 (A) IN THE CASE OF OFFICERS AND EM-
19 PLOYEES UNDER THE UNITED STATES, OR ANY
20 STATE, TERRITORY, OR THE DISTRICT OF COLUM-
21 BIA, OR ANY LOCAL SUBDIVISION THEREOF,
22 THE COMPENSATION OR FEES RECEIVED BY
23 THEM AS SUCH OFFICERS OR EMPLOYEES;

24 (B) CORPORATIONS EXEMPT FROM TAX
25 UNDER THE PROVISIONS OF SECTION ELEVEN

1 OF TITLE I OF SUCH ACT OF SEPTEMBER EIGHTH,
2 NINETEEN HUNDRED AND SIXTEEN, AS
3 AMENDED BY THIS ACT, AND PARTNERSHIPS
4 AND INDIVIDUALS CARRYING ON OR DOING THE
5 SAME BUSINESS, OR COMING WITHIN THE SAME
6 DESCRIPTION; AND

7 (C) INCOMES DERIVED FROM THE BUSINESS
8 OF LIFE, HEALTH, AND ACCIDENT INSURANCE
9 COMBINED IN ONE POLICY ISSUED ON THE
10 WEEKLY PREMIUM PAYMENT PLAN.

11 SEC. 202. THAT THE TAX SHALL NOT BE IM-
12 POSED IN THE CASE OF THE TRADE OR BUSINESS
13 OF A FOREIGN CORPORATION OR PARTNERSHIP
14 OR A NONRESIDENT ALIEN INDIVIDUAL, THE
15 NET INCOME OF WHICH TRADE OR BUSINESS
16 DURING THE TAXABLE YEAR IS LESS THAN
17 \$3,000.

18 SEC. 203. THAT FOR THE PURPOSES OF THIS
19 TITLE THE DEDUCTION SHALL BE AS FOLLOWS,
20 EXCEPT AS OTHERWISE IN THIS TITLE PRO-
21 VIDED—

22 (A) IN THE CASE OF A DOMESTIC CORPORA-
23 TION, THE SUM OF (1) AN AMOUNT EQUAL TO
24 THE SAME PERCENTAGE OF THE INVESTED
25 CAPITAL FOR THE TAXABLE YEAR WHICH

1 THE AVERAGE AMOUNT OF THE ANNUAL
2 NET INCOME OF THE TRADE OR BUSINESS DUR-
3 ING THE PREWAR PERIOD WAS OF THE INVESTED
4 CAPITAL FOR THE PREWAR PERIOD (BUT NOT
5 LESS THAN SEVEN OR MORE THAN NINE PER
6 CENTUM OF THE INVESTED CAPITAL FOR THE
7 TAXABLE YEAR), AND (2) \$3,000;

8 (B) IN THE CASE OF A DOMESTIC PARTNER-
9 SHIP OR OF A CITIZEN OR RESIDENT OF THE
10 UNITED STATES, THE SUM OF (1) AN AMOUNT
11 EQUAL TO THE SAME PERCENTAGE OF
12 THE INVESTED CAPITAL FOR THE TAXABLE
13 YEAR WHICH THE AVERAGE AMOUNT OF THE
14 ANNUAL NET INCOME OF THE TRADE OR BUSI-
15 NESS DURING THE PREWAR PERIOD WAS OF THE
16 INVESTED CAPITAL FOR THE PREWAR PERIOD
17 (BUT NOT LESS THAN SEVEN OR MORE THAN
18 NINE PER CENTUM OF THE INVESTED CAPITAL
19 FOR THE TAXABLE YEAR), AND (2) \$6,000;

20 (C) IN THE CASE OF A FOREIGN CORPORA-
21 TION OR PARTNERSHIP OR OF A NONRESIDENT
22 ALIEN INDIVIDUAL, AN AMOUNT ASCER-
23 TAINED IN THE SAME MANNER AS PROVIDED
24 IN SUBDIVISIONS (A) AND (B), WITHOUT ANY
25 EXEMPTION OF \$3,000 OR \$6,000.

1 (D) IF THE SECRETARY OF THE TREASURY
2 IS UNABLE SATISFACTORILY TO DETERMINE THE
3 AVERAGE AMOUNT OF THE ANNUAL NET INCOME
4 OF THE TRADE OR BUSINESS DURING THE PRE-
5 WAR PERIOD, THE DEDUCTION SHALL BE DE-
6 TERMINED IN THE SAME MANNER AS PROVIDED
7 IN SECTION TWO HUNDRED AND FIVE.

8 SEC. 204. THAT IF A CORPORATION OR
9 PARTNERSHIP WAS NOT IN EXISTENCE, OR AN
10 INDIVIDUAL WAS NOT ENGAGED IN THE TRADE
11 OR BUSINESS, DURING THE WHOLE OF ANY
12 ONE CALENDAR YEAR DURING THE PREWAR
13 PERIOD, THE DEDUCTION SHALL BE AN
14 AMOUNT EQUAL TO EIGHT PER CENTUM OF
15 THE INVESTED CAPITAL FOR THE TAXABLE
16 YEAR, PLUS IN THE CASE OF A DOMESTIC
17 CORPORATION \$3,000, AND IN THE CASE OF A
18 DOMESTIC PARTNERSHIP OR A CITIZEN OR RESI-
19 DENT OF THE UNITED STATES \$6,000.

20 A TRADE OR BUSINESS CARRIED ON BY A
21 CORPORATION, PARTNERSHIP, OR INDIVIDUAL,
22 ALTHOUGH FORMALLY ORGANIZED OR REOR-
23 GANIZED ON OR AFTER JANUARY SECOND, NINE-
24 TEEN HUNDRED AND THIRTEEN, WHICH IS SUB-
25 STANTIALY A CONTINUATION OF A TRADE OR

1 BUSINESS CARRIED ON PRIOR TO THAT DATE,
2 SHALL. FOR THE PURPOSE OF THIS TITLE, BE
3 DEEMED TO HAVE BEEN IN EXISTENCE PRIOR
4 TO THAT DATE, AND THE NET INCOME AND
5 INVESTED CAPITAL OF ITS PREDECESSOR PRIOR
6 TO THAT DATE SHALL BE DEEMED TO HAVE
7 BEEN ITS NET INCOME AND INVESTED CAPITAL.

8 SEC. 205. (A) THAT IF THE SECRETARY OF
9 THE TREASURY, UPON COMPLAINT FINDS EITHER
10 (1) THAT DURING THE PREWAR PERIOD A DOMES-
11 TIC CORPORATION OR PARTNERSHIP, OR A CITI-
12 ZEN OR RESIDENT OF THE UNITED STATES, HAD
13 NO NET INCOME FROM THE TRADE OR BUSINESS,
14 OR (2) THAT DURING THE PREWAR PERIOD THE
15 PERCENTAGE, WHICH THE NET INCOME WAS OF
16 THE INVESTED CAPITAL, WAS LOW AS COM-
17 PARED WITH THE PERCENTAGE, WHICH THE
18 NET INCOME DURING SUCH PERIOD OF REPRE-
19 SENTATIVE CORPORATIONS, PARTNERSHIPS,
20 AND INDIVIDUALS, ENGAGED IN A LIKE OR
21 SIMILAR TRADE OR BUSINESS, WAS OF THEIR
22 INVESTED CAPITAL, THEN THE DEDUCTION
23 SHALL BE THE SUM OF (1) AN AMOUNT
24 EQUAL TO THE SAME PERCENTAGE OF ITS
25 INVESTED CAPITAL FOR THE TAXABLE YEAR

1 WHICH THE AVERAGE DEDUCTION (DETER-
2 MINED IN THE SAME MANNER AS PRO-
3 VIDED IN SECTION TWO HUNDRED AND THREE,
4 WITHOUT INCLUDING THE \$3,000 OR \$6,000
5 THEREIN REFERRED TO) FOR SUCH YEAR OF
6 REPRESENTATIVE CORPORATIONS, PARTNER-
7 SHIPS, OR INDIVIDUALS, ENGAGED IN A LIKE
8 OR SIMILAR TRADE OR BUSINESS, IS OF THEIR
9 AVERAGE INVESTED CAPITAL FOR SUCH YEAR.
10 PLUS (2) IN THE CASE OF A DOMESTIC CORPORA-
11 TION \$3,000, AND IN THE CASE OF A DOMESTIC
12 PARTNERSHIP OR A CITIZEN OR RESIDENT OF
13 THE UNITED STATES \$6,000.

14 THE PERCENTAGE WHICH THE NET
15 INCOME WAS OF THE INVESTED CAPITAL
16 IN EACH TRADE OR BUSINESS SHALL
17 BE DETERMINED BY THE COMMISSIONER
18 OF INTERNAL REVENUE, IN ACCORDANCE
19 WITH REGULATIONS PRESCRIBED BY HIM,
20 WITH THE APPROVAL OF THE SECRETARY OF THE
21 TREASURY. IN THE CASE OF A CORPORATION
22 OR PARTNERSHIP WHICH HAS FIXED ITS OWN
23 FISCAL YEAR, THE PERCENTAGE DETERMINED
24 FOR THE CALENDAR YEAR ENDING DURING
25 SUCH FISCAL YEAR SHALL BE USED.

1 (B) THE TAX SHALL BE ASSESSED UPON
2 THE BASIS OF THE DEDUCTION DETERMINED
3 AS PROVIDED IN SECTION TWO HUNDRED AND
4 THREE, BUT THE TAXPAYER CLAIMING THE
5 BENEFIT OF THIS SECTION MAY AT THE TIME
6 OF MAKING THE RETURN FILE A CLAIM FOR
7 ABATEMENT OF THE AMOUNT BY WHICH
8 THE TAX SO ASSESSED EXCEEDS A TAX
9 COMPUTED UPON THE BASIS OF THE DEDUC-
10 TION DETERMINED AS PROVIDED IN THIS
11 SECTION. IN SUCH EVENT, COLLECTION OF
12 THE PART OF THE TAX COVERED BY SUCH
13 CLAIM FOR ABATEMENT SHALL NOT BE MADE
14 UNTIL THE CLAIM IS DECIDED, BUT IF IN THE
15 JUDGMENT OF THE COMMISSIONER OF INTER-
16 NAL REVENUE, THE INTERESTS OF THE UNITED
17 STATES WOULD BE JEOPARDIZED THEREBY HE
18 MAY REQUIRE THE CLAIMANT TO GIVE A
19 BOND IN SUCH AMOUNT AND WITH SUCH
20 SURETIES AS THE COMMISSIONER MAY THINK
21 WISE TO SAFEGUARD SUCH INTERESTS, CON-
22 DITIONED FOR THE PAYMENT OF ANY TAX
23 FOUND TO BE DUE, WITH THE INTEREST
24 THEREON, AND IF SUCH BOND, SATISFACTORY
25 TO THE COMMISSIONER, IS NOT GIVEN WITHIN

1 SUCH TIME AS HE PRESCRIBES. THE FULL
2 AMOUNT OF TAX ASSESSED SHALL BE COL-
3 LECTED AND THE AMOUNT OVERPAID, IF
4 ANY, SHALL UPON FINAL DECISION OF THE
5 APPLICATION BE REFUNDED AS A TAX ER-
6 RONEOUSLY OR ILLEGALLY COLLECTED.

7 SEC. 206. THAT FOR THE PURPOSES OF THIS
8 TITLE THE NET INCOME OF A CORPORATION
9 SHALL BE ASCERTAINED AND RETURNED (A) FOR
10 THE CALENDAR YEARS NINETEEN HUNDRED AND
11 ELEVEN AND NINETEEN HUNDRED AND TWELVE
12 UPON THE SAME BASIS AND IN THE SAME MAN-
13 NER AS PROVIDED IN SECTION THIRTY-EIGHT
14 OF THE ACT ENTITLED "AN ACT TO PROVIDE
15 REVFNUE, EQUALIZE DUTIES, AND ENCOURAGE
16 THE INDUSTRIES OF THE UNITED STATES, AND
17 FOR OTHER PURPOSES," APPROVED AUGUST
18 FIFTH, NINETEEN HUNDRED AND NINE, EXCEPT
19 THAT INCOME TAXES PAID BY IT WITHIN THE
20 YEAR IMPOSED BY THE AUTHORITY OF THE
21 UNITED STATES SHALL BE INCLUDED; (B) FOR
22 THE CALENDAR YEAR NINETEEN HUNDRED AND
23 THIRTEEN UPON THE SAME BASIS AND IN THE
24 SAME MANNER AS PROVIDED IN SECTION II OF
25 THE ACT ENTITLED "AN ACT TO REDUCE TARIFF

1 DUTIES AND TO PROVIDE REVENUE FOR THE
2 GOVERNMENT, AND FOR OTHER PURPOSES," AP-
3 PROVED OCTOBER THIRD, NINETEEN HUNDRED
4 AND THIRTEEN, EXCEPT THAT INCOME TAXES
5 PAID BY IT WITHIN THE YEAR IMPOSED BY THE
6 AUTHORITY OF THE UNITED STATES SHALL BE
7 INCLUDED, AND EXCEPT THAT THE AMOUNTS
8 RECEIVED BY IT AS DIVIDENDS UPON THE STOCK
9 OR FROM THE NET EARNINGS OF OTHER COR-
10 PORATIONS, JOINT-STOCK COMPANIES OR ASSO-
11 CIATIONS, OR INSURANCE COMPANIES, SUBJECT
12 TO THE TAX IMPOSED BY SECTION II OF SUCH
13 ACT OF OCTOBER THIRD, NINETEEN HUNDRED
14 AND THIRTEEN, SHALL BE DEDUCTED; AND
15 (C) FOR THE TAXABLE YEAR UPON THE
16 SAME BASIS AND IN THE SAME MANNER AS
17 PROVIDED IN TITLE I OF THE ACT ENTITLED
18 "AN ACT TO INCREASE THE REVENUE, AND FOR
19 OTHER PURPOSES," APPROVED SEPTEMBER
20 EIGHTH, NINETEEN HUNDRED AND SIXTEEN,
21 AS AMENDED BY THIS ACT, EXCEPT THAT THE
22 AMOUNTS RECEIVED BY IT AS DIVIDENDS UPON
23 THE STOCK OR FROM THE NET EARNINGS OF
24 OTHER CORPORATIONS, JOINT-STOCK COMPANIES

1 OR ASSOCIATIONS, OR INSURANCE COMPANIES,
2 SUBJECT TO THE TAX IMPOSED BY TITLE I OF
3 SUCH ACT OF SEPTEMBER EIGHTH, NINETEEN
4 HUNDRED AND SIXTEEN, SHALL BE DE-
5 DUCTED.

6 THE NET INCOME OF A PARTNERSHIP OR IN-
7 DIVIDUAL SHALL BE ASCERTAINED AND RE-
8 TURNED FOR THE CALENDAR YEARS NINETEEN
9 HUNDRED AND ELEVEN, NINETEEN HUNDRED
10 AND TWELVE, AND NINETEEN HUNDRED AND
11 THIRTEEN, AND FOR THE TAXABLE YEAR, UPON
12 THE SAME BASIS AND IN THE SAME MANNER AS
13 PROVIDED IN TITLE I OF SUCH ACT OF SEPTEM-
14 BER EIGHTH, NINETEEN HUNDRED AND SIXTEEN,
15 AS AMENDED BY THIS ACT, EXCEPT THAT THE
16 CREDIT ALLOWED BY SUBDIVISION (B) OF SEC-
17 TION FIVE OF SUCH ACT SHALL BE DE-
18 DUCTED. THERE SHALL BE ALLOWED (A) IN
19 THE CASE OF A DOMESTIC PARTNERSHIP THE
20 SAME DEDUCTIONS AS ALLOWED TO INDIVID-
21 UALS IN SUBDIVISION (A) OF SECTION FIVE OF
22 SUCH ACT OF SEPTEMBER EIGHTH, NINETEEN
23 HUNDRED AND SIXTEEN, AS AMENDED BY THIS
24 ACT; AND (B) IN THE CASE OF A FOREIGN PART-
25 NERSHIP THE SAME DEDUCTIONS AS ALLOWED

1 TO INDIVIDUALS IN SUBDIVISION (A) OF SECTION
2 SIX OF SUCH ACT AS AMENDED BY THIS ACT.

3 SEC. 207. THAT AS USED IN THIS TITLE THE
4 TERM "INVESTED CAPITAL" FOR ANY YEAR
5 MEANS THE AVERAGE INVESTED CAPITAL FOR
6 THE YEAR, AS DEFINED AND LIMITED IN THIS
7 TITLE, AVERAGED MONTHLY.

8 AS USED IN THIS TITLE "INVESTED CAPI-
9 TAL" DOES NOT INCLUDE STOCKS, BONDS (OTHER
10 THAN OBLIGATIONS OF THE UNITED STATES),
11 OR OTHER ASSETS, THE INCOME FROM WHICH IS
12 NOT SUBJECT TO THE TAX IMPOSED BY THIS
13 TITLE, NOR MONEY OR OTHER PROPERTY BOR-
14 ROWED, AND MEANS, SUBJECT TO THE ABOVE
15 LIMITATIONS:

16 (A) IN THE CASE OF A CORPORATION OR PART-
17 NERSHIP: (1) ACTUAL CASH PAID IN, (2) THE
18 ACTUAL CASH VALUE OF TANGIBLE PROPERTY
19 PAID IN OTHER THAN CASH, FOR STOCK OR
20 SHARES IN SUCH CORPORATION OR PARTNERSHIP,
21 AT THE TIME OF SUCH PAYMENT (BUT IN CASE
22 SUCH TANGIBLE PROPERTY WAS PAID IN PRIOR
23 TO JANUARY FIRST, NINETEEN HUNDRED AND
24 FOURTEEN, THE ACTUAL CASH VALUE OF SUCH
25 PROPERTY AS OF JANUARY FIRST, NINETEEN

1 HUNDRED AND FOURTEEN, BUT IN NO CASE TO
2 EXCEED THE PAR VALUE OF THE ORIGINAL
3 STOCK OR SHARES SPECIFICALLY ISSUED
4 THEREFOR). AND (3) PAID IN OR EARNED SUR
5 PLUS AND UNDIVIDED PROFITS USED OR EM-
6 PLOYED IN THE BUSINESS, EXCLUSIVE OF UNDI-
7 VIDED PROFITS EARNED DURING THE TAXABLE
8 YEAR: PROVIDED, THAT (a) THE ACTUAL CASH
9 VALUE OF PATENTS AND COPYRIGHTS PAID IN
10 FOR STOCK OR SHARES IN SUCH CORPORATION OR
11 PARTNERSHIP, AT THE TIME OF SUCH PAYMENT,
12 SHALL BE INCLUDED AS INVESTED CAPITAL,
13 BUT NOT TO EXCEED THE PAR VALUE OF SUCH
14 STOCK OR SHARES AT THE TIME OF SUCH PAY-
15 MENT, AND (b) THE GOOD WILL, TRADE MARKS,
16 TRADE BRANDS, THE FRANCHISE OF A
17 CORPORATION OR PARTNERSHIP, OR OTHER IN-
18 TANGIBLE PROPERTY, SHALL BE INCLUDED AS
19 INVESTED CAPITAL IF THE CORPORATION OR
20 PARTNERSHIP MADE PAYMENT BONA FIDE
21 THEREFOR SPECIFICALLY AS SUCH IN CASH OR
22 TANGIBLE PROPERTY, THE VALUE OF SUCH GOOD
23 WILL, TRADE-MARK, TRADE BRAND, FRANCHISE,
24 OR INTANGIBLE PROPERTY, NOT TO EXCEED THE
25 ACTUAL CASH OR ACTUAL CASH VALUE OF THE

1 TANGIBLE PROPERTY PAID THEREFOR AT THE
2 TIME OF SUCH PAYMENT; BUT GOOD WILL,
3 TRADE-MARKS, TRADE BRANDS, FRANCHISE OF
4 A CORPORATION OR PARTNERSHIP, OR OTHER
5 INTANGIBLE PROPERTY, BONA FIDE PURCHASED,
6 PRIOR TO MARCH THIRD, NINETEEN HUNDRED
7 AND SEVENTEEN, FOR AND WITH INTERESTS OR
8 SHARES IN A PARTNERSHIP OR FOR AND WITH
9 SHARES IN THE CAPITAL STOCK OF A CORPORA-
10 TION (ISSUED PRIOR TO MARCH THIRD, NINE-
11 TEEN HUNDRED AND SEVENTEEN), IN AN
12 AMOUNT NOT TO EXCEED, ON MARCH THIRD,
13 NINETEEN HUNDRED AND SEVENTEEN, TWENTY
14 PER CENTUM OF THE TOTAL INTERESTS OR
15 SHARES IN THE PARTNERSHIP OR OF THE TOTAL
16 SHARES OF THE CAPITAL STOCK OF THE CORPO-
17 RATION, SHALL BE INCLUDED IN INVESTED CAP-
18 ITAL AT A VALUE NOT TO EXCEED THE ACTUAL
19 CASH VALUE AT THE TIME OF SUCH PURCHASE,
20 AND IN CASE OF ISSUE OF STOCK THEREFOR
21 NOT TO EXCEED THE PAR VALUE OF SUCH
22 STOCK;

23 (B) IN THE CASE OF AN INDIVIDUAL, (1)
24 ACTUAL CASH PAID INTO THE TRADE OR BUSI-
25 NESS, AND (2) THE ACTUAL CASH VALUE OF

1 TANGIBLE PROPERTY PAID INTO THE TRADE
2 OR BUSINESS, OTHER THAN CASH, AT THE TIME
3 OF SUCH PAYMENT (BUT IN CASE SUCH TAN-
4 GIBLE PROPERTY WAS PAID IN PRIOR TO JANU-
5 ARY FIRST, NINETEEN HUNDRED AND FOUR-
6 TEEN, THE ACTUAL CASH VALUE OF SUCH
7 PROPERTY AS OF JANUARY FIRST, NINETEEN
8 HUNDRED AND FOURTEEN). AND (3) THE
9 ACTUAL CASH VALUE OF PATENTS, COPY-
10 RIGHTS, GOOD WILL, TRADE MARKS, TRADE
11 BRANDS, FRANCHISES, OR OTHER INTAN-
12 GIBLE PROPERTY, PAID INTO THE TRADE
13 OR BUSINESS, AT THE TIME OF SUCH PAY-
14 MENT, IF PAYMENT WAS MADE THEREFOR
15 SPECIFICALLY AS SUCH IN CASH OR TANGI-
16 BLE PROPERTY, NOT TO EXCEED THE ACTUAL
17 CASH OR ACTUAL CASH VALUE OF THE TANGI-
18 BLE PROPERTY BONA FIDE PAID THEREFOR
19 AT THE TIME OF SUCH PAYMENT.

20 IN THE CASE OF A FOREIGN CORPORATION
21 OR PARTNERSHIP OR OF A NONRESIDENT ALIEN
22 INDIVIDUAL THE TERM "INVESTED CAPITAL"
23 MEANS THAT PROPORTION OF THE ENTIRE IN-
24 VESTED CAPITAL, AS DEFINED AND LIMITED
25 IN THIS TITLE, WHICH THE NET INCOME FROM

1 SOURCES WITHIN THE UNITED STATES BEARS
2 TO THE ENTIRE NET INCOME.

3 SEC. 208. THAT IN CASE OF THE REORGANI-
4 ZATION, CONSOLIDATION, OR CHANGE OF OWNER-
5 SHIP OF A TRADE OR BUSINESS AFTER MARCH
6 THIRD, NINETEEN HUNDRED AND SEVENTEEN, IF
7 AN INTEREST OR CONTROL IN SUCH TRADE OR
8 BUSINESS OF FIFTY PER CENTUM OR MORE RE-
9 MAINS IN CONTROL OF THE SAME PERSONS, COR-
10 PORATIONS, ASSOCIATIONS, PARTNERSHIPS, OR
11 ANY OF THEM, THEN IN ASCERTAINING THE IN-
12 VESTED CAPITAL OF THE TRADE OR BUSINESS
13 NO ASSET TRANSFERRED OR RECEIVED FROM
14 THE PRIOR TRADE OR BUSINESS SHALL BE AL-
15 LOWED A GREATER VALUE THAN WOULD HAVE
16 BEEN ALLOWED UNDER THIS TITLE IN COM-
17 PUTING THE INVESTED CAPITAL OF SUCH PRIOR
18 TRADE OR BUSINESS IF SUCH ASSET HAD NOT
19 BEEN SO TRANSFERRED OR RECEIVED, UNLESS
20 SUCH ASSET WAS PAID FOR SPECIFICALLY AS
21 SUCH, IN CASH OR TANGIBLE PROPERTY, AND
22 THEN NOT TO EXCEED THE ACTUAL CASH OR
23 ACTUAL CASH VALUE OF THE TANGIBLE PROP-
24 ERTY PAID THEREFOR AT THE TIME OF SUCH
25 PAYMENT.

1 SEC. 209. THAT IN THE CASE OF A TRADE OR
2 BUSINESS HAVING NO INVESTED CAPITAL OR
3 NOT MORE THAN A NOMINAL CAPITAL THERE
4 SHALL BE LEVIED, ASSESSED, COLLECTED, AND
5 PAID, IN ADDITION TO THE TAXES UNDER EXIST-
6 ING LAW AND UNDER THIS ACT, IN LIEU OF THE
7 TAX IMPOSED BY SECTION TWO HUNDRED AND
8 ONE, A TAX EQUIVALENT TO EIGHT PER CENTUM
9 OF THE NET INCOME OF SUCH TRADE OR BUSI-
10 NESS, IN EXCESS OF THE FOLLOWING DEDUC-
11 TIONS: IN THE CASE OF A DOMESTIC CORPORA-
12 TION, \$3,000, AND IN THE CASE OF A DOMESTIC
13 PARTNERSHIP, OR A CITIZEN OR RESIDENT OF
14 THE UNITED STATES, \$6,000, IN THE CASE OF
15 ALL OTHER TRADES OR BUSINESS, NO DEDUC-
16 TION.

17 SEC. 210. THAT IF THE SECRETARY OF THE
18 TREASURY IS UNABLE IN ANY CASE SATIS-
19 FACTORILY TO DETERMINE THE INVESTED
20 CAPITAL, THE AMOUNT OF THE DEDUCTION
21 SHALL BE THE SUM OF (1) AN AMOUNT EQUAL
22 TO THE SAME PROPORTION OF THE NET INCOME
23 OF THE TRADE OR BUSINESS RECEIVED DURING
24 THE TAXABLE YEAR AS THE PROPORTION WHICH
25 THE AVERAGE DEDUCTION (DETERMINED IN THE

1 SAME MANNER AS PROVIDED IN SECTION TWO
2 HUNDRED AND THREE, WITHOUT INCLUDING
3 THE \$3,000 or \$6,000 THEREIN REFERRED TO)
4 FOR THE SAME CALENDAR YEAR OF REPRESENTATIVE
5 CORPORATIONS, PARTNERSHIPS,
6 AND INDIVIDUALS, ENGAGED IN A LIKE
7 OR SIMILAR TRADE OR BUSINESS,
8 BEARS TO THE TOTAL NET INCOME OF THE
9 TRADE OR BUSINESS RECEIVED BY SUCH CORPORATIONS,
10 PARTNERSHIPS, AND INDIVIDUALS,
11 PLUS (2) IN THE CASE OF A DOMESTIC CORPORATION
12 \$3,000, AND IN THE CASE OF A DOMESTIC
13 PARTNERSHIP OR A CITIZEN OR RESIDENT
14 OF THE UNITED STATES \$6,000.

15 FOR THE PURPOSE OF THIS SECTION THE
16 PROPORTION BETWEEN THE DEDUCTION AND
17 THE NET INCOME IN EACH TRADE OR
18 BUSINESS SHALL BE DETERMINED BY THE
19 COMMISSIONER OF INTERNAL REVENUE IN ACCORDANCE
20 WITH REGULATIONS PRESCRIBED
21 BY HIM, WITH THE APPROVAL OF THE SECRETARY
22 OF THE TREASURY. IN THE CASE OF A
23 CORPORATION OR PARTNERSHIP WHICH HAS

WHICH FIXED ITS OWN FISCAL YEAR, THE PROPORTION DETERMINED FOR THE CALENDAR YEAR (WHICH ENDING DURING SUCH FISCAL YEAR SHALL BE USED).

SEC. 211. THAT EVERY FOREIGN PARTNERSHIP HAVING A NET INCOME OF \$3,000 OR MORE FOR THE TAXABLE YEAR, AND EVERY DOMESTIC PARTNERSHIP HAVING A NET INCOME OF \$6,000 OR MORE FOR THE TAXABLE YEAR, SHALL RENDER A CORRECT RETURN OF THE INCOME OF THE TRADE OR BUSINESS FOR THE TAXABLE YEAR, SETTING FORTH SPECIFICALLY THE GROSS INCOME FOR SUCH YEAR, AND THE DEDUCTIONS ALLOWED IN THIS TITLE. SUCH RETURNS SHALL BE RENDERED AT THE SAME TIME AND IN THE SAME MANNER AS IS PRESCRIBED FOR INCOME-TAX RETURNS UNDER TITLE I OF SUCH ACT OF SEPTEMBER EIGHTH, NINETEEN HUNDRED AND SIXTEEN, AS AMENDED BY THIS ACT.

SEC. 212. THAT ALL ADMINISTRATIVE, SPECIAL, AND GENERAL PROVISIONS OF LAW,

1 INCLUDING THE LAWS IN RELATION TO THE
2 ASSESSMENT, REMISSION, COLLECTION, AND RE-
3 FUND OF INTERNAL-REVENUE TAXES NOT HERE-
4 TOFORE SPECIFICALLY REPEALED, AND NOT
5 INCONSISTENT WITH THE PROVISIONS OF THIS
6 TITLE, ARE HEREBY EXTENDED AND MADE
7 APPLICABLE TO ALL THE PROVISIONS OF THIS
8 TITLE AND TO THE TAX HEREIN IMPOSED, AND
9 ALL PROVISIONS OF TITLE I OF SUCH ACT OF
10 SEPTEMBER EIGHTH, NINETEEN HUNDRED AND
11 SIXTEEN, AS AMENDED BY THIS ACT, RELATING
12 TO RETURNS AND PAYMENT OF THE TAX THERE-
13 IN IMPOSED, INCLUDING PENALTIES, ARE
14 HEREBY MADE APPLICABLE TO THE TAX
15 IMPOSED BY THIS TITLE.

16 SEC. 213. THAT THE COMMISSIONER OF IN-
17 TERNAL REVENUE, WITH THE APPROVAL OF
18 THE SECRETARY OF THE TREASURY, SHALL
19 MAKE ALL NECESSARY REGULATIONS FOR
20 CARRYING OUT THE PROVISIONS OF THIS TITLE,
21 AND MAY REQUIRE ANY CORPORATION, PART-
22 NERSHIP, OR INDIVIDUAL, SUBJECT TO THE
23 PROVISIONS OF THIS TITLE, TO FURNISH HIM

1 WITH SUCH FACTS, DATA, AND INFORMATION
2 AS IN HIS JUDGMENT ARE NECESSARY TO COL-
3 LECT THE TAX IMPOSED BY THIS TITLE.

4 SEC. 214. THAT TITLE II (SECTIONS TWO
5 HUNDRED TO TWO HUNDRED AND SEVEN, IN-
6 CLUSIVE) OF THE ACT ENTITLED, "AN ACT TO
7 PROVIDE INCREASED REVENUE TO DEFRAY THE
8 EXPENSES OF THE INCREASED APPROPRIATIONS
9 FOR THE ARMY AND NAVY, AND THE EXTEN-
10 SIONS OF FORTIFICATIONS, AND FOR OTHER
11 PURPOSES," APPROVED MARCH THIRD, NINE-
12 TEEN HUNDRED AND SEVENTEEN, IS HEREBY
13 REPEALED.

14 ANY AMOUNT HERETOFORE OR HEREAFTER
15 PAID ON ACCOUNT OF THE TAX IMPOSED BY
16 SUCH TITLE II, SHALL BE CREDITED TOWARD
17 THE PAYMENT OF THE TAX IMPOSED BY THIS
18 TITLE, AND IF THE AMOUNT SO PAID EXCEEDS
19 THE AMOUNT OF SUCH TAX THE EXCESS SHALL
20 BE REFUNDED AS A TAX ERRONEOUSLY OR
21 ILLEGALLY COLLECTED.

22 SUBDIVISION (1) OF SECTION THREE HUN-
23 DRED AND ONE OF SUCH ACT OF SEPTEMBER

1 EIGHTH, NINETEEN HUNDRED AND SIXTEEN,
 2 IS HEREBY AMENDED SO THAT THE RATE OF
 3 TAX FOR THE TAXABLE YEAR NINETEEN HUN-
 4 DRED AND SEVENTEEN SHALL BE TEN PER
 5 CENTUM INSTEAD OF TWELVE AND ONE-HALF
 6 PER CENTUM, AS THEREIN PROVIDED.

7 SUBDIVISION (2) OF SUCH SECTION IS HERE-
 8 BY AMENDED TO READ AS FOLLOWS:

9 “(2) THIS SECTION SHALL CEASE TO BE OF
 10 EFFECT ON AND AFTER JANUARY FIRST, NINE-
 11 TEEN HUNDRED AND EIGHTEEN.”

12 TITLE III.—WAR TAX ON BEVERAGES.

13 SEC. 300. That on and after the (38) passage [enact-
 14 ment] PASSAGE of this Act there shall be levied and collected
 15 on all distilled spirits in bond at that time or that have been
 16 or that may be then or thereafter produced in or imported
 17 into the United States, except such distilled spirits as are
 18 subject to the tax provided in section three hundred and
 19 (39)one [four] THREE, in addition to the tax now im-
 20 posed by law, a tax of \$1.10 (40)or, if withdrawn for
 21 beverage purposes OR FOR USE IN THE MANUFAC-
 22 TURE OR PRODUCTION OF ANY ARTICLE USED OR
 23 INTENDED FOR USE AS A BEVERAGE, a tax of

1 §2.10) on each proof gallon, or wine gallon when below
2 proof, and a proportionate tax at a like rate on all fractional
3 parts of such proof or wine gallon, to be paid by the distiller
4 (41) ~~and imposed~~ or importer when withdrawn, and collected
5 under the provisions of existing law.

6 (42) *That in addition to the tax under existing law there shall*
7 *be levied and collected upon all perfumes hereafter imported*
8 *into the United States containing distilled spirits, a tax of*
9 *\$1.10 per wine gallon, and a proportionate tax at a like rate*
10 *on all fractional parts of such wine gallon. Such tax*
11 *shall be collected by the collector of customs and deposited as*
12 *internal-revenue collections, under such rules and regulations*
13 *as the Commissioner of Internal Revenue, with the approval*
14 *of the Secretary of the Treasury, may prescribe.*

15 [(43) *SEC. 301. That in addition to the tax imposed on*
16 *distilled spirits by existing law and under section three hun-*
17 *dred, there shall be levied, assessed, collected, and paid on*
18 *the materials used in the production of such spirits after the*
19 *enactment of this Act the following taxes: On all grains,*
20 *cereals, and other solid products and materials, a tax of \$60*
21 *per one hundred pounds, and on all molasses, sirups, and*
22 *other liquid fermentable products and materials, a tax of \$5*
23 *per wine gallon. Every distiller using any such materials]*

1 *[shall keep such records and file such returns and bonds, and*
2 *the tax shall be paid at such times and in such manner, and*
3 *subject to such credits, as the Commissioner of Internal*
4 *Revenue, with the approval of the Secretary of the Treasury,*
5 *may prescribe or require. Under such rules, regulations,*
6 *and bonds, as the Commissioner of Internal Revenue, with*
7 *the approval of the Secretary of the Treasury, may prescribe,*
8 *the provisions of this section shall not apply to materials used*
9 *in the production of distilled spirits withdrawn exclusively*
10 *for other than beverage purposes or for the fortification of*
11 *pure sweet wines as defined by the Act entitled "An Act*
12 *to increase the revenue, and for other purposes," approved*
13 *September eighth, nineteen hundred and sixteen; but distilled*
14 *spirits shall not be withdrawn for export except upon the*
15 *application of an accredited representative of a nation at war*
16 *with the Imperial German Government, or of any neutral*
17 *nation, in which application it is declared that such spirits*
18 *are withdrawn for other than beverage purposes.]*

19 (44)SBO. [302]301. *That no distilled spirits produced*
20 *after the [enactment] PASSAGE of this Act shall be*
21 *imported into the United States from any foreign*
22 *country, or from the West Indian Islands recently*
23 *acquired from Denmark (unless produced from products*

1 *the growth of such islands, and not then into any State*
2 *or Territory or District of the United States in which the*
3 *manufacture or sale of intoxicating liquor is prohibited), or*
4 *from Porto Rico, or the Philippine Islands. Under such*
5 *rules, regulations, and bonds as the Secretary of the Treas-*
6 *ury may prescribe, the provisions of this section shall not*
7 *apply to distilled spirits imported for other [than beverage*
8 *purposes] THAN (1) BEVERAGE PURPOSES OR (2)*
9 *USE IN THE MANUFACTURE OR PRODUCTION*
10 *OF ANY ARTICLE USED OR INTENDED FOR USE*
11 *AS A BEVERAGE.*

12 **(45)SEC. [303]302.** *That at registered distilleries producing*
13 *alcohol, or other high-proof spirits, packages may be filled with*
14 *such spirits reduced to not less than one hundred proof from*
15 *the receiving cisterns and tax paid without being entered into*
16 *bonded warehouse. Such spirits may also be transferred*
17 *from the receiving cisterns at such distilleries, by means of*
18 *pipe lines, direct to storage tanks in the bonded warehouse*
19 *and may be warehoused in such storage tanks. Such spirits*
20 *may be also transferred in tanks or tank cars to general*
21 *bonded warehouses for storage therein, either in storage*
22 *tanks in such warehouses or in the tanks in which they were*
23 *transferred. Such spirits may also be transferred after*

1 *tax payment from receiving cisterns or warehouse storage*
2 *tanks to tanks or tank cars and may be transported in such*
3 *tanks or tank cars to the premises of rectifiers of spirits.*
4 *The Commissioner of Internal Revenue, with the approval*
5 *of the Secretary of the Treasury, is hereby empowered to*
6 *prescribe all necessary regulations relating to the drawing*
7 *off, transferring, gauging, storing and transporting of such*
8 *spirits; the records to be kept and returns to be made; the*
9 *size and kind of packages and tanks to be used; the marking,*
10 *branding, numbering and stamping of such packages and*
11 *tanks; the kinds of stamps, if any, to be used: and the time*
12 *and manner of paying the tax; the kind of bond and the*
13 *penal sum of same. The tax prescribed by law must be paid*
14 *before such spirits are removed from the distillery premises,*
15 *or from general bonded warehouse in the case of spirits*
16 *transferred thereto, except as otherwise provided by law.*

17 *Under such regulations as the Commissioner of Internal*
18 *Revenue, with the approval of the Secretary of the Treasury,*
19 *may prescribe, distilled spirits may hereafter be drawn from*
20 *receiving cisterns and deposited in distillery warehouses*
21 *without having affixed to the packages containing the same*
22 *distillery warehouse stamps, and such packages, when so*
23 *deposited in warehouse, may be withdrawn therefrom on*

1 *the original gauge where the same have remained in such*
 2 *warehouse for a period not exceeding thirty days from the*
 3 *date of deposit.*

4 **(46)** *Under such regulations as the Commissioner of Internal*
 5 *Revenue, with the approval of the Secretary of the Treasury,*
 6 *may prescribe, the manufacture, warehousing, withdrawal,*
 7 *and shipment, under the provisions of existing law, of ethyl*
 8 *alcohol for [use of the United States or for denaturation]*
 9 **OTHER THAN (1) BEVERAGE PURPOSES OR (2)**
 10 **USE IN THE MANUFACTURE OR PRODUCTION**
 11 **OF ANY ARTICLE USED OR INTENDED FOR USE**
 12 **AS A BEVERAGE.** *and denatured alcohol, may be ex-*
 13 *empted from the provisions of section thirty-two hundred and*
 14 *eighty-three, Revised Statutes of the United States.*

15 **(47)** *Under such regulations as the Commissioner of Inter-*
 16 *nal Revenue, with the approval of the Secretary of the Treas-*
 17 *ury, may prescribe, manufacturers of ethyl alcohol for other*
 18 *than beverage purposes may be granted permission under the*
 19 *provisions of section thirty-two hundred and eighty-five,*
 20 *Revised Statutes of the United States, to fill fermenting tubs*
 21 *in a sweet-mash distillery not oftener than once in forty-eight*
 22 *hours.*

23 **SEC. (48)~~301~~ [304] 303.** **That upon all distilled spirits**
 24 **produced in or imported into the United States upon which**

1 the tax now imposed by law has been paid, and which, on
 2 the day this Act is ~~(49)passed~~ **[enacted]** PASSED, are held
 3 by a retailer in a quantity in excess of fifty gallons in the
 4 aggregate, or by any other person, corporation, partnership,
 5 or association in any quantity, and ~~(50)which~~ are intended
 6 for sale, there shall be levied, assessed, collected, and paid a
 7 tax of \$1.10 ~~(51)~~*or, if intended for sale for beverage purposes*
 8 OR FOR USE IN THE MANUFACTURE OR PRODUC-
 9 TION OF ANY ARTICLE USED OR INTENDED FOR
 10 USE AS A BEVERAGE, *a tax of \$2.10*) on each proof
 11 gallon, ~~(52)or wine gallon when below proof,~~ and a propor-
 12 tionate tax at a like rate on all fractional parts of such proof
 13 ~~(53)or wine~~ gallon : *Provided, That the tax on such distille*
 14 *spirits in the custody of a court of bankruptcy in insolvency*
 15 *proceedings* ~~(54)at the time of the passage of this Act on June~~
 16 *first, nineteen hundred and seventeen,* shall be paid by the
 17 person to whom the court delivers such distilled spirits at the
 18 time of such ~~(55)delivery~~ *delivery, to the extent that the amount*
 19 *thus delivered exceeds the fifty gallons hereinbefore provided.*

20 SEC. ~~(56)303~~ **[305]** 304. That in addition to the tax now
 21 imposed or imposed by this Act on distilled spirits there shall be
 22 levied, assessed, collected, and paid a tax of 15 cents on each
 23 ~~(57)wine proof~~ gallon and a proportionate tax at a like rate on
 24 all fractional parts of such ~~(58)wine proof~~ gallon on all distilled

1 spirits or wines hereafter rectified, purified, or refined in
2 such manner, and on all mixtures hereafter produced in such
3 manner, that the person so rectifying, purifying, refining,
4 or mixing the same is a rectifier within the meaning of
5 section thirty-two hundred and forty-four, Revised Statutes,
6 as amended, and on all such articles in the possession of the rec-
7 tifier on the day this Act is (59)passed [enacted] PASSED:
8 *Provided, That this tax shall not apply to gin produced by the*
9 *redistillation of a pure spirit over juniper berries and other*
10 *aromatics.*

11 When the process of rectification is completed and the tax
12 prescribed by this section has been paid, it shall be unlawful
13 for the rectifier or other dealer to reduce in proof or increase
14 in volume such spirits or wine by the addition of water or
15 other substance; nothing herein contained shall, however,
16 prevent a rectifier from using again in the process of rectifica-
17 tion spirits already rectified and upon which the tax has
18 theretofore been paid.

19 The tax imposed by this section shall not attach to
20 cordials or liqueurs on which a tax is imposed and paid
21 under the Act entitled "An Act to increase the revenue,
22 and for other purposes," approved September eighth, nine-
23 teen hundred and sixteen, nor to the mixing and blending of
24 wines, where such blending is for the sole purpose of perfecting

1 such wines according to commercial standards, nor to blends
2 made exclusively of two or more pure straight whiskies
3 aged in wood for a period not less than four years and
4 without the addition of coloring or flavoring matter or any
5 other substance than pure water and if not reduced
6 below ninety proof: *Provided*, That such blended
7 whiskies shall be exempt from tax under this section only
8 when compounded under the immediate supervision of a
9 revenue officer, in such tanks and under such conditions and
10 supervision as the Commissioner of Internal Revenue, with
11 the approval of the Secretary of the Treasury, may prescribe.

12 All distilled spirits taxable under this section shall be
13 subject to uniform regulations concerning the use thereof in
14 the manufacture, blending, compounding, mixing, marking,
15 branding, and sale of whisky and rectified spirits, and no
16 discrimination whatsoever shall be made by reason of a
17 difference in the character of the material from which same
18 may have been produced.

19 The business of a rectifier of spirits shall be carried on,
20 and the tax on rectified spirits shall be paid, under such
21 rules, regulations, and bonds as may be prescribed by the
22 Commissioner of Internal Revenue, with the approval of
23 the Secretary of the Treasury.

24 Any person violating any of the provisions of this section
25 shall be deemed to be guilty of a misdemeanor and, upon con-

1 viction, shall be fined not [~~less than (60) \$500 and \$250 and~~
 2 ~~not~~] *more than \$1,000 or imprisoned not more than two years.*
 3 *He shall, in addition, be liable to double the tax evaded (61),*
 4 ~~the same to be recovered, together with the tax, on any bond~~
 5 ~~given by him as rectifier together with the tax, to be collected~~
 6 *by assessment or on any bond given.*

7 **(62)SEC. [306]305.** *That hereafter collectors of inter-*
 8 *nal revenue shall not furnish wholesale liquor dealer's stamps*
 9 *in lieu of and in exchange for stamps for rectified spirits*
 10 *unless the package covered by stamp for rectified spirits is to*
 11 *be broken into smaller packages.*

12 *The Commissioner of Internal Revenue, with the ap-*
 13 *proval of the Secretary of the Treasury, is authorized to dis-*
 14 *continue the use of the following stamps whenever in his*
 15 *judgment the interests of the Government will be subserved*
 16 *thereby:*

17 *Distillery warehouse, special bonded warehouse, special*
 18 *bonded rewarehouse, general bonded warehouse, general*
 19 *bonded retransfer, transfer brandy, export tobacco, export*
 20 *cigars, export oleomargarine and export fermented liquor*
 21 *stamps.*

22 **(63)SEC. [307]306.** *That the Commissioner of Internal*
 23 *Revenue, with the approval of the Secretary of the Treasury, is*
 24 *hereby authorized to require at distilleries, breweries, rectifying*
 25 *houses, and wherever else in his judgment such action may be*

1 *deemed advisable, the installation of meters, tanks, pipes, or*
 2 *any other apparatus for the purpose of protecting the revenue,*
 3 *and such meters, tanks, and pipes and all necessary labor*
 4 *incident thereto shall be at the expense of the person, corpora-*
 5 *tion, partnership, or association on whose premises the instal-*
 6 *lation is required. Any such person, corporation, partner-*
 7 *ship, or association refusing or neglecting to install such*
 8 *apparatus when so required by the commissioner shall not*
 9 *be permitted to conduct business on such premises.*

10 SEC. (64) 308 [308]307. That on and after the
 11 (65) passage [enactment] PASSAGE of this Act there
 12 shall be levied and collected on all beer, lager beer,
 13 ale, porter, and other similar fermented liquor, contain-
 14 ing one-half per centum or more of alcohol, brewed or
 15 manufactured and sold, or stored in warehouse, or removed
 16 for consumption or sale, within the United States, by what-
 17 ever name such liquors may be called, in addition to the tax
 18 now imposed by law, a tax of (66)\$1.25 \$1.50 for every bar-
 19 rel containing not more than thirty-one gallons, and at a
 20 like rate for any other quantity or for the fractional parts of
 21 a barrel authorized and defined by law.

22 (67)SEC. [309]308. That from and after the [enact-
 23 ment]PASSAGE of this Act taxable fermented liquors may be
 24 conveyed without payment of tax from the brewery premises
 25 where produced to a contiguous industrial distillery of either

1 class established under the Act of October third, nineteen
2 hundred and thirteen, to be used as distilling material, and
3 the residue from such distillation, containing [not to exceed]
4 LESS THAN one-half of one per centum of alcohol by volume,
5 which is to be used in making beverages, may be manipulated
6 by cooling, flavoring, carbonating, settling, and filtering on
7 the distillery premises or elsewhere.

8 The removal of the taxable fermented liquor from the
9 brewery to the distillery and the operation of the distillery
10 and removal of the residue therefrom shall be under the
11 supervision of such officer or officers as the Commissioner of
12 Internal Revenue shall deem proper, and the Commissioner
13 of Internal Revenue, with the approval of the Secretary of
14 the Treasury, is hereby authorized to make such regulations
15 from time to time as may be necessary to give force and effect
16 to this section and to safeguard the revenue.

17 ~~(68)SEC. 204. That upon all still wines, including~~
18 ~~vermouth, and upon all champagne and other sparkling wines,~~
19 ~~liqueurs, cordials, artificial or imitation wines or compounds~~
20 ~~sold as wine, except wines containing not more than fourteen~~
21 ~~per centum of absolute alcohol, hereafter produced in or im-~~
22 ~~ported into the United States, and removed from the custom-~~
23 ~~house, place of manufacture, or from bonded premises for sale~~
24 ~~or consumption, there shall be levied and collected, in~~
25 ~~addition to the tax now imposed by law upon such~~

~~1 articles, a tax equal to such tax, to be levied, col-
 2 lected, and paid under the provisions of existing law.
 3 Upon wines containing not more than fourteen per centum
 4 of absolute alcohol there shall be levied and collected, in
 5 addition to the tax now imposed by law upon such wines, a
 6 tax equal to one half such tax, to be levied, collected, and
 7 paid under the provisions of existing law, and the tax im-
 8 posed by existing law and the additional tax herein imposed
 9 shall apply to all domestic or imported liquours, cordials, or
 10 similar compounds by whatever name sold or offered for sale
 11 and without reference to the kind of spirits or wines used
 12 in the manufacture thereof.~~

13 [*SEC. 310. (a) That (1) upon all still wines, including
 14 vermouth, liqueurs, cordials, artificial or imitation wines or
 15 compounds sold as still wine, which contain more than four-
 16 teen per centum of absolute alcohol, and which are hereafter
 17 removed from custom-house for sale or consumption, and (2)
 18 upon all of the above which are fortified with, or which contain
 19 any product fortified with, grape brandy or wine spirits, and
 20 which are produced in the United States and hereafter removed
 21 from the place of manufacture, or from bonded premises, for
 22 sale or consumption, there shall be levied and collected, in
 23 addition to the tax now imposed by law upon such articles, a
 24 tax of \$1.10 on each proof gallon, and a proportionate tax at
 25 a like rate on all fractional parts of such proof gallon, to be
 26 levied, collected, and paid under the provisions of existing law.*]

1 **[(b) Upon (1) all of the articles enumerated in subdivi-**
2 *vision (a) which are produced in the United States and which*
3 *are not fortified with, or do not contain any product fortified*
4 *with, grape brandy or wine spirits, and which are hereafter*
5 *removed from the place of manufacture or from bonded*
6 *premises for sale or consumption, and (2) all of the articles*
7 *enumerated in subdivision (a) containing not more than four-*
8 *teen per centum of absolute alcohol, and which are hereafter*
9 *removed from custom-house, place of manufacture, or bonded*
10 *premises, for sale or consumption, there shall be levied and*
11 *collected, in addition to the tax now imposed by law upon*
12 *such articles, a tax equivalent to the internal-revenue tax*
13 *now imposed by law, to be levied, collected, and paid under*
14 *the provisions of existing law.*

15 **(c) Upon champagne, sparkling wines, and artificially**
16 *carbonated wines, produced in or imported into the United*
17 *States and hereafter removed from custom-house, place of*
18 *manufacture, or bonded premises, for sale or consumption,*
19 *there shall be levied and collected, in addition to the tax now*
20 *imposed by law upon such articles, a tax equal to double the*
21 *internal-revenue tax now imposed by law, to be levied, col-*
22 *lected, and paid under the provisions of existing law.*

23 **(d) Whoever has possession of any empty cask or package**
24 *which has been used for wine or any article taxable under this*
25 *section or under subdivision (a) or (e) of section four hundred*
26 *and two of the Act entitled "An Act to increase the revenue,]*

1 *[and for other purposes,'] approved September eighth, nineteen*
 2 *hundred and sixteen, and on which the stamp or any mark*
 3 *denoting payment of tax has not been effectually destroyed or*
 4 *obliterated, or reuses any such cask or package, having thereon*
 5 *any such stamp or mark previously so used, shall for each*
 6 *such offense be fined not less than \$100 nor more than \$1,000,*
 7 *or be imprisoned not more than one year, or both; and all*
 8 *such casks or packages, and their contents in the case of reuse,*
 9 *shall be forfeited to the United States.]*

10 SEC. 309. THAT UPON ALL STILL WINES, INCLUDING
 11 VERMUTH, AND UPON ALL CHAMPAGNE AND OTHER SPARK-
 12 LING WINES, LIQUEURS, CORDIALS, ARTIFICIAL OR IMITATION
 13 WINES OR COMPOUNDS SOLD AS WINE, PRODUCED IN OR IM-
 14 PORTED INTO THE UNITED STATES, AND HEREAFTER
 15 REMOVED FROM THE CUSTOMHOUSE, PLACE OF MANUFAC-
 16 TURE, OR FROM BONDED PREMISES FOR SALE OR CONSUMP-
 17 TION, THERE SHALL BE LEVIED AND COLLECTED, IN ADDITION
 18 TO THE TAX NOW IMPOSED BY LAW UPON SUCH ARTICLES,
 19 A TAX EQUAL TO SUCH TAX, TO BE LEVIED, COLLECTED, AND
 20 PAID UNDER THE PROVISIONS OF EXISTING LAW.

21 SEC. ~~(69)205~~ [311] 310. That upon all articles speci-
 22 fied in section three hundred and ~~(70)four~~ [ten] NINE
 23 upon which the tax now imposed by law has been paid and
 24 which are on the day this Act is ~~(71)passed~~ [enacted]
 25 PASSED held in excess of twenty-five gallons in the aggre-

1 gate of such articles and intended for sale, there shall be
 2 levied, collected, and paid a tax equal to the ~~(72)tax now~~
 3 ~~imposed by law~~ tax imposed by such section.

4 SEC. ~~(73)306~~ [312] 311. That upon all grape brandy or
 5 wine spirits withdrawn by a producer of wines from any fruit
 6 distillery or special bonded warehouse under subdivision (c)
 7 of section four hundred and two of the Act entitled "An Act
 8 to increase the revenue, and for other purposes," approved
 9 September eighth, nineteen hundred and sixteen, there shall
 10 be levied, assessed, collected, and paid in addition to the tax
 11 therein imposed, a tax ~~(74)equal to such tax~~ [of \$1 per proof
 12 gallon] EQUAL TO DOUBLE SUCH TAX, to be assessed,
 13 collected, and paid under the provisions of existing law.

14 SEC. ~~(75)307~~ [313] 312. ~~(76)Upon~~ That upon all sweet
 15 wines held for sale by the producer thereof upon the day this
 16 Act is ~~(77)passed~~ [enacted] PASSED there shall be levied,
 17 assessed, collected, and paid an additional tax equivalent to
 18 ~~(78)10 cents~~ [\$1] 10 CENTS per proof gallon upon the grape
 19 brandy or wine spirits used in the fortification of such wine,
 20 and an additional tax of ~~(79)10 cents~~ [\$1] 20 CENTS
 21 per proof gallon shall be levied, assessed, collected, and
 22 paid upon all grape brandy or wine spirits withdrawn by a
 23 producer of sweet wines for the purpose of fortifying such
 24 wines and not so used prior to the ~~(80)passage~~ [enactment]
 25 PASSAGE of this Act.

1 **Sec. (81) 308 [314] 313.** That there shall be levied,
2 assessed, collected, and paid—

3 (a) Upon all prepared sirups or extracts (intended for
4 use in the manufacture or production of beverages, commonly
5 known as soft drinks, by soda fountains, bottling establish-
6 ments, and other similar places) sold by the manufacturer,
7 producer, or importer thereof, ~~(82) a tax equivalent to ten per~~
8 ~~centum of the price for which so sold if so sold for not more~~
9 ~~than [\$1.25] \$1.30 per gallon, a tax of [3] 5 cents per gallon;~~
10 ~~if so sold for more than [\$1.25] \$1.30 and not more than \$2~~
11 ~~per gallon, a tax of [4] 8 cents per gallon; if so sold for more~~
12 ~~than \$2 and not more than \$3 per gallon, a tax of [6] 10 cents~~
13 ~~per gallon; if so sold for more than \$3 and not more than \$4~~
14 ~~per gallon, a tax of [8] 15 cents per gallon; and if so sold for~~
15 ~~more than \$4 per gallon, a tax of [12] 20 cents per gallon; and~~

16 (b) Upon all unfermented grape juice, soft drinks or
17 artificial mineral waters (not carbonated), and fermented
18 liquors containing less than one-half per centum of alcohol,
19 sold by the manufacturer, producer, or importer ~~(83) thereof~~
20 ~~thereof~~, in bottles or other closed containers, and upon all
21 ginger ale, root beer, sarsaparilla, pop, and other carbonated
22 waters or beverages, manufactured and sold by the manu-
23 facturer, producer, or importer of the carbonic acid gas used
24 in carbonating the same, a tax of ~~(84) 2 cents~~ 1 cent per
25 .gallon; and

1 (c) Upon all natural mineral waters or table waters,
2 sold by the producer, bottler, or importer thereof, in bottles
3 or other closed containers, at over 10 cents per gallon, a tax
4 of 1 cent per (85)gallon; and gallon.

5 ~~(86)(d) Upon all carbonic acid gas in drums or other con-~~
6 ~~tainers (intended for use in the manufacture or production~~
7 ~~of carbonated water or other drinks) sold by the manufacturer,~~
8 ~~producer, or importer thereof, a tax of 8 cents per pound.~~

9 (87)SEC. 309 [315]314. That each such manufacturer, pro-
10 ducer, bottler, or importer shall make monthly returns under
11 oath to the collector of internal revenue for the district in
12 which is located the principal place of business, containing
13 such information necessary for the assessment of the tax, and
14 at such times and in such manner, as the Commissioner of
15 Internal Revenue, with the approval of the Secretary of the
16 Treasury, may by regulation prescribe.

17 (88)SEC. [316]315. *That upon all carbonic acid gas in drums*
18 *or other containers (intended for use in the manufacture or*
19 *production of carbonated water or other drinks) sold by the*
20 *manufacturer, producer, or importer thereof, there shall be*
21 *levied, assessed, collected, and paid a tax of 5 cents per pound.*
22 *Such tax shall be paid by the purchaser to the vendor thereof*
23 *and shall be collected, returned, and paid to the United States*
24 *by such vendor in the same manner as provided in section five*
25 *hundred and three,*

1 TITLE IV.—WAR TAX ON CIGARS, TOBACCO, AND
2 MANUFACTURES THEREOF.

3 SEC. 400. That upon cigars and cigarettes, which shall
4 be manufactured and sold, or removed for consumption or sale,
5 there shall be levied and collected, in addition to the taxes
6 now imposed by existing law, the following taxes, to be paid
7 by the manufacturer or importer thereof: (89)(a) on cigars
8 of all descriptions made of tobacco, or any substitute therefor,
9 and weighing not more than three pounds per thousand, 25
10 cents per thousand; (90)(b) on cigars made of tobacco, or
11 any substitute therefor, and weighing more than three
12 pounds per thousand, if manufactured or imported to retail
13 at (91)~~not more than~~ 4 cents (92)~~or more~~ each, (93)~~50~~
14 ~~cents per thousand; if manufactured or imported to retail at~~
15 ~~more than 4 cents,~~ and not more than (94)~~6~~ 7 cents each,
16 \$1 per thousand; (95)(c) if manufactured or imported to
17 retail at more than (96)~~6~~ 7 cents (97)~~each~~ and not more
18 than (98)~~10~~ 15 cents each, (99)~~\$2~~ \$3 per thousand;
19 (100)(d) if manufactured or imported to retail at more than
20 (101)~~10~~ 15 cents (102)~~each~~ and not more than (103)~~15~~ 20
21 cents each, (104)~~\$4~~ \$5 per thousand; (105)(e) if manufac-
22 tured or imported to retail at more than (106)~~15 cents and~~
23 ~~not more than~~ 20 cents each, (107)~~\$5~~ \$7 per thousand
24 (108)~~; if manufactured or imported to retail at more than 20~~
25 ~~cents and not more than 25 cents each, \$7 per thousand; if~~
26 ~~manufactured or imported to retail at more than 25 cents~~

1 ~~each, \$10 per thousand~~: *Provided*, That the word "retail"
 2 as used in this section shall mean the ordinary retail price
 3 of a single cigar, and that the Commissioner of Internal
 4 Revenue may, by regulation, require the manufacturer
 5 (109) *or importer* to affix to each box or container a con-
 6 spicuous label indicating (110) ~~the maximum retail price~~
 7 ~~of each cigar by letter the clause of this section under~~
 8 *which the cigars therein contained have been tax-paid*, which
 9 must correspond with the tax-paid stamp on said box or
 10 container: (111) *(f)* on cigarettes made of tobacco, or any
 11 substitute therefor, made in or imported into the United
 12 States, and weighing not more than three pounds per
 13 thousand, (112) ~~\$1.25~~ [75] 80 cents per thousand (113):
 14 *weighing more than three pounds per thousand, \$1.20 per*
 15 *thousand.*

16 ~~(114) The Commissioner of Internal Revenue, with~~
 17 ~~the approval of the Secretary of the Treasury, shall pro-~~
 18 ~~vide the dies and stamps for cigars and cigarettes necessary~~
 19 ~~under the taxes in effect, and the sizes of packages~~
 20 ~~authorized, after the provisions of this title take effect.~~

21 Every manufacturer of cigarettes (including small cigars
 22 weighing not more than three pounds per thousand) shall put
 23 up all the cigarettes and such small cigars that he manu-
 24 factures or has manufactured for him, and sells or removes for
 25 consumption or use, in packages or parcels containing five,
 26 (115) ~~seven~~, eight, (116) ~~nine~~, ten, (117) ~~twelve~~, (118)

1 ~~fourteen, fifteen, sixteen, (119)eighteen,—nineteen,~~
 2 ~~twenty, (120)twenty-four,~~ forty, fifty, eighty, or one
 3 hundred cigarettes each. and shall securely affix to each
 4 of said packages or parcels a suitable stamp denoting the
 5 tax thereon and shall properly cancel the same prior to such
 6 sale or removal for consumption or use under such regulations
 7 as the Commissioner of Internal Revenue, with the approval
 8 of the Secretary of the Treasury, shall prescribe; and all
 9 cigarettes imported from a foreign country shall be packed,
 10 stamped, and the stamps canceled in a like manner, in addi-
 11 tion to the import stamp indicating inspection of the custom-
 12 house before they are withdrawn therefrom.

13 SEC. 401. That upon all tobacco and snuff hereafter
 14 manufactured and sold, or removed for consumption or use,
 15 there shall be levied and collected, in addition to the tax now
 16 imposed by law upon such articles, a tax (121)~~equal to such~~
 17 ~~tax of~~ [4]5 cents per pound, to be levied, collected, and paid
 18 under the provisions of existing law.

19 In addition to the packages provided for under existing
 20 law, manufactured tobacco and snuff may be put up and pre-
 21 pared by the manufacturer for sale or consumption, in packages
 22 of the following description: Packages containing one-
 23 eighth, three-eighths, five-eighths, seven-eighths, one and
 24 one-eighth, one and three-eighths, one and five-eighths, one
 25 and seven-eighths, and five ounces.

1 ~~(122)SEC. 402. That so much of section four hundred as im-~~
 2 ~~poses a tax upon cigars, and the whole of section four hundred~~
 3 ~~and one, shall take effect thirty days after the passage of this~~
 4 ~~Act. That section four hundred and four and so much of~~
 5 ~~section four hundred as imposes a tax upon cigarettes and as~~
 6 ~~relates to packages or parcels in which cigarettes may be put~~
 7 ~~up shall take effect ninety days after the passage of this~~
 8 ~~Act: *Provided*, That after the passage of this Act and before~~
 9 ~~the expiration of the aforesaid ninety days, cigarettes may be~~
 10 ~~put up in the packages now provided for by law or in the~~
 11 ~~packages provided for in section four hundred.~~

12 SEC. 402. THAT SECTIONS FOUR HUNDRED,
 13 FOUR HUNDRED AND ONE, AND FOUR HUNDRED
 14 AND FOUR, SHALL TAKE EFFECT THIRTY DAYS
 15 AFTER THE PASSAGE OF THIS ACT: PROVIDED,
 16 THAT AFTER THE PASSAGE OF THIS ACT AND BEFORE THE
 17 EXPIRATION OF THE AFORESAID **[NINETY]** THIRTY DAYS,
 18 CIGARETTES AND MANUFACTURED TOBACCO AND
 19 SNUFF MAY BE PUT UP IN THE PACKAGES NOW PROVIDED
 20 FOR BY LAW OR IN THE PACKAGES PROVIDED FOR IN SEC_
 21 TIONS FOUR HUNDRED AND FOUR HUNDRED AND
 22 ONE.

23 SEC. ~~(123)403~~ **[402]** 403. That there shall also be
 24 ~~(124)assessed~~ *levied* and collected, upon all manufactured
 25 tobacco and snuff in excess of one ~~(125)thousand~~
 26 *dred* pounds ~~(126)~~**[at any one place of business]**

1 (127) ~~or~~ [and] OR upon cigars (128) [*in excess of five*
2 *hundred at any one place of business*] (129) ~~or~~ [and
3 *upon*] OR cigarettes in excess of (130) ~~twenty one~~
4 thousand (131) [*at any one place of business*], which
5 were manufactured or imported, and removed from factory
6 or (132) ~~customs house~~ *custom-house* prior to the (133)
7 ~~passage~~ [enactment] PASSAGE of this Act, bearing tax-paid
8 stamps affixed to such articles for the payment of the taxes
9 thereon, and which are, on the day (134) ~~after~~ this Act is
10 (135) ~~passed~~ [enacted] PASSED, held and intended for
11 sale by any person, corporation, partnership, or association,
12 (136) ~~and upon all manufactured tobacco, snuff, cigars, or~~
13 ~~cigarettes, removed from factory or customs house after the pas-~~
14 ~~sage of this Act but prior to the time when the tax imposed by~~
15 ~~section four hundred or section four hundred and one upon~~
16 ~~such articles takes effect, AND UPON ALL MANUFACTURED~~
17 TOBACCO, SNUFF, CIGARS, OR CIGARETTES, REMOVED FROM
18 FACTORY OR CUSTOMS HOUSE AFTER THE PASSAGE OF THIS
19 ACT BUT PRIOR TO THE TIME WHEN THE TAX IMPOSED BY
20 SECTION FOUR HUNDRED OR SECTION FOUR HUNDRED AND
21 ONE UPON SUCH ARTICLES TAKES EFFECT, an additional tax
22 equal to one-half the tax imposed by such sections upon such
23 articles.

24 SEC. (137) ~~404~~ [403] ~~404~~. That there shall be (138)
25 ~~levied~~ *levied, assessed,* and collected upon cigarette paper made
26 up into packages, books, sets, or tubes, made up in or imported

1 into the United States and intended for use by the smoker
 2 in making cigarettes the following taxes: On each package,
 3 book, or set, (139) ~~containing not more than twenty-five pa-~~
 4 ~~pers, one-fourth of 1 cent; containing more than twenty-five~~
 5 but not more than fifty papers, one-half of 1 cent; containing
 6 more than fifty but not more than one hundred papers, 1 cent;
 7 containing more than one hundred papers, 1 cent for each one
 8 hundred papers or fractional part thereof; and upon tubes, 2
 9 cents for each one hundred tubes or fractional part thereof.
 10 (140) ~~Such tax shall be paid by stamps affixed by the person,~~
 11 ~~corporation, partnership, or association making up or im-~~
 12 ~~porting such package, book, set, or tube.~~

13 TITLE V.—WAR TAX ON FACILITIES FURNISHED BY PUBLIC
 14 UTILITIES (141), ~~AND INSURANCE, AND INSURANCE.~~

15 SEC. 500. That from and after the first day of (142) ~~June~~
 16 *November*, nineteen hundred and seventeen, there shall be
 17 levied, assessed, collected, and paid (a) a tax equivalent to
 18 three per centum of the amount paid for the transportation by
 19 rail or water (143) *or by any form of mechanical motor power*
 20 *when in competition with carriers by rail or water* of property
 21 by freight consigned from one point in the United States to
 22 another; (b) (144) ~~a tax equivalent to six per centum of the~~
 23 ~~amount paid for the transportation of property by express~~
 24 ~~companies consigned from one point in the United States to~~
 25 ~~another a tax of 1 cent for each [25] 20 cents, or fraction~~
 26 *thereof, paid to any person, corporation, partnership, or asso-*

1 ciation, engaged in the business of transporting parcels or pack-
 2 ages by express over regular routes between fixed terminals, for
 3 the transportation of any package, parcel, or shipment by
 4 express from one point in the United States to another:
 5 Provided, That nothing herein contained shall be construed to
 6 require the carrier (145) ~~paying~~ *collecting* such tax to list sepa-
 7 rately in any bill of lading, freight receipt, or other similar docu-
 8 ment, the amount of the tax herein levied, if the total amount
 9 of the freight and tax be therein stated; (c) a tax equivalent to
 10 (146) ~~ten~~ *[five]* EIGHT per centum of the amount paid for the
 11 transportation of persons by rail or water, (147) *or by any form*
 12 *of mechanical motor power* ON A REGULAR ESTAB-
 13 LISHED LINE *when in competition with carriers by rail or*
 14 *water,* (148) ~~within the United States~~ *from one point in the*
 15 *United States to another or to any point in Canada or Mexico,*
 16 *where the ticket therefor is sold or issued in the United States,* not
 17 including the amount paid for commutation or season tickets
 18 for trips less than (149) ~~thirty~~ *[forty]* THIRTY miles, or
 19 for transportation the fare for which does not exceed
 20 (150) ~~25~~ 35 cents, and a tax equivalent to (151) ~~ten~~
 21 *[five]* TEN per centum of the amount paid for seats, berths,
 22 and staterooms in parlor cars, sleeping cars, or on vessels.
 23 If a (152) ~~ticket or~~ mileage book used for such trans-
 24 portation or accommodation has been purchased before this sec-
 25 tion takes effect, or if cash fare be paid, the tax imposed by this

1 section shall be collected from the person presenting the (153)
 2 ~~ticket or~~ mileage book, or paying the cash fare, by the con-
 3 ductor or other agent, when presented for such transportation
 4 or accommodation, and the amount so collected shall be paid
 5 to the United States in such manner and at such times as the
 6 Commissioner of Internal Revenue, with the approval of the
 7 Secretary of the Treasury, may (154)~~prescribe;~~ *prescribe; if a*
 8 *ticket (other than a mileage book) is bought and partially used*
 9 *before this section goes into effect it shall not be taxed, but if*
 10 *bought but not so used before this section takes effect, it shall*
 11 *not be valid for passage until the tax has been paid and such*
 12 *payment evidenced on the ticket in such manner as the Com-*
 13 *missioner of Internal Revenue, with the approval of the Secre-*
 14 *tary of the Treasury, may by regulation prescribe;* (d) a tax
 15 equivalent to five per centum of the amount paid for the trans-
 16 portation of oil by pipe line; (155)~~(e) a tax equivalent to five~~
 17 ~~per centum of the amount paid for electric power for domestic~~
 18 ~~uses, and of the amount paid for light or heat service, and a~~
 19 ~~tax equivalent to five per centum of the amount paid for tele-~~
 20 ~~phone service by subscribers, exclusive of the amounts paid for~~
 21 ~~toll or long distance calls;~~ (f) (e) a tax of 5 cents upon each (156)
 22 *telegraph, telephone, or radio, dispatch, message, or conversa-*
 23 *tion, which originates (157)at any office, station, or exchange,*
 24 *within the United States, (158)of any telegraph or telephone*
 25 *line, which is transmitted over such line, and for (159)the*
 26 *transmission of which a charge of 15 cents or more is imposed:*

1 *Provided*, That only one payment of such tax shall be re-
 2 quired, notwithstanding the lines (160) *or stations* of one or
 3 more persons, corporations, partnerships, or associations shall
 4 be used for the transmission of such dispatch, message, or
 5 conversation.

6 SEC. 501. That the taxes imposed by section five hun-
 7 dred shall be paid by the person, corporation, partnership,
 8 or association paying for the services or facilities rendered.

9 In case (161) ~~a~~ [*the*] SUCH carrier (162) ~~by rail, water,~~
 10 ~~or pipe-line~~ does not, because of its ownership of the commodity
 11 transported, or for any other reason, receive the amount which
 12 as a carrier it would otherwise charge, such carrier shall pay a
 13 tax equivalent to the tax which would be imposed upon the
 14 transportation of such commodity if the carrier received pay-
 15 ment for such transportation: *Provided*, That in case of a car-
 16 rier which on May first, nineteen hundred and seventeen,
 17 had no rates or tariffs on file with the proper Federal or
 18 State authority, the tax shall be computed on the basis of
 19 the rates or tariffs of other carriers for like services as
 20 ascertained and determined by the Commissioner of Internal
 21 Revenue: *Provided further*, That nothing in this (163)
 22 *or the preceding* section shall be construed as imposing a
 23 tax (164) *(a)* upon the transportation of any commodity
 24 which is necessary for the use of the carrier in the conduct
 25 of its business as such and is intended to be so used

1 (165) or has been so used; or (b) upon the transportation of
2 company material transported by one carrier, which con-
3 stitutes a part of a railroad system, for another carrier which
4 is also a part of the same system[; or (c) upon movements by
5 railroad companies of the outfit, property, and persons of any
6 amusement company, which, in the conduct of its business,
7 owns and provides its rolling stock and equipment and
8 which is not engaged in the transportation of commodities
9 for sale or exchange; or (d) upon the amount paid for special
10 mileage books issued under transportation contract to such
11 amusement companies and used for the transportation of its
12 bona fide employees and agents].

13 SEC. 502. That no tax shall be imposed under section
14 five hundred upon any payment received for services rendered
15 to ~~(166) officers or employees of the United States, or of~~
16 ~~any State or political subdivision thereof, in the course of~~
17 ~~their official business~~ the United States, or any State, Terri-
18 tory, or the District of Columbia. The right to exemption
19 under this section shall be evidenced in such manner as the
20 Commissioner of Internal Revenue, with the approval of the
21 Secretary of the Treasury, may by regulation prescribe.

22 SEC. 503. That each person, corporation, partnership,
23 or association receiving any payments referred to in section
24 five hundred shall collect the amount of the tax, if any,
25 imposed by such section from the person, corporation, part-
26 nership, or association making such payments, and shall make

1 monthly returns under oath, in duplicate, and pay the taxes
2 so collected and the taxes imposed upon it under paragraph
3 two of section five hundred and one to the collector of inter-
4 nal revenue of the district in which the principal office
5 or place of business is located. Such returns shall contain
6 such information, and be made in such manner, as the Com-
7 missioner of Internal Revenue, with the approval of the
8 Secretary of the Treasury, may by regulation prescribe.

9 ~~(167) Sec. 504. That from and after the first day of June,~~
10 ~~nineteen hundred and seventeen, there shall be levied,~~
11 ~~assessed, collected, and paid the following taxes on the issu-~~
12 ~~ance of insurance policies:~~

13 ~~(a) Life insurance: A tax equivalent to 8 cents on each~~
14 ~~\$100 or fractional part thereof of the amount for which any~~
15 ~~life is insured under any policy of insurance, or other instru-~~
16 ~~ment, by whatever name the same is called: *Provided,*~~
17 ~~That on all policies for life insurance only by which a life is~~
18 ~~insured not in excess of \$500, issued on the industrial or~~
19 ~~weekly payment plan of insurance, the tax shall be forty per~~
20 ~~centum of the amount of the first weekly premium: *Pro-*~~
21 ~~vided further, That policies of reinsurance shall be exempt~~
22 ~~from the tax imposed by this subdivision;~~

23 ~~(b) Marine, inland, and fire insurance: A tax equiva-~~
24 ~~lent to 1 cent on each dollar or fractional part thereof of the~~
25 ~~premium charged under each policy of insurance or other~~

~~1 instrument by whatever name the same is called whereby
2 insurance is made or renewed upon property of any descrip-
3 tion (including rents or profits), whether against peril by sea
4 or inland waters, or by fire or lightning, or other peril: Pro-
5 vided, That policies of reinsurance shall be exempt from the
6 tax imposed by this subdivision;~~

~~7 (c) Casualty insurance: A tax equivalent to 1 cent on
8 each dollar or fractional part thereof of the premium charged
9 under each policy of insurance or obligation of the nature of
10 indemnity for loss, damage, or liability (except bonds taxable
11 under subdivision two of schedule A of Title VIII) issued or
12 executed or renewed by any person, corporation, partnership,
13 or association, transacting the business of employer's liability,
14 workmen's compensation, accident, health, tornado, plate
15 glass, steam boiler, elevator, burglary, automatic sprinkler,
16 automobile, or other branch of insurance (except life insur-
17 ance, and insurance described and taxed in the preceding sub-
18 division): *Provided*, That policies of reinsurance shall be
19 exempt from the tax imposed by this subdivision;~~

~~20 (d) Policies issued by any person, corporation, partner-
21 ship, or association, whose income is exempt from taxation
22 under Title I of the Act entitled "An Act to increase the
23 revenue, and for other purposes," approved September eighth,
24 nineteen hundred and sixteen, shall be exempt from the
25 taxes imposed by this section.~~

1 SEC. 504. THAT FROM AND AFTER THE FIRST DAY OF
2 [JUNE] NOVEMBER, NINETEEN HUNDRED AND SEVEN-
3 TEEN, THERE SHALL BE LEVIED, ASSESSED, COLLECTED,
4 AND PAID THE FOLLOWING TAXES ON THE ISSUANCE OF
5 INSURANCE POLICIES:

6 (A) LIFE INSURANCE: A TAX EQUIVALENT TO 8 CENTS
7 ON EACH \$100 OR FRACTIONAL PART THEREOF OF THE
8 AMOUNT FOR WHICH ANY LIFE IS INSURED UNDER ANY
9 POLICY OF INSURANCE, OR OTHER INSTRUMENT, BY WHAT-
10 EVER NAME THE SAME IS CALLED: PROVIDED, THAT ON
11 ALL POLICIES FOR LIFE INSURANCE ONLY BY WHICH A LIFE
12 IS INSURED NOT IN EXCESS OF \$500, ISSUED ON THE INDUS-
13 TRIAL OR WEEKLY PAYMENT PLAN OF INSURANCE, THE TAX
14 SHALL BE FORTY PER CENTUM OF THE AMOUNT OF THE FIRST
15 WEEKLY PREMIUM: PROVIDED FURTHER, THAT POLICIES
16 OF REINSURANCE SHALL BE EXEMPT FROM THE TAX IM-
17 POSED BY THIS SUBDIVISION;

18 (B) MARINE, INLAND, AND FIRE INSURANCE: A TAX
19 EQUIVALENT TO 1 CENT ON EACH DOLLAR OR FRACTIONAL
20 PART THEREOF OF THE PREMIUM CHARGED UNDER EACH
21 POLICY OF INSURANCE OR OTHER INSTRUMENT BY WHAT-
22 EVER NAME THE SAME IS CALLED WHEREBY INSURANCE IS
23 MADE OR RENEWED UPON PROPERTY OF ANY DESCRIPTION
24 (INCLUDING RENTS OR PROFITS), WHETHER AGAINST PERIL
25 BY SEA OR INLAND WATERS, OR BY FIRE OR LIGHTNING, OR

1 OTHER PERIL: PROVIDED, THAT POLICIES OF REINSURANCE
2 SHALL BE EXEMPT FROM THE TAX IMPOSED BY THIS SUB-
3 DIVISION.

4 (C) CASUALTY INSURANCE: A TAX EQUIVALENT TO 1
5 CENT ON EACH DOLLAR OR FRACTIONAL PART THEREOF OF
6 THE PREMIUM CHARGED UNDER EACH POLICY OF INSURANCE
7 OR OBLIGATION OF THE NATURE OF INDEMNITY FOR LOSS,
8 DAMAGE, OR LIABILITY (EXCEPT BONDS TAXABLE UNDER
9 SUBDIVISION TWO OF SCHEDULE A OF TITLE VIII) ISSUED
10 OR EXECUTED OR RENEWED BY ANY PERSON, CORPORATION,
11 PARTNERSHIP, OR ASSOCIATION, TRANSACTING THE BUSINESS
12 OF EMPLOYER'S LIABILITY, WORKMEN'S COMPENSATION,
13 ACCIDENT, HEALTH, TORNADO, PLATE GLASS, STEAM BOILER,
14 ELEVATOR, BURGLARY, AUTOMATIC SPRINKLER, AUTOMO-
15 BILE, OR OTHER BRANCH OF INSURANCE (EXCEPT LIFE IN-
16 SURANCE, AND INSURANCE DESCRIBED AND TAXED IN THE
17 PRECEDING SUBDIVISION): PROVIDED, THAT POLICIES OF
18 REINSURANCE SHALL BE EXEMPT FROM THE TAX IMPOSED BY
19 THIS SUBDIVISION;

20 (D) POLICIES ISSUED BY ANY PERSON, CORPORATION,
21 PARTNERSHIP, OR ASSOCIATION, WHOSE INCOME IS EXEMPT
22 FROM TAXATION UNDER TITLE I OF THE ACT ENTITLED "AN
23 ACT TO INCREASE THE REVENUE, AND FOR OTHER PUR-
24 POSSES," APPROVED SEPTEMBER EIGHTH, NINETEEN HUN-
25 DRED AND SIXTEEN, SHALL BE EXEMPT FROM THE TAXES
26 IMPOSED BY THIS SECTION.

1 ~~(168) SEC. 505. That every person, corporation, partnership,~~
2 ~~or association, issuing policies of insurance upon the~~
3 ~~issuance of which a tax is imposed by section five hundred~~
4 ~~and four, shall, within the first fifteen days of each month,~~
5 ~~make a return under oath, in duplicate, and pay such tax to~~
6 ~~the collector of internal revenue of the district in which the~~
7 ~~principal office or place of business of such person, corporation,~~
8 ~~partnership, or association is located. Such returns shall~~
9 ~~contain such information and be made in such manner as the~~
10 ~~Commissioner of Internal Revenue, with the approval of the~~
11 ~~Secretary of the Treasury, may by regulation prescribe.~~

12 SEC. 505. THAT EVERY PERSON, CORPORATION, PART-
13 NERSHIP, OR ASSOCIATION, ISSUING POLICIES OF INSURANCE
14 UPON THE ISSUANCE OF WHICH A TAX IS IMPOSED BY SEC-
15 TION FIVE HUNDRED AND FOUR, SHALL, WITHIN THE FIRST
16 FIFTEEN DAYS OF EACH MONTH, MAKE A RETURN UNDER
17 OATH, IN DUPLICATE, AND PAY SUCH TAX TO THE COLLECTOR
18 OF INTERNAL REVENUE OF THE DISTRICT IN WHICH THE
19 PRINCIPAL OFFICE OR PLACE OF BUSINESS OF SUCH PERSON,
20 CORPORATION, PARTNEI SHIP, OR ASSOCIATION IS LOCATED.
21 SUCH RETURNS SHALL CONTAIN SUCH INFORMATION AND
22 BE MADE IN SUCH MANNER AS THE COMMISSIONER OF IN-
23 TERNAL REVENUE, WITH THE APPROVAL OF THE SECRETARY
24 OF THE TREASURY, MAY BY REGULATION PRESCRIBE.

1 TITLE VI.—WAR (169)~~TAX ON MANUFACTURES EXCISE~~
2 TAXES.

3 SEC. 600. (170)~~That there shall be levied, assessed,~~
4 ~~collected, and paid—~~

5 ~~(a) Upon all automobiles, automobile trucks, auto-~~
6 ~~mobile wagons, and motorcycles, and automobile, motor-~~
7 ~~cycle, or bicycle tires (including inner tubes) sold by the~~
8 ~~manufacturer, producer, or importer a tax equivalent to five~~
9 ~~per centum of the price for which so sold: *Provided, That*~~
10 ~~from the tax which otherwise would be imposed upon a~~
11 ~~manufacturer, producer, or importer of automobiles, auto-~~
12 ~~mobile trucks, automobile wagons, or motorcycles there shall~~
13 ~~be deducted an amount equivalent to 5 per centum of the~~
14 ~~amount paid for the tires, including inner tubes, on such~~
15 ~~vehicles by such manufacturer, producer, or importer; and~~

16 *[(a) That on the day this Act takes effect, and thereafter*
17 *on July first in each year, and also at the time of the original*
18 *purchase of a new automobile or motorcycle by a user, if on*
19 *any other date than July first, there shall be levied, assessed,*
20 *collected, and paid, upon the use of automobiles and motor-*
21 *cycles not used exclusively for business, an excise tax at basic*
22 *rates as follows: Motorcycles, \$2.50; automobiles the original*
23 *listed retail price in the United States of which is not over*
24 *\$500, \$5; original listed retail price over \$500 and not over*
25 *\$750, \$7.50; original listed retail price over \$750 and not]*

1 *[over \$1,000, \$10; and for each further increase of \$500 or*
 2 *fractional part thereof of original listed retail price, up to*
 3 *and including the original listed price of \$3,000, an addi-*
 4 *tional tax of \$5; and for each further increase of \$500 or*
 5 *fractional part thereof of original listed retail price, an addi-*
 6 *tional tax of \$10.*

7 *In the case of a tax imposed at the time of the original*
 8 *purchase of a new automobile or motorcycle on any other*
 9 *date than July first, the amount to be paid shall be the same*
 10 *number of twelfths of the amount of the tax as the number*
 11 *of calendar months, including the month of sale, remaining*
 12 *prior to the following July first.*

13 *The tax payable in any year shall be reduced by ten per*
 14 *centum of its basic amount for each twelve months elapsed*
 15 *since the original sale of the automobile or motorcycle by the*
 16 *manufacturer or importer, but in no case shall it be reduced*
 17 *to less than fifty per centum of such basic amount.]*

18 **THAT THERE SHALL BE LEVIED, ASSESSED, COLLECTED,**
 19 **AND PAID—**

20 **(A) UPON ALL AUTOMOBILES, AUTOMOBILE TRUCKS,**
 21 **AUTOMOBILE WAGONS, AND MOTORCYCLES, SOLD BY THE**
 22 **MANUFACTURER, PRODUCER, OR IMPORTER, A TAX EQUIVA-**
 23 **LENT TO [FIVE] THREE PER CENTUM OF THE PRICE FOR**
 24 **WHICH SO SOLD; AND**

25 ~~**(171)(b) UPON ALL MUSICAL INSTRUMENTS SOLD BY THE MANUFACTURER,**~~
 26 ~~**PRODUCER, OR IMPORTER FOR MORE THAN \$10 EACH, AND**~~

1 ~~upon piano players, graphophones, phonographs, talking~~
2 ~~machines, and records used in connection with any musical~~
3 ~~instrument, piano player, graphophone, phonograph, or~~
4 ~~talking machine, sold by the manufacturer, producer, or~~
5 ~~importer, a tax equivalent to five per centum of the price~~
6 ~~for which so sold; and~~

7 (B) UPON ALL PIANO PLAYERS, GRAPHOPHONES,
8 PHONOGRAPHS, TALKING MACHINES, AND RECORDS USED
9 IN CONNECTION WITH ANY MUSICAL INSTRUMENT, PIANO
10 PLAYER, GRAPHOPHONE, PHONOGRAPH, OR TALKING MA-
11 CHINE, SOLD BY THE MANUFACTURER, PRODUCER, OR
12 IMPORTER, A TAX EQUIVALENT TO [FIVE] THREE PER
13 CENTUM OF THE PRICE FOR WHICH SO SOLD; AND

14 ~~(c) Upon all moving picture films (which have not been~~
15 ~~exposed) sold by the manufacturer or importer a tax equiva-~~
16 ~~lent to one half of 1 cent per linear foot; and~~

17 (c) UPON ALL MOVING-PICTURE FILMS (WHICH HAVE
18 NOT BEEN EXPOSED) SOLD BY THE MANUFACTURER OR IM-
19 PORTER, A TAX EQUIVALENT TO [ONE-HALF] ONE-FOURTH
20 OF 1 CENT PER LINEAR FOOT; AND

21 ~~(d) Upon all positive moving picture films (containing~~
22 ~~a picture ready for projection) sold or leased by the manu-~~
23 ~~facturer, producer, or importer a tax equivalent to 1~~
24 ~~cent per linear foot; and~~

1 (D) UPON ALL POSITIVE MOVING-PICTURE FILMS (CON-
 2 TAINING A PICTURE READY FOR PROJECTION) SOLD OR
 3 LEASED BY THE MANUFACTURER, PRODUCER, OR IMPORTER,
 4 A TAX EQUIVALENT TO ONE-HALF OF 1 CENT PER LINEAR
 5 FOOT; AND

6 ~~(e) Upon any article commonly or commercially known~~
 7 ~~as jewelry, whether real or imitation, sold by the manu-~~
 8 ~~facturer, producer, or importer thereof, a tax equivalent to~~
 9 ~~five per centum of the price for which so sold; and~~

10 (E) UPON ANY ARTICLE COMMONLY OR COMMERCIALY
 11 KNOWN AS JEWELRY, WHETHER REAL OR IMITATION, SOLD
 12 BY THE MANUFACTURER, PRODUCER, OR IMPORTER THERE-
 13 OF, A TAX EQUIVALENT TO **[FIVE]** THREE PER CENTUM
 14 OF THE PRICE FOR WHICH SO SOLD; AND

15 ~~¹(f) Upon all yachts, pleasure boats, motor boats, or~~
 16 ~~other vessels not used or intended to be used for trade, sold~~
 17 ~~by the manufacturer, builder, or importer, a tax equivalent~~
 18 ~~to five per centum of the price for which so sold; and~~

19 ***[(b) That on the day this Act takes effect, and thereafter***
 20 ***on July first in each year, and also at the time of the original***
 21 ***purchase of a new boat by a user, if on any other date***
 22 ***than July first, there shall be levied, assessed, collected,***
 23 ***and paid, upon the use of yachts, pleasure boats, power***
 24 ***boats, and sailing boats, of over five net tons, and]***

¹ This amendment is transferred without change to page 95 of this bill.

1 **[motor boats with fixed engines, not used exclusively for**
 2 **trade or national defense, or not built according to plans**
 3 **and specifications approved by the Navy Department, an**
 4 **excise tax to be based on each yacht or boat, at rates as follows:**
 5 **Yachts, pleasure boats, power boats, motor boats with fixed**
 6 **engines, and sailing boats, of over five net tons, length not**
 7 **over fifty feet, 50 cents for each foot, length over fifty feet and**
 8 **not over one hundred feet, \$1 for each foot, length over one**
 9 **hundred feet, \$2 for each foot; motor boats of not over five**
 10 **net tons with fixed engines, \$5.**

11 *In determining the length of such yachts, pleasure boats,*
 12 *power boats, motor boats with fixed engines, and sailing boats,*
 13 *the measurement of over-all length shall govern.*

14 *In the case of a tax imposed at the time of the original*
 15 *purchase of a new boat on any other date than July first, the*
 16 *amount to be paid shall be the same number of twelfths of the*
 17 *amount of the tax as the number of calendar months, includ-*
 18 *ing the month of sale, remaining prior to the following July*
 19 *first.]*

20 **(172)[SEC. 601. That there shall be levied, assessed, collected,**
 21 **and paid—]**

22 **(173)(g) [(a)] (F) Upon all tennis rackets, golf clubs, base-**
 23 **ball bats, lacrosse sticks, balls of all kinds, including baseballs,**
 24 **foot balls, tennis, golf, lacrosse, billiard and pool balls, fishing**
 25 **(174)rods, rods and reels (175)and—lines, billiard and pool**

1 tables, chess and checker boards and pieces, dice, games and
 2 parts of games, except playing cards (176) *and children's*
 3 *toys and games*, sold by the manufacturer, producer, or
 4 importer, a tax equivalent to (177) ~~five~~ [two] THREE per
 5 centum of the price for which so sold; AND

6 (178) ~~(h)~~ [b/] (G) Upon all perfumes, essences, extracts, toilet
 7 waters, cosmetics, (179) ~~vaselines, petrolatums petroleum jel-~~
 8 *lies*, hair oils, pomades, hair dressings, hair restoratives, hair
 9 dyes, tooth and mouth washes, dentrifices, tooth pastes, aro-
 10 matic cachous, toilet soaps and powders, or any similar sub-
 11 stance, article, or preparation by whatsoever name known or
 12 distinguished, (180) *upon all of the above which are used or*
 13 *applied* (181) *or intended to be used or applied* for toilet pur-
 14 poses, and which are sold by the manufacturer, importer, or
 15 producer, a tax equivalent to (182) ~~five two~~ per centum of the
 16 price for which so sold; and

17 (183) ~~(i)~~ [c/] (H) Upon all pills, tablets, powders, tinctures,
 18 troches or lozenges, sirups, medicinal cordials or bitters, ano-
 19 dynes, tonics, plasters, liniments, salves, ointments, pastes,
 20 drops, waters (except those taxed under section three hundred
 21 and (184) ~~eight~~ [fourteen] THIRTEEN of this Act), essences,
 22 spirits, oils, and all medicinal preparations, compounds, or com-
 23 positions whatsoever, the manufacturer or producer of which
 24 claims to have any private formula, secret, or occult art for mak-
 25 ing or preparing the same, or has or claims to have any exclu-

1 sive right or title to the making or preparing the same, or which
 2 are prepared, uttered, vended, or exposed for sale under any let-
 3 ters patent, or trade-mark, or which, if prepared by any formula,
 4 published or unpublished, are held out or recommended to the
 5 public by the makers, venders, or proprietors thereof as
 6 proprietary medicines or medicinal proprietary articles or
 7 preparations, or as remedies or specifics for any disease,
 8 diseases, or affection whatever affecting the human or animal
 9 body, and which are sold by the manufacturer, producer, or
 10 importer, a tax equivalent to (185) *five two* per centum of the
 11 price for which so sold; and

12 ~~(186)(j) Upon all chewing gum or substitute therefor sold by~~
 13 ~~the manufacturer, producer, or importer, a tax equivalent to~~
 14 ~~five per centum of the price for which so sold.~~

15 **[(J)] (I) UPON ALL CHEWING GUM OR SUBSTITUTE**
 16 **THEREFOR SOLD BY THE MANUFACTURER, PRODUCER, OR**
 17 **IMPORTER, A TAX EQUIVALENT TO [FIVE] TWO PER CEN-**
 18 **TUM OF THE PRICE FOR WHICH SO SOLD; AND**

19 ~~(187)[(d)] (J) Upon all cameras sold by the manufacturer,~~
 20 ~~producer, or importer, a tax equivalent to [two] THREE~~
 21 ~~per centum of the price for which so sold.~~

22 **SEC. (188)601 [602] 601.** That each manufacturer, pro-
 23 ducer, (189) ~~builder~~, or importer of any of the articles enumer-
 24 ated in section six hundred (190) ~~[and one]~~ shall make
 25 monthly returns under oath in duplicate and pay the taxes im-

1 posed on such articles by this title to the collector of interna-
2 revenue for the district in which is located the principal place of
3 business. Such (191) ~~return~~ *returns* shall contain such infor-
4 mation and be made at such times and in such manner as the
5 Commissioner of Internal Revenue, with the approval of the
6 Secretary of the Treasury, may by regulations prescribe.

7 ~~(192) Sec. 602. That upon all articles enumerated in subdivi-~~
8 ~~sions (a), (b), (c), (f), (g), (h), (i), or (j) of section six hundred,~~
9 ~~which on the day this Act is passed are held and intended~~
10 ~~for sale by any person, corporation, partnership, or association~~
11 ~~other than a retailer who is not also a wholesaler, and upon~~
12 ~~all such articles which between April sixth, nineteen hun-~~
13 ~~dred and seventeen, and the day this Act is passed, both in-~~
14 ~~clusive, have been sold to, and on the day this Act is passed~~
15 ~~are held and intended for sale by, a retailer who is not also a~~
16 ~~wholesaler, there shall be levied, assessed, collected, and~~
17 ~~paid, a tax equivalent to five per centum of the price paid~~
18 ~~therefor. This tax shall be paid by the person, corporation,~~
19 ~~partnership, or association so holding such articles. No tax~~
20 ~~shall be imposed under section six hundred upon any article~~
21 ~~upon which a tax is imposed under this section.~~

22 ~~The taxes imposed by this section shall be assessed, col-~~
23 ~~lected, and paid in the same manner as provided in section~~
24 ~~eleven hundred and two in the case of additional taxes upon~~
25 ~~articles upon which the tax imposed by existing law has~~
26 ~~been paid.~~

1 ~~Nothing in this section shall be construed to impose a~~
2 ~~tax upon articles sold and delivered prior to May ninth,~~
3 ~~nineteen hundred and seventeen, where the title is reserved~~
4 ~~in the vendor as security for the payment of the purchase~~
5 ~~money.~~

6 SEC. 602. THAT UPON ALL ARTICLES ENUMERATED IN
7 SUBDIVISIONS (A), (B), (E), (F), (G), (H), (I), OR (J) OF SEC-
8 TION SIX HUNDRED, WHICH ON THE DAY THIS ACT IS PASSED
9 ARE HELD AND INTENDED FOR SALE BY ANY PERSON, COR-
10 PORATION, PARTNERSHIP, OR ASSOCIATION, OTHER THAN (1) A
11 RETAILER WHO IS NOT ALSO A WHOLESALER, [AND UPON ALL
12 SUCH ARTICLES WHICH BETWEEN APRIL SIXTH, NINETEEN
13 HUNDRED AND SEVENTEEN, AND THE DAY THIS ACT IS
14 PASSED, BOTH INCLUSIVE, HAVE BEEN SOLD TO, AND ON THE
15 DAY THIS ACT IS PASSED ARE HELD AND INTENDED FOR
16 SALE BY, A RETAILER WHO IS NOT ALSO A WHOLESALER,]
17 OR (2) THE MANUFACTURER, PRODUCER, OR IM-
18 PORTER THEREOF, THERE SHALL BE LEVIED, ASSESSED,
19 COLLECTED, AND PAID, A TAX EQUIVALENT TO [FIVE PER
20 CENTUM OF THE PRICE PAID THEREFOR] ONE-HALF THE
21 TAX IMPOSED BY EACH SUCH SUBDIVISION UPON
22 THE SALE OF THE ARTICLES THEREIN ENUMER-
23 ATED. THIS TAX SHALL BE PAID BY THE PERSON, COR-
24 PORATION, PARTNERSHIP, OR ASSOCIATION SO HOLDING SUCH
25 ARTICLES. [NO TAX SHALL BE IMPOSED UNDER SECTION

1 SIX HUNDRED UPON ANY ARTICLE UPON WHICH A TAX IS
2 IMPOSED UNDER THIS SECTION.]

3 THE TAXES IMPOSED BY THIS SECTION SHALL BE
4 ASSESSED, COLLECTED, AND PAID IN THE SAME MANNER AS
5 PROVIDED IN SECTION [ELEVEN] TEN HUNDRED AND TWO
6 IN THE CASE OF ADDITIONAL TAXES UPON ARTICLES UPON
7 WHICH THE TAX IMPOSED BY EXISTING LAW HAS BEEN
8 PAID.

9 NOTHING IN THIS SECTION SHALL BE CONSTRUED TO
10 IMPOSE A TAX UPON ARTICLES SOLD AND DELIVERED PRIOR
11 TO MAY NINTH, NINETEEN HUNDRED AND SEVENTEEN,
12 WHERE THE TITLE IS RESERVED IN THE VENDOR AS SECURITY
13 FOR THE PAYMENT OF THE PURCHASE MONEY.

14 ¹ SEC. 603. *That on the day this Act takes effect, and*
15 *thereafter on July first in each year, and also at the time of*
16 *the original purchase of a new boat by a user, if on any other*
17 *date than July first, there shall be levied, assessed, collected,*
18 *and paid, upon the use of yachts, pleasure boats, power*
19 *boats, and sailing boats, of over five net tons, and motor*
20 *boats with fixed engines, not used exclusively for trade or*
21 *national defense, or not built according to plans and speci-*
22 *fications approved by the Navy Department, an excise tax*
23 *to be based on each yacht or boat, at rates as follows: Yachts,*
24 *pleasure boats, power boats, motor boats with fixed engines,*

¹ This amendment was transferred without change from page 89 of this bill.

1 and sailing boats, of over five net tons, length not over fifty
 2 feet, 50 cents for each foot, length over fifty feet and not
 3 over one hundred feet, \$1 for each foot, length over one
 4 hundred feet, \$2 for each foot; motor boats of not over five
 5 net tons with fixed engines, \$5.

6 In determining the length of such yachts, pleasure boats,
 7 power boats, motor boats with fixed engines, and sailing boats,
 8 the measurement of over-all length shall govern.

9 In the case of a tax imposed at the time of the original
 10 purchase of a new boat on any other date than July first, the
 11 amount to be paid shall be the same number of twelfths of the
 12 amount of the tax as the number of calendar months, includ-
 13 ing the month of sale, remaining prior to the following July
 14 first.

15 TITLE VII.—WAR TAX ON ADMISSIONS (193)~~AND DUES~~

16 AND DUES.

17 SEC. 700. That from and after the first day of
 18 (194)June, November, nineteen hundred and seven-
 19 teen, there shall be levied, assessed, collected, and
 20 paid (195)(a) a tax (196)equivalent to of 1 cent
 21 for each 10 cents or fraction thereof of the amount
 22 paid for admission (197)or subscription to any place,
 23 (198)including admission by season ticket or subscription,
 24 to be paid by the person (199)admitted, [making such
 25 payment] PAYING FOR SUCH ADMISSION: *Provided,*

1 *That the tax on admission of children UNDER TWELVE*
2 *YEARS OF AGE where an admission charge for such*
3 *children is made shall in every case be 1 cent; (200)and a*
4 ~~*tax of 5 cents for each admission of each person (except in the*~~
5 ~~*case of a bona fide employee and children under twelve*~~
6 ~~*years of age and municipal officers on official business) ad-*~~
7 ~~*mitted free to any place for admission to which a charge*~~
8 ~~*is made, to be paid by the person so admitted. and (b)*~~
9 **IN THE CASE OF PERSONS (EXCEPT BONA**
10 **FIDE EMPLOYEES, MUNICIPAL OFFICERS ON**
11 **OFFICIAL BUSINESS, AND CHILDREN UNDER**
12 **TWELVE YEARS OF AGE) ADMITTED FREE TO**
13 **ANY PLACE AT A TIME WHEN AND UNDER CIR-**
14 **CUMSTANCES UNDER WHICH AN ADMISSION**
15 **CHARGE IS MADE TO OTHER PERSONS OF THE**
16 **SAME CLASS, A TAX OF 1 CENT FOR EACH 10**
17 **CENTS OR FRACTION THEREOF OF THE PRICE SO**
18 **CHARGED TO SUCH OTHER PERSONS FOR THE**
19 **SAME OR SIMILAR ACCOMMODATIONS, TO BE**
20 **PAID BY THE PERSONS SO ADMITTED; AND (C) a**
21 *tax of 1 cent for each 10 cents or fraction thereof paid*
22 *for admission to any public performance for profit at any*
23 *cabaret or other similar entertainment to which the charge*
24 *for admission is wholly or in part included in the price paid*
25 *for refreshment, service, or merchandise; the amount paid*

1 for such admission to be computed under rules prescribed
2 by the Commissioner of Internal Revenue, with the approval
3 of the Secretary of the Treasury, such tax to be paid by the
4 person paying for such refreshment, service, or merchandise[;
5 and, in addition to the above, (c) upon tickets of admission to
6 theaters, operas, and other places of amusement, sold at news
7 stands, hotels, and places other than the ticket offices of such
8 theaters, operas, or other places of amusement, at not to exceed
9 50 cents in excess of the sum of the established price there-
10 for at such ticket offices plus the amount of any tax imposed
11 under clause (a) of this section, a tax equivalent to five per
12 centum of the amount of such excess, and if sold for more
13 than 50 cents in excess of the sum of such established price
14 plus the amount of any tax imposed under clause (a)
15 of this section, a tax equivalent to thirty per centum of
16 the whole amount of such excess, such taxes to be paid by the
17 person, corporation, partnership, or association selling such
18 tickets; and, in addition to the above, (d) a tax equivalent
19 to fifty per centum of the amount for which the pro-
20 prietors, managers, or employees of any opera house,
21 theater, or other place of amusement sell or dispose of tickets
22 or cards of admission in excess of the regular or established
23 price or charge therefor, such tax to be paid by the person,
24 corporation, partnership, or association selling such tickets].
25 In the case of persons having the permanent use of boxes

1 or seats in an opera house or any place of amusement or a
 2 lease for the use of such box or seat in such opera house or
 3 place of amusement there shall be levied, assessed, collected,
 4 and paid a tax equivalent to ten per centum of the amount
 5 for which a similar box or seat is sold for performance or
 6 exhibition at which the box or seat is used or reserved by or for
 7 the lessee or holder(201): ~~Provided, That the tax on admis-~~
 8 ~~sion of children under twelve years of age where an admission~~
 9 ~~charge is made shall in every case be 1 cent.~~ These taxes
 10 shall not be imposed in the case of a place the maximum
 11 charge for admission to which is 5(202) ~~cents: cents, or in the~~
 12 ~~case of [moving-picture shows and out-door general amusement~~
 13 ~~parks, main gates, shows and rides therein, the maximum~~
 14 ~~charge for admission to which is 25 cents]~~ SHOWS, RIDES,
 15 AND OTHER AMUSEMENTS, (THE MAXIMUM
 16 CHARGE FOR ADMISSION TO WHICH IS 10 CENTS)
 17 WITHIN OUTDOOR GENERAL AMUSEMENT PARKS.
 18 OR IN THE CASE OF ADMISSIONS TO SUCH PARKS.

19 No tax shall be levied under this title in respect to any
 20 admissions all the proceeds of which inure exclusively to the
 21 benefit of religious, educational, or charitable institutions, socie-
 22 ties, or organizations, or admissions to agricultural fairs (203)
 23 ~~all the proceeds of which inure exclusively for agricultural~~
 24 ~~purposes~~ [, nor in respect to admissions to bona fide Chautauquas.
 25 and Lyceum courses which are contracted for and guaranteed

1 *by local companies, associations, or individuals*] NONE OF
2 THE PROFITS OF WHICH ARE DISTRIBUTED TO
3 STOCKHOLDERS OR MEMBERS OF THE ASSOCIA-
4 TION CONDUCTING THE SAME.

5 The term "admission" as used in this title includes
6 seats and tables, reserved or otherwise, and other similar
7 accommodations, and the charges made therefor.

8 ~~(204) SEC. 701. That from and after the first day of June,~~
9 ~~nineteen hundred and seventeen, there shall be levied,~~
10 ~~assessed, collected, and paid a tax equivalent to ten per~~
11 ~~centum of any amount paid as dues or membership fees (ex-~~
12 ~~cept initiation fees) to any social, athletic, or sporting club~~
13 ~~or organization; such taxes to be paid by the person making~~
14 ~~such payments.~~

15 SEC. 701. THAT FROM AND AFTER THE FIRST DAY OF
16 NOVEMBER, NINETEEN HUNDRED AND SEVENTEEN, THERE
17 SHALL BE LEVIED, ASSESSED, COLLECTED, AND PAID, A TAX
18 EQUIVALENT TO TEN PER CENTUM OF ANY AMOUNT PAID AS
19 DUES OR MEMBERSHIP FEES ([EXCEPT] INCLUDING INI-
20 TIATION FEES), TO ANY SOCIAL, ATHLETIC, OR SPORTING
21 CLUB OR ORGANIZATION, WHERE SUCH DUES OR FEES
22 ARE IN EXCESS OF \$12 PER YEAR; SUCH TAXES TO
23 BE PAID BY THE PERSON [MAKING SUCH PAYMENTS] PAY-
24 ING SUCH DUES OR FEES: PROVIDED, THAT
25 THERE SHALL BE EXEMPTED FROM THE

1 PROVISIONS OF THIS SECTION ALL AMOUNTS
 2 PAID AS DUES OR FEES TO A FRATERNAL BENE-
 3 FICIARY SOCIETY, ORDER, OR ASSOCIATION,
 4 OPERATING UNDER THE LODGE SYSTEM OR FOR
 5 THE EXCLUSIVE BENEFIT OF THE MEMBERS OF
 6 A FRATERNITY ITSELF OPERATING UNDER THE
 7 LODGE SYSTEM, AND PROVIDING FOR THE PAY-
 8 MENT OF LIFE, SICK, ACCIDENT, OR OTHER
 9 BENEFITS TO THE MEMBERS OF SUCH SOCIETY,
 10 ORDER, OR ASSOCIATION OR THEIR DEPEND-
 11 ENTS.

12 SEC. ~~(205)702~~ [701] 702. That every person, cor-
 13 poration, partnership, or association (206) ~~(a)~~ (A) receiving
 14 any payments for such ~~(207)admission, dues, or, fees,~~ [ad-
 15 mission] ADMISSION, DUES, OR FEES, shall collect the
 16 amount of the tax imposed by section seven hundred ~~(208)or~~
 17 ~~seven hundred and one~~ OR SEVEN HUNDRED AND ONE from the
 18 person making such payments, ~~(209)or (b) admitting any~~
 19 ~~person free to any place for admission to which a charge is~~
 20 ~~made shall collect the amount of the tax imposed by section~~
 21 ~~seven hundred from the person so admitted,~~ OR (B) ADMITTING
 22 ANY PERSON FREE TO ANY PLACE FOR ADMISSION TO WHICH
 23 A CHARGE IS MADE SHALL COLLECT THE AMOUNT OF THE
 24 TAX IMPOSED BY SECTION SEVEN HUNDRED FROM THE
 25 PERSON SO ADMITTED, and ~~(210)(c) in either case~~ (C) IN

1 EITHER CASE shall make returns and payments of the amounts
 2 so collected, at the same time and in the same manner as pro-
 3 vided in section five hundred and three of this Act.

4 **[(211) Every person, corporation, partnership, or asso-**
 5 **ciation, liable to the tax imposed by subdivision (c) or (d) of sec-**
 6 **tion seven hundred, shall make monthly returns under oath in**
 7 **duplicate and pay the tax imposed by such subdivisions to the**
 8 **collector of internal revenue for the district in which is located**
 9 **the principal place of business. Such returns shall contain**
 10 **such information and be made at such times and in such**
 11 **manner as the Commissioner of Internal Revenue, with the**
 12 **approval of the Secretary of the Treasury, may by regulation**
 13 **prescribe.]**

14 TITLE VIII.—WAR STAMP TAXES.

15 SEC. 800. That on and after the first day of (212) ~~June~~
 16 **[November]** DECEMBER, nineteen hundred and seventeen,
 17 there shall be levied, collected, and paid, for and in respect of
 18 the several bonds, debentures, or certificates of stock and
 19 of indebtedness, and other documents, instruments, matters,
 20 and things mentioned and described in Schedule A of this
 21 title, or for or in respect of the vellum, parchment, or paper
 22 upon which such instruments, matters, or things, or any of
 23 them, are written or (213) ~~printed~~ **printed**, by any person, cor-
 24 poration, partnership, or association who makes, signs, (214) ~~or~~
 25 ~~issues~~ **issues, sells, removes, consigns, or ships** the same, or for

1 whose use or benefit the same are made, signed, (215) or
 2 issued, (216) sold, removed, consigned, or shipped, the several
 3 taxes specified in such schedule.

4 SEC. 801. That there shall not be taxed under this title
 5 any bond, note, or other instrument, issued by the United
 6 States, or by any foreign Government, or by any State,
 7 (217) Territory, or the District of Columbia, or local subdivi-
 8 sion thereof, or municipal or other corporation exercising the
 9 taxing power, when issued in the exercise of a strictly gov-
 10 ernmental, taxing, or municipal function; or stocks and bonds
 11 issued by cooperative building and loan associations which are
 12 organized and operated exclusively for the benefit of their
 13 members and make loans only to their (218) shareholders
 14 shareholders, or by mutual ditch or irrigating companies.

15 SEC. 802. (219) ~~That whoever makes, signs, issues, or~~
 16 ~~receives, or causes to be made, signed, or issued, any instru-~~
 17 ~~ment, document, or paper of any kind or description what-~~
 18 ~~soever, without the tax thereon being duly paid, is guilty~~
 19 ~~of a misdemeanor, and upon conviction thereof shall pay a~~
 20 ~~fine of not more than \$100, at the discretion of the court, for~~
 21 ~~each such offense.~~

22 *That whoever—*

23 (a) *Makes, signs, issues, or accepts, or causes to be made,*
 24 *signed, issued, or accepted, any instrument, document, or*
 25 *paper of any kind or description whatsoever without the full*
 26 *amount of tax thereon being duly paid;*

1 **(b) Consigns or ships, or causes to be consigned or shipped,**
 2 *by parcel post any parcel, package, or article without*
 3 *the full amount of tax being duly paid;*

4 **(c) Manufactures or imports and sells, or offers for**
 5 *sale, or causes to be manufactured or imported and sold, or*
 6 *offered for sale, any playing cards, package, or other article*
 7 *without the full amount of tax being duly paid;*

8 **(d) Makes use of an adhesive stamp to denote any tax**
 9 *imposed by this title without canceling or obliterating such*
 10 *stamp as prescribed in section eight hundred and four;*

11 **Is guilty of a misdemeanor and upon conviction thereof**
 12 *shall pay a fine of not more than \$100 for each offense.*

13 **SEC. 803. That whoever—**

14 ~~**(220)(a) Forges or counterfeits any stamp, die, plate, or**~~
 15 ~~**other article, or any part thereof, which is provided, made,**~~
 16 ~~**or used in pursuance of this title;**~~

17 ~~**(b) Forges, counterfeits, or resembles the impression,**~~
 18 ~~**or any part thereof, of any such stamp, die, plate, or other**~~
 19 ~~**article, upon any vellum, parchment, or paper;**~~

20 ~~**(c) Stamps or marks any vellum, parchment, or paper,**~~
 21 ~~**with any such forged or counterfeited stamp, die, plate, or**~~
 22 ~~**other article, or part thereof, with intent to defraud the**~~
 23 ~~**United States of any tax imposed by this title;**~~

24 ~~**(d) Utters, sells, or exposes for sale any vellum, parch-**~~
 25 ~~**ment, or paper, article or thing bearing the impression of**~~

1 ~~any such counterfeited stamp, die, plate, or other article,~~
 2 ~~or any part thereof, or any such other counterfeit or resembled~~
 3 ~~impression or part thereof, knowing the same to be forged,~~
 4 ~~counterfeited, or resembled;~~

5 ~~(e) Knowingly uses or permits, with intent to defraud~~
 6 ~~the United States, the use of any stamp, die, plate, or other~~
 7 ~~article, provided, made, or used in pursuance of this title;~~

8 (f) Fraudulently cuts, tears, or removes from any vellum,
 9 parchment, paper, instrument, (221) ~~or~~ writing, (222) *pack-*
 10 *age, or article*, upon which any tax is imposed by this title, any
 11 adhesive stamp or the impression of any stamp, die, plate, or
 12 other article provided, made, or used in pursuance of this title;

13 (223) ~~(g)~~ (b) Fraudulently uses, joins, fixes, or places to, with,
 14 or upon any vellum, parchment, paper, instrument, (224) ~~or~~
 15 writing, (225) *package, or article*, upon which any tax is im-
 16 posed by this title, (226) (1) any adhesive stamp, or the impres-
 17 sion of any stamp, die, plate, or other article, (227) ~~which has~~
 18 ~~been provided, made, or used in pursuance of this title, or which~~
 19 has been cut, torn, or removed from any other vellum, parch-
 20 ment, paper, instrument, (228) ~~or~~ writing, (229) *package, or*
 21 *article*, upon which any tax is imposed by this title (230) *or* (2)
 22 *any adhesive stamp or the impression of any stamp, die, plate,*
 23 *or other article of insufficient value; or* (3) *any forged or coun-*
 24 *terfeit stamp, or the impression of any forged or counterfeited*
 25 *stamp, die, plate, or other article;*

1 ~~(231)(h)~~ (c) Willfully removes, or alters the cancellation, or
 2 defacing marks of, or otherwise prepares, any adhesive stamp,
 3 with intent to use, or cause the same to be used, after it has
 4 been already used, or knowingly or willfully buys, sells, offers
 5 for sale, or gives away, any such washed or restored stamp
 6 to any person for use, or knowingly uses the same;

7 ~~(232)(i)~~ (d) Knowingly and without lawful excuse (the burden
 8 of proof of such excuse being on the accused) has in posses-
 9 sion any washed, restored, or altered stamp, which has been
 10 removed from any vellum, parchment, paper, instrument,
 11 ~~(233) or writing; writing, package, or article,~~

12 ~~(234)(j) Causes, or procures to be done, any acts specified in~~
 13 ~~this section; or~~

14 ~~(k) Knowingly and willfully aids, abets, or assists~~
 15 ~~in committing any act specified in this section;~~

16 [Is] Is guilty of a misdemeanor, and upon conviction shall
 17 be punished by a fine of not more than \$1,000, or by impris-
 18 onment for not more than five years, or both, in the discre-
 19 tion of the court, and ~~(235) shall also forfeit any such forged or~~
 20 ~~counterfeited stamp, die, plate, or other article and the~~
 21 ~~vellum, parchment, or paper upon which it is placed or~~
 22 ~~impressed any such reused, canceled, or counterfeit stamp~~
 23 ~~and the vellum, parchment, document, paper, package, or~~
 24 ~~article upon which it is placed or impressed shall be forfeited~~
 25 ~~to the United States.~~

1 SEC. 804. That whenever an adhesive stamp is used for
2 denoting any tax imposed by this title, except as hereinafter
3 provided, the ~~(236) person person, corporation, partnership, or~~
4 *association*, using or affixing the same shall write or stamp
5 ~~(237) or cause to be written or stamped~~ thereupon the initials of
6 his ~~(238) or its~~ name and the date upon which the same is at-
7 tached or used, so that the same may not again be used ~~(239)~~:
8 *Provided, That the Commissioner of Internal Revenue may*
9 *prescribe such other method for the cancellation of such*
10 *stamps as he may deem expedient. (240) Whoever fraudulently*
11 ~~makes use of an adhesive stamp to denote any tax imposed~~
12 ~~by this title without effectually canceling and obliterating~~
13 ~~such stamp, except as before mentioned, is guilty of a misde-~~
14 ~~meanor, and upon conviction thereof shall pay a fine of not~~
15 ~~exceeding \$500, or be imprisoned not more than six months,~~
16 ~~or both, at the discretion of the court.~~

17 ~~(241) SEC. 805. That whenever the stamp required by law~~
18 ~~has not been affixed to any instrument at the proper time,~~
19 ~~any party having an interest therein and subsequently~~
20 ~~desirous of affixing such stamp to said instrument, or, if said~~
21 ~~instrument be lost, to a copy thereof, may appear before the~~
22 ~~collector of internal revenue of the proper district, who shall,~~
23 ~~upon the payment of the price of the proper stamp and of a~~
24 ~~penalty of \$10, and, where the whole amount of the tax~~
25 ~~denoted by the stamp required shall exceed the sum of~~

1 ~~§50, on payment also of interest, at the rate of six per~~
2 ~~centum, on said tax from the day on which such stamp~~
3 ~~ought to have been affixed, affix the proper stamp to such~~
4 ~~instrument or copy, and note upon the margin thereof the~~
5 ~~date of his so doing and the fact that such penalty has been~~
6 ~~paid; and the same shall thereupon be deemed and held~~
7 ~~to be as valid, to all intents and purposes, as if stamped~~
8 ~~when made or issued: *Provided further,* That where it~~
9 ~~shall appear to said collector, upon oath or otherwise, to~~
10 ~~his satisfaction, that any such instrument has not been duly~~
11 ~~stamped, at the time of making or issuing the same, by~~
12 ~~reason of accident, mistake, inadvertence, or urgent neces-~~
13 ~~sity, and without any willful design to defraud the United~~
14 ~~States of the stamp, or to evade or delay the payment thereof,~~
15 ~~then and in such case, if such instrument, or, if the original~~
16 ~~be lost, a copy thereof, duly certified by the officer having~~
17 ~~charge of any records in which such original is required to~~
18 ~~be recorded, or otherwise duly proven to the satisfaction of~~
19 ~~the collector, shall, within twelve calendar months after the~~
20 ~~making or issuing thereof, be brought to the said collector~~
21 ~~of internal revenue to be stamped, and the stamp tax charge-~~
22 ~~able thereon shall be paid, the said collector may remit the~~
23 ~~penalty aforesaid and cause such instrument to be duly~~
24 ~~stamped.~~

1 SEC. ~~(242)~~ 805. (a) That the Commissioner of Internal
 2 Revenue shall cause to be prepared and distributed for the
 3 payment of the taxes prescribed in this title suitable stamps
 4 denoting the tax on the document, articles, or thing to which
 5 the same may be affixed, and shall prescribe such method for
 6 the affixing ~~(243)~~ and cancellation of said stamps in substitu-
 7 tion for or in addition to the method provided in this title,
 8 as he may deem expedient. ~~(244)~~ ~~The Commissioner of~~
 9 ~~Internal Revenue,~~

10 (b) *The Commissioner of Internal Revenue*, with the
 11 approval of the Secretary of the Treasury, is author-
 12 ized to procure any of the stamps provided for in this
 13 title by contract whenever such stamps can not be speedily
 14 prepared by the Bureau of Engraving and Printing; but this
 15 authority shall expire on the first day of January, nineteen
 16 hundred and eighteen, except as to imprinted stamps fur-
 17 nished under contract, authorized by the Commissioner of
 18 Internal Revenue. ~~(245)~~ ~~The adhesive stamps used in the pay-~~
 19 ~~ment of the tax levied in Schedule A of this title shall be~~
 20 ~~furnished for sale by the several collectors of internal reve-~~
 21 ~~nue, who shall sell and deliver them at their face value~~
 22 ~~to all persons applying for the same, except officers or em-~~
 23 ~~ployees of the Internal Revenue Service: *Provided,* That~~
 24 ~~such collectors may sell and deliver such stamps in quantities~~
 25 ~~of not less than \$100 of face value, with a discount of one per~~
 26 ~~centum, except as otherwise provided in this title,~~

1 (246)(c) *All internal-revenue laws relating to the assessment*
 2 *and collection of taxes are hereby extended to and made a part*
 3 *of this title, so far as applicable, for the purpose of collecting*
 4 *stamp taxes omitted through mistake or fraud from any*
 5 *instrument, document, paper, writing, parcel, package, or*
 6 *article named herein.*

7 SEC. (247)~~807~~ 806. That the Commissioner of Internal
 8 Revenue shall furnish to the Postmaster General without pre-
 9 payment a suitable quantity of adhesive stamps to be distributed
 10 to and kept on sale by the various postmasters in the United
 11 States. (248)~~Each~~ *The Postmaster General may require each*
 12 *such postmaster (249) shall be held accountable under his*
 13 ~~official~~ *to give additional or increased bond as postmaster for*
 14 *the value of the stamps so furnished, and (250) each such*
 15 *postmaster shall deposit the receipts from the sale of such*
 16 *stamps to the credit of and render accounts to*
 17 *the Postmaster General at such times and in such form as*
 18 *he may by regulations prescribe. The Postmaster General*
 19 *shall at least once monthly transfer all collections from this*
 20 *source to the Treasury as internal-revenue collections*
 21 (251)~~:- Provided, That adhesive stamps shall be sold by~~
 22 ~~postmasters at their face value without discount.~~

23 SEC. (252)~~808~~ 807. That the collectors of the several
 24 districts shall furnish without prepayment to any assistant
 25 treasurer or designated depository of the United States

1 located in their respective collection districts a suitable
 2 quantity of adhesive stamps for sale. In such cases the
 3 collector may require a bond, with sufficient sureties,
 4 to an amount equal to the value of the adhesive
 5 stamps so furnished, conditioned for the faithful return,
 6 whenever so required, of all quantities or amounts undisposed
 7 of, and for the payment monthly of all quantities or amounts
 8 sold or not remaining on hand. (253) ~~The collectors shall sup-~~
 9 ~~ply their deputies with a sufficient quantity of such stamps and~~
 10 ~~may sell to other parties within their respective districts~~
 11 ~~who may make application therefor adhesive stamps upon~~
 12 ~~the same terms allowed by law or under the regulations of the~~
 13 ~~Commissioner of Internal Revenue, who is hereby author-~~
 14 ~~ized to make such other regulations, not inconsistent here-~~
 15 ~~with, for the security of the United States and the better~~
 16 ~~accommodation of the public, in relation to the matters~~
 17 ~~hereinbefore mentioned, as he may judge necessary and~~
 18 ~~expedient.~~ The Secretary of the Treasury may (254) also
 19 from time to time make such regulations as he may find
 20 necessary to insure the safe-keeping or prevent the illegal
 21 use of all such adhesive stamps.

22 . SCHEDULE A.—STAMP TAXES.

23 1. Bonds of indebtedness: Bonds, debentures, or cer-
 24 tificates of indebtedness issued on and after the first day of
 25 (255) ~~June~~ [November] DECEMBER, nineteen hundred

1 and seventeen, by any person, corporation, partnership, or asso-
 2 ciation, on each \$100 of face value or fraction thereof, 5 cents :
 3 *Provided*, That every renewal of the foregoing shall be taxed
 4 as a new issue: *Provided further*, That when a bond
 5 conditioned for the repayment or payment of money is
 6 given in a penal sum greater than the debt secured, the tax
 7 shall be based upon the amount secured.

8 ~~(256)2. Bonds, indemnity and surety: Bonds for indemnifying~~
 9 ~~any person, corporation, partnership, or corporation who shall~~
 10 ~~have become bound or engaged as surety, and all bonds for the~~
 11 ~~due execution or performance of any contract, obligation, or re-~~
 12 ~~quirement, or the duties of any office or position, and to ac-~~
 13 ~~count for money received by virtue thereof, and all other~~
 14 ~~bonds of any description, except such as may be required in~~
 15 ~~legal proceedings, not otherwise provided for in this schedule,~~
 16 ~~50 cents: *Provided*, That where a premium is charged for~~
 17 ~~the execution of such bond the tax shall be paid at the rate~~
 18 ~~of one per centum on each dollar or fractional part thereof of~~
 19 ~~the premium charged: *Provided further*, That policies of~~
 20 ~~reinsurance shall be exempt from the tax imposed by this~~
 21 ~~subdivision:~~

22 2. BONDS, INDEMNITY AND SURETY: BONDS FOR IN-
 23 DEMNIFYING ANY PERSON, CORPORATION, PARTNERSHIP, OR
 24 CORPORATION WHO SHALL HAVE BECOME BOUND OR EN-
 25 GAGED AS SURETY, AND ALL BONDS FOR THE DUE EXECU-

1 TION OR PERFORMANCE OF ANY CONTRACT, OBLIGATION, OR
 2 REQUIREMENT, OR THE DUTIES OF ANY OFFICE OR POSITION,
 3 AND TO ACCOUNT FOR MONEY RECEIVED BY VIRTUE THERE-
 4 OF, AND ALL OTHER BONDS OF ANY DESCRIPTION, EXCEPT
 5 SUCH AS MAY BE REQUIRED IN LEGAL PROCEEDINGS, NOT
 6 OTHERWISE PROVIDED FOR IN THIS SCHEDULE, 50 CENTS :
 7 PROVIDED, THAT WHERE A PREMIUM IS CHARGED FOR THE
 8 EXECUTION OF SUCH BOND THE TAX SHALL BE PAID AT
 9 THE RATE OF ONE PER CENTUM ON EACH DOLLAR OR FRAC-
 10 TIONAL PART THEREOF OF THE PREMIUM CHARGED: PRO-
 11 VIDED FURTHER, THAT POLICIES OF REINSURANCE SHALL
 12 BE EXEMPT FROM THE TAX IMPOSED BY THIS SUBDIVISION.

13 ¹[(257)2. *Parcel-post packages: Upon every parcel or package*
 14 *transported from one point in the United States to another*
 15 *by parcel post on which the postage amounts to 25 cents or*
 16 *more, a tax of 1 cent for each 25 cents or fractional part*
 17 *thereof charged for such transportation, to be paid by the*
 18 *consignor.*

19 *No such parcel or package shall be transported until*
 20 *a stamp or stamps representing the tax due shall have been*
 21 *affixed thereto.]*

22 3. Capital stock, issue: On each original issue,
 23 whether on organization or reorganization, of certificates of
 24 stock by any association, company, or corporation, on each

¹ This amendment is transferred without change to page 120 of this bill.

1 \$100 of face value or fraction thereof, 5 cents: *Provided*, That
2 where capital stock is issued without face value, the tax shall
3 be 5 cents per share, unless the actual value is in excess of
4 \$100 per share, in which case the tax shall be 5 cents on
5 each \$100 of actual value or fraction thereof.

6 The stamps representing the tax imposed by this (258)
7 paragraph *subdivision* shall be attached to the stock books
8 and not to the certificates issued.

9 4. Capital stock, sales or transfers: On all sales, or
10 agreements to sell, or memoranda of sales or deliveries of, or
11 transfers of legal title to shares or certificates of stock in any
12 association, company, or corporation, whether made upon
13 or shown by the books of the association, company, or cor-
14 poration, or by any assignment in blank, or by any delivery,
15 or by any paper or agreement or memorandum or other evi-
16 dence of transfer or sale, whether entitling the holder in
17 any manner to the benefit of such stock or not, on each
18 \$100 of face value or fraction thereof, 2 cents, and where such
19 shares (259)~~or certificates~~ of stock are without par value,
20 the tax shall be 2 cents on the transfer or sale or agreement to
21 sell on each share (260)~~or certificate~~, unless the actual value
22 thereof is in excess of \$100 per share, in which case the tax
23 shall be 2 cents on each \$100 of actual value (261)~~or fraction~~
24 thereof: *Provided*, That it is not intended by this title to im-
25 pose a tax upon an agreement evidencing a deposit of stock

1 certificates as collateral security for money loaned thereon,
2 which stock certificates are not actually sold, nor upon such
3 stock certificates so deposited: *Provided further*, That the
4 tax shall not be imposed upon deliveries or transfers to a
5 broker for sale, nor upon deliveries or transfers by a broker
6 to a customer for whom and upon whose order he has pur-
7 chased same, but such deliveries or transfers shall be ac-
8 companied by a certificate setting forth the facts: *Provided*
9 *further*, That in case of sale where the evidence of transfer
10 is shown only by the books of the company the stamp shall
11 be placed upon such books; and where the change of owner-
12 ship is by transfer of the certificate the stamp shall be placed
13 upon the certificate; and in cases of an agreement to sell
14 or where the transfer is by delivery of the certificate
15 assigned in blank there shall be made and delivered by
16 the seller to the buyer a bill or memorandum of such
17 sale, to which the stamp shall be affixed; and every bill
18 or memorandum of sale or agreement to sell before men-
19 tioned shall show the date thereof, the name of the seller,
20 the amount of the sale, and the matter or thing to which it
21 refers. Any person or persons liable to pay the tax as herein
22 provided, or anyone who acts in the matter as agent or
23 broker for such person or persons who shall make any such
24 sale, or who shall in pursuance of any such sale deliver
25 any stock or evidence of the sale of any stock or bill

1 or memorandum thereof, as herein required, without hav-
2 ing the proper stamps affixed thereto with intent to evade
3 the foregoing provisions shall be deemed guilty of a misde-
4 meanor, and upon conviction thereof shall pay a fine of not
5 exceeding \$1,000, or be imprisoned not more than six months,
6 or both, at the discretion of the court.

7 5. Produce, sales of, on exchange: Upon each sale,
8 agreement of sale, or agreement to sell, including so-called
9 transferred or scratch sales, any products or merchandise at
10 any exchange, or board of trade, or other similar place, for
11 future delivery, for each \$100 in value of the merchandise
12 covered by said sale or agreement of sale or agreement to
13 sell, 2 cents, and for each additional \$100 or fractional part
14 thereof in excess of \$100, 2 cents: *Provided*, That on every
15 sale or agreement of sale or agreement to sell as aforesaid
16 there shall be made and delivered by the seller to the buyer
17 a bill, memorandum, agreement, or other evidence of such
18 sale, agreement of sale, or agreement to sell, to which there
19 shall be affixed a lawful stamp or stamps in value equal to the
20 amount of the tax on such sale (262): *Provided further*, That
21 *sellers of commodities described herein, having paid the tax*
22 *provided by this subdivision, may transfer such contracts to a*
23 *clearing house corporation or association, and such transfer*
24 *shall not be deemed to be a sale, or agreement of sale, or an*
25 *agreement to sell within the provisions of this Act, provided*

1 *that such transfer shall not vest any beneficial interest in*
2 *such clearing house association but shall be made for the sole*
3 *purpose of enabling such clearing house association to adjust*
4 *and balance the accounts of the members of said clearing house*
5 *association on their several contracts.* And every such bill,
6 memorandum, or other evidence of sale or agreement to sell
7 shall show the date thereof, the name of the seller, the
8 amount of the sale, and the matter or thing to which it
9 refers; and any person or persons liable to pay the tax as
10 herein provided, or anyone who acts in the matter as agent
11 or broker for such person or persons, who shall make any such
12 sale or agreement of sale, or agreement to sell, or who shall,
13 in pursuance of any such sale, agreement of sale, or agreement
14 to sell, deliver any such products or merchandise without a
15 bill, memorandum, or other evidence thereof as herein re-
16 quired, or who shall deliver such bill, memorandum, or other
17 evidence of sale, or agreement to sell, without having the
18 proper stamps affixed thereto, with intent to evade the fore-
19 going provisions, shall be deemed guilty of a misdemeanor,
20 and upon conviction thereof shall pay a fine of not exceeding
21 \$1,000, or be imprisoned not more than six months, or both,
22 at the discretion of the court.

23 That no bill, memorandum, agreement, or other evidence
24 of such sale, or agreement of sale, or agreement to sell, in case
25 of cash sales of products or merchandise for immediate or

1 prompt delivery which in good faith (263) ~~is~~ *are* actually
 2 intended to be delivered shall be subject to this tax.

3 6. Drafts or checks payable otherwise than at sight or
 4 on demand, promissory notes, except bank notes issued
 5 for circulation, (264) ~~and for each renewal of the same,~~ AND
 6 FOR EACH RENEWAL OF THE SAME, for a sum not exceeding
 7 \$100, 2 cents; and for each additional \$100 or fractional
 8 part thereof, 2 cents.

9 7. Conveyance: Deed, instrument, or writing, whereby
 10 any lands, tenements, or other realty sold shall be granted,
 11 assigned, transferred, or otherwise conveyed to, or vested in,
 12 the purchaser or purchasers, or any other person or persons,
 13 by his, her, or their direction, when the consideration or
 14 value of the interest or property conveyed, exclusive of the
 15 value of any lien or encumbrance remaining thereon at the
 16 time of sale, exceeds \$100 and does not exceed \$500, 50
 17 cents; and for each additional \$500 or fractional part thereof
 18 50 cents: *Provided*, That nothing contained in this para-
 19 graph shall be so construed as to impose a tax upon any
 20 instrument or writing given to secure a debt.

21 8. Entry of any goods, wares, or merchandise at any
 22 (265) ~~customhouse~~ *custom-house*, either for consumption or
 23 warehousing, not exceeding \$100 in value, 25 cents; ex-
 24 ceeding \$100 and not exceeding \$500 in value, 50 cents:
 25 exceeding \$500 in value, \$1.

1 9. Entry for the withdrawal of any goods or merchan,
2 dise from customs bonded warehouse, 50 cents.

3 10. Passage ticket, (266)*one way or round trip*, for each
4 passenger, sold or issued in the United States for passage by
5 any vessel to a (267)*foreign* port or place (268) *not in the*
6 *United States, Canada, or Mexico*, if costing not exceeding
7 \$30, \$1; costing more than \$30 and not exceeding \$60, \$3;
8 costing more than \$60, \$5: *Provided*, That such passage
9 tickets, costing \$10 or less, shall be exempt from taxation.

10 11. Proxy for voting at any election for officers, or
11 meeting for the transaction of business, of any incorporated
12 company or association, except religious, educational, char-
13 itable, (269)*fraternal*, or literary societies, or public
14 cemeteries, 10 cents.

15 12. Power of attorney granting authority to do or per-
16 form some act for or in behalf of the grantor, which authority
17 is not otherwise vested in the grantee, 25 cents: *Provided*,
18 That no stamps shall be required upon any papers necessary
19 to be used for the collection of claims from the United States
20 or from any State for pensions, back pay, bounty, or for
21 property lost in the military or naval service or upon powers
22 of attorney required in bankruptcy cases.

23 13. Playing cards: Upon every pack of playing cards
24 containing not more than fifty-four cards, manufactured ~~or~~
25 imported, and sold, (270)*or removed for consumption or sale*,
26 after the (271)*passage* [enactment] **PASSAGE** of this Act.

1 (272)[if manufactured or imported to sell at retail for not
 2 more than 15 cents per pack, a tax of 3 cents per pack; and if
 3 manufactured or imported to sell at retail for more than 15
 4 cents per pack,] a tax of [8] 5 cents per (273)pack
 5 [pack. Such tax shall be paid] PACK in addition to the tax
 6 imposed under existing law.

7 (257)[2] 14. ¹ Parcel-post packages: Upon every parcel
 8 or package transported from one point in the United States
 9 to another by parcel post on which the postage amounts to 25
 10 cents or more, a tax of 1 cent for each 25 cents or fractional
 11 part thereof charged for such transportation, to be paid by the
 12 consignor.

13 No such parcel or package shall be transported until
 14 a stamp or stamps representing the tax due shall have been
 15 affixed thereto.

16 (274) TITLE IX.—WAR ESTATE TAX.

17 ~~SEC. 900. That in addition to the tax imposed by sec-~~
 18 ~~tion two hundred and one of the Act entitled "An Act to~~
 19 ~~increase the revenue, and for other purposes," approved~~
 20 ~~September eighth, nineteen hundred and sixteen, as~~
 21 ~~amended—~~

22 (a) ~~A tax equal to the following percentages of its value~~
 23 ~~is hereby imposed upon the transfer of each net estate of~~
 24 ~~every decedent dying after the passage of this Act, the~~
 25 ~~transfer of which is taxable under such section (the value~~

¹ This amendment is transferred without change from page 113 of this bill.

1 of such net estate to be determined as provided in Title II of
2 such Act of September eighth, nineteen hundred and sixteen):

3 One half of one per centum of the amount of such net
4 estate not in excess of \$50,000;

5 One per centum of the amount by which such net estate
6 exceeds \$50,000 and does not exceed \$150,000;

7 One and one half per centum of the amount by which
8 net estate exceeds \$150,000 and does not exceed \$250,000;

9 Two per centum of the amount by which such net estate
10 exceeds \$250,000 and does not exceed \$450,000;

11 Two and one half per centum of the amount by which
12 such net estate exceeds \$450,000 and does not exceed
13 \$1,000,000;

14 Three per centum of the amount by which such net
15 estate exceeds \$1,000,000 and does not exceed \$2,000,000;

16 Three and one half per centum of the amount by which
17 such net estate exceeds \$2,000,000 and does not exceed
18 \$2,000,000;

19 Four per centum of the amount by which such net
20 estate exceeds \$2,000,000 and does not exceed \$4,000,000;

21 Four and one half per centum of the amount by which
22 such net estate exceeds \$4,000,000 and does not exceed
23 \$5,000,000;

24 Five per centum of the amount by which such net
25 estate exceeds \$5,000,000 and does not exceed \$8,000,000;

1 ~~Seven per centum of the amount by which such net~~
 2 ~~estate exceeds \$8,000,000 and does not exceed \$11,000,000;~~

3 ~~Ten per centum of the amount by which such net estate~~
 4 ~~exceeds \$11,000,000 and does not exceed \$15,000,000; and~~

5 ~~Fifteen per centum of the amount by which such net~~
 6 ~~estate exceeds \$15,000,000; and~~

7 ~~(b) A tax equal to one per centum of the value of the~~
 8 ~~net estate not in excess of \$25,000 (such value to be deter-~~
 9 ~~mined as provided in Title II of such Act of September eighth,~~
 10 ~~nineteen hundred and sixteen, except that the exemption~~
 11 ~~provided in subdivision (a) of section two hundred and three~~
 12 ~~of such Act shall be \$25,000 instead of \$50,000) is hereby~~
 13 ~~imposed upon the transfer of the net estate of every resident~~
 14 ~~of the United States dying after the passage of this Act.~~

15 TITLE IX.—WAR ESTATE TAX.

16 SEC 900. THAT IN ADDITION TO THE TAX IMPOSED BY
 17 SECTION TWO HUNDRED AND ONE OF THE ACT ENTITLED
 18 “AN ACT TO INCREASE THE REVENUE, AND FOR OTHER
 19 PURPOSES,” APPROVED SEPTEMBER EIGHTH, NINETEEN
 20 HUNDRED AND SIXTEEN, AS AMENDED—

21 (A) A TAX EQUAL TO THE FOLLOWING PERCENTAGES
 22 OF ITS VALUE IS HEREBY IMPOSED UPON THE TRANSFER OF
 23 EACH NET ESTATE OF EVERY DECEDENT DYING AFTER THE
 24 PASSAGE OF THIS ACT, THE TRANSFER OF WHICH IS TAX-
 25 ARLE UNDER SUCH SECTION (THE VALUE OF SUCH NET

1 ESTATE TO BE DETERMINED AS PROVIDED IN TITLE II OF
2 SUCH ACT OF SEPTEMBER EIGHTH, NINETEEN HUNDRED
3 AND SIXTEEN):

4 ONE-HALF OF ONE PER CENTUM OF THE AMOUNT OF
5 SUCH NET ESTATE NOT IN EXCESS OF \$50,000;

ONE PER CENTUM OF THE AMOUNT BY WHICH SUCH
7 NET ESTATE EXCEEDS \$50,000 AND DOES NOT EXCEED
8 \$150,000;

9 ONE AND ONE-HALF PER CENTUM OF THE AMOUNT BY
10 WHICH SUCH NET ESTATE EXCEEDS \$150,000 AND DOES
11 NOT EXCEED \$250,000:

12 TWO PER CENTUM OF THE AMOUNT BY WHICH SUCH
13 NET ESTATE EXCEEDS \$250,000 AND DOES NOT EXCEED
14 \$450,000:

15 TWO AND ONE-HALF PER CENTUM OF THE AMOUNT BY
16 WHICH SUCH NET ESTATE EXCEEDS \$450,000 AND DOES
17 NOT EXCEED \$1,000,000;

18 THREE PER CENTUM OF THE AMOUNT BY WHICH SUCH
19 NET ESTATE EXCEEDS \$1,000,000 AND DOES NOT EXCEED
20 \$2,000,000;

21 THREE AND ONE-HALF PER CENTUM OF THE AMOUNT BY
22 WHICH SUCH NET ESTATE EXCEEDS \$2,000,000 AND DOES
23 EXCEED \$3,000,000;

24 FOUR PER CENTUM OF THE AMOUNT BY WHICH SUCH
25 NET ESTATE EXCEEDS \$3,000,000 AND DOES NOT EXCEED
26 \$4,000,000;

1 FOUR AND ONE-HALF PER CENTUM OF THE AMOUNT BY
2 WHICH SUCH NET ESTATE EXCEEDS \$4,000,000 AND DOES
3 NOT EXCEED \$5,000,000;

4 FIVE PER CENTUM OF THE AMOUNT BY WHICH SUCH
5 NET ESTATE EXCEEDS \$5,000,000 AND DOES NOT EXCEED
6 \$8,000,000;

7 SEVEN PER CENTUM OF THE AMOUNT BY WHICH SUCH
8 NET ESTATE EXCEEDS \$8,000,000 AND DOES NOT EXCEED
9 ~~[\$11,000,000]~~ \$10,000,000; AND

10 TEN PER CENTUM OF THE AMOUNT BY WHICH SUCH
11 NET ESTATE EXCEEDS ~~[\$11,000,000 AND DOES NOT EXCEED~~
12 ~~\$15,000,000; AND]~~ \$10,000,000.

13 [FIFTEEN PER CENTUM OF THE AMOUNT BY WHICH
14 SUCH NET ESTATE EXCEEDS \$15,000,000; AND

15 (B) A TAX EQUAL TO ONE PER CENTUM OF THE VALUE
16 OF THE NET ESTATE NOT IN EXCESS OF \$25,000 (SUCH
17 VALUE TO BE DETERMINED AS PROVIDED IN TITLE II OF
18 SUCH ACT OF SEPTEMBER EIGHTH, NINETEEN HUNDRED
19 AND SIXTEEN, EXCEPT THAT THE EXEMPTION PROVIDED IN
20 SUBDIVISION (A) OF SECTION TWO HUNDRED AND THREE
21 OF SUCH ACT SHALL BE \$25,000 INSTEAD OF \$50,000) IS
22 HEREBY IMPOSED UPON THE TRANSFER OF THE NET ESTATE
23 OF EVERY RESIDENT OF THE UNITED STATES DYING AFTER
24 THE PASSAGE OF THIS ACT.]

~~1 this section shall be levied, collected, and paid under the
2 provisions of existing law. This section shall not apply
3 to (a) gold or silver bullion; (b) coins of gold, silver, copper,
4 or other metal; (c) printing paper admitted free of duty
5 under paragraph five hundred and sixty seven of section one
6 of the Act entitled "An Act to reduce tariff duties and to
7 provide revenue for the Government, and for other purposes,"
8 approved October third, nineteen hundred and thirteen, as
9 amended; (d) ores of the platinum metals, and platinum,
10 unmanufactured or in ingots, bars, plates, sheets, wire,
11 sponge, or scrap, and vases, retorts, and other apparatus,
12 vessels, and parts thereof, composed of platinum for chemical
13 uses; (e) nitrate of soda; (f) mechanical ground wood pulp,
14 chemical wood pulp, unbleached or bleached, and rag pulp; or
15 (g) articles specified in paragraphs three hundred and ninety
16 seven, three hundred and ninety eight, four hundred and
17 four, four hundred and twenty four, four hundred and twenty
18 eight, four hundred and fifty one, four hundred and ninety
19 nine, five hundred and fifty six, five hundred and eighty two,
20 and six hundred and forty two; of section one, of such Act
21 of October third, nineteen hundred and thirteen.~~

~~22 And this section shall not apply to the following named
23 articles, to-wit:~~

~~24 First. Any animal imported by a citizen of the United
25 States, specially for breeding purposes, whether intended~~

1 ~~to be used by the importer himself or for sale for such pur-~~
2 ~~poses;~~

3 ~~Second. Horses, mules, and asses straying across the~~
4 ~~boundary line into any foreign country, or driven across~~
5 ~~such boundary line by the owner for temporary pasturage~~
6 ~~purposes only, together with their offspring;~~

7 ~~Third. Animals brought into the United States tem-~~
8 ~~porarily for a period not exceeding six months, for the pur-~~
9 ~~pose of breeding, exhibition, or competition for prizes offered~~
10 ~~by any agricultural, polo, or racing association; but a bond~~
11 ~~shall be given in accordance with regulations prescribed by~~
12 ~~the Secretary of the Treasury; also teams of animals, in-~~
13 ~~cluding their harness and tackle, and the wagons or other~~
14 ~~vehicles actually owned by persons emigrating from foreign~~
15 ~~countries to the United States with their families, and in~~
16 ~~actual use for the purpose of such emigration, under such~~
17 ~~regulations as the Secretary of the Treasury may prescribe;~~
18 ~~and wild animals intended for exhibition in zoological col-~~
19 ~~lections for scientific and educational purposes, and not for~~
20 ~~sale or profit;~~

21 ~~Fourth. Books, engravings, photographs, etchings,~~
22 ~~bound or unbound, maps and charts imported by authority or~~
23 ~~for the use of the United States or for the use of the Library~~
24 ~~of Congress;~~

25 ~~Fifth. Books, libraries, usual and reasonable furniture,~~
26 ~~and similar household effects of persons or families from~~

1 ~~foreign countries, all the foregoing if actually used abroad by~~
2 ~~them not less than one year, and not intended for any other~~
3 ~~person or persons, nor for sale;~~

4 ~~Sixth. Newspapers and periodicals; but the term~~
5 ~~"periodicals" as herein used shall be understood to embrace~~
6 ~~only unbound or paper covered publications issued within six~~
7 ~~months of the time of entry, devoted to current literature of~~
8 ~~the day, or containing current literature as a predominant~~
9 ~~feature, and issued regularly at stated periods, as weekly,~~
10 ~~monthly, or quarterly, and bearing the date of issue;~~

11 ~~Seventh. Articles the growth, produce, or manufacture~~
12 ~~of the United States, when returned after having been ex-~~
13 ~~ported, without having been advanced in value or improved~~
14 ~~in condition by any process of manufacture or other means;~~
15 ~~steel boxes, casks, barrels, carboys, bags, and other containers~~
16 ~~or coverings of American manufacture exported filled with~~
17 ~~American products, or exported empty and returned filled~~
18 ~~with foreign products, including shooks and staves when~~
19 ~~returned as barrels or boxes; also quicksilver flasks or bottles,~~
20 ~~iron or steel drums of either domestic or foreign manufacture,~~
21 ~~used for the shipment of acids, or other chemicals, which shall~~
22 ~~have been actually exported from the United States; but~~
23 ~~proof of the identity of such articles shall be made, under~~
24 ~~general regulations to be prescribed by the Secretary of the~~
25 ~~Treasury, but the exemption of bags from duty shall apply~~

1 ~~only to such domestic bags as may be imported by the exporter~~
2 ~~thereof, and if any such articles are subject to internal~~
3 ~~revenue tax at the time of exportation, such tax shall be~~
4 ~~proved to have been paid before exportation and not refunded;~~
5 ~~photographic dry plates or films of American manufacture~~
6 ~~(except moving picture films), exposed abroad, whether~~
7 ~~developed or not, and films from moving picture machines,~~
8 ~~light struck or otherwise damaged, or worn out, so as to be~~
9 ~~unsuitable for any other purpose than the recovery of the~~
10 ~~constituent materials, provided the basic films are of American~~
11 ~~manufacture, but proof of the identity of such articles shall be~~
12 ~~made under general regulations to be prescribed by the Secre-~~
13 ~~tary of the Treasury; articles exported from the United States~~
14 ~~for repairs;~~

15 ~~Eighth. Professional books, implements, instruments,~~
16 ~~and tools of trade, occupation, or employment in the actual~~
17 ~~possession of persons emigrating to the United States owned~~
18 ~~and used by them abroad; but this exemption shall not be~~
19 ~~construed to include machinery or other articles imported for~~
20 ~~use in any manufacturing establishment, or for any other per-~~
21 ~~son or persons, or for sale, nor shall it be construed to include~~
22 ~~theatrical scenery, properties, and apparel; but such articles~~
23 ~~brought by proprietors or managers of theatrical exhibitions~~
24 ~~arriving from abroad, for temporary use by them in such~~
25 ~~exhibitions, and not for any other person, and not for sale,~~

1 ~~and which have been used by them abroad, shall be admitted~~
 2 ~~free of duty under such regulations as the Secretary of the~~
 3 ~~Treasury may prescribe; but bonds shall be given for the pay-~~
 4 ~~ment to the United States of such duties as may be imposed~~
 5 ~~by law upon any and all such articles as shall not be exported~~
 6 ~~within six months after such importation: *Provided, That*~~
 7 ~~the Secretary of the Treasury may, in his discretion, extend~~
 8 ~~such period for a further term of six months in case application~~
 9 ~~shall be made therefor.~~

10 ~~SEC. 1001. That upon all coffee or tea which on the day~~
 11 ~~this Act is passed is held by a retailer (who does not sell coffee~~
 12 ~~or tea at wholesale) in a quantity in excess of fifty pounds in~~
 13 ~~the case of tea and two hundred pounds in the case of coffee,~~
 14 ~~or by any other person, corporation, partnership, or association~~
 15 ~~in any quantity, and which is intended for sale, there shall be~~
 16 ~~levied, assessed, collected, and paid a tax of 1 cent per pound~~
 17 ~~in the case of coffee and of 2 cents per pound in the case~~
 18 ~~of tea.~~

19 ~~Such tax shall be assessed, collected, and paid in the same~~
 20 ~~manner as provided in section eleven hundred and two in~~
 21 ~~the case of additional taxes upon articles upon which the tax~~
 22 ~~imposed by existing law has been paid.~~

23 **TITLE (276) XI[IX]X.—ADMINISTRATIVE PROVISIONS.**

24 ~~SEC. (277) 1100[900]1000. That there shall be levied,~~
 25 ~~collected, and paid in the United States, upon articles coming~~

1 into the United States from the West Indian Islands acquired
 2 from Denmark, a tax equal to the internal-revenue tax imposed
 3 in the United States upon like articles of domestic manufacture ;
 4 such articles shipped from said islands to the United States
 5 shall be exempt from the payment of any tax imposed by the
 6 internal-revenue laws of said islands: *Provided*, That there
 7 shall be levied, collected, and paid in said islands, upon
 8 articles imported from the United States, a tax equal to the
 9 internal-revenue tax imposed in said islands upon like articles
 10 there manufactured ; and such articles going into said islands
 11 from the United States shall be exempt from payment of any
 12 tax imposed by the internal-revenue laws of the United
 13 States.

14 SEC. (278)~~1101~~ [901]1001. That all administrative, spe-
 15 cial, or stamp provisions of law, including the law relating to the
 16 assessment of taxes, so far as applicable, are hereby extended
 17 to and made a part of this Act, and every person, corporation,
 18 partnership, or association liable to any tax imposed by this
 19 Act, or for the collection thereof, shall keep such records,
 20 and render, under oath, such statements and returns, and
 21 shall comply with such regulations as the Commissioner of
 22 Internal Revenue, with the approval of the Secretary of the
 23 Treasury, may from time to time prescribe.

24 SEC. (279)~~1102~~ [902]1002. That where additional taxes
 25 are imposed by this Act upon articles or commodities, upon

1 which the tax imposed by existing law has been paid, the
2 person, corporation, partnership, or association required by this
3 Act to pay the tax shall ~~(280)~~, *within thirty days after its*
4 ~~[enactment]~~ **PASSAGE**, make return under oath in such
5 form and under such regulations as the Commissioner
6 of Internal Revenue with the approval of the Secretary
7 of the Treasury shall prescribe. ~~(281)The tax shown to be~~
8 ~~due by such return shall be collected, by assessment, and~~
9 ~~paid on or before November first, nineteen hundred and~~
10 ~~seventeen.~~ *Payment of the tax shown to be due may be ex-*
11 *tended to a date not exceeding [six]SEVEN months from the*
12 ~~[enactment]~~ **PASSAGE** of this Act, upon the filing of a bond
13 for payment in such form and amount and with such sureties
14 as the Commissioner of Internal Revenue, with the approval
15 of the Secretary of the Treasury, may prescribe.

16 **SEC. (282)H03 [903]1003. (283)In** That in all cases
17 where the method of collecting the tax imposed by this Act is not
18 specifically provided, the tax shall be collected in such manner
19 as the Commissioner of Internal Revenue with the approval of
20 the Secretary of the Treasury may prescribe. All administra-
21 tive and penalty provisions of Title VIII of this Act, in so far
22 as applicable, shall apply to the collection of any tax which the
23 Commissioner of Internal Revenue determines or prescribes
24 shall be paid by stamp.

1 SEC. (284)~~404~~ [904] 1004. That whoever fails to make
2 any return required by this Act or the regulations made under
3 authority thereof within the time prescribed or who makes
4 any false or fraudulent return, and whoever evades or attempts
5 to evade any tax imposed by this Act or fails to collect or
6 truly to account for and pay over any such tax, shall be
7 subject to a penalty of not more than \$1,000, or to imprison-
8 ment for not more than one year, or both, at the discretion
9 of the court, and in addition thereto a penalty of double the
10 tax evaded, or not collected, or accounted for and paid over,
11 to be assessed and collected in the same manner as taxes
12 are assessed and collected, in any case in which the punish-
13 ment is not otherwise specifically provided.

14 SEC. (285)~~405~~ [905] 1005. That the Commissioner of
15 Internal Revenue, with the approval of the Secretary of the
16 Treasury, is hereby authorized to make all needful rules
17 and regulations for the enforcement of the provisions of
18 this Act.

19 SEC. (286)~~406~~ [906] 1006. That where the rate of tax
20 imposed by this Act, payable by stamps, is an increase over
21 previously existing rates, stamps on hand in the collectors'
22 offices and in the Bureau of Internal Revenue may continue
23 to be used until the supply on hand is exhausted, but shall
24 be sold and accounted for at the rates provided by this Act,
25 and assessment shall be made against manufacturers and

1 other taxpayers having such stamps on hand on the day this
 2 Act takes effect for the difference between the amount paid
 3 for such stamps and the tax due at the rates provided by
 4 this Act.

5 SEC. ~~(287)~~4107 [907]1007. That (a) if any person cor-
 6 poration, partnership, or association has prior to May ninth,
 7 nineteen hundred and seventeen, made a bona fide con-
 8 tract with a dealer for the sale, after the tax takes effect,
 9 of any article (288)~~(or, in the case of moving picture films,~~
 10 ~~such a contract with a dealer, exchange, or exhibitor, for the~~
 11 ~~sale or lease thereof)~~ (OR, IN THE CASE OF MOVING-PICTURE
 12 FILMS, SUCH A CONTRACT WITH A DEALER, EXCHANGE, OR
 13 EXHIBITOR, FOR THE SALE OR LEASE THEREOF) upon which
 14 a tax is imposed under Title III, IV, (289)or VI, (290)or X,
 15 or under subdivision thirteen of Schedule A of Title VIII,
 16 or under this section, and (b) if such contract does not permit
 17 the adding of the whole of such tax to the amount to be paid
 18 under such contract, then the vendee (291)or lessee OR
 19 LESSEE shall, in lieu of the vendor (292)or lessor OR
 20 LESSOR, pay so much of such tax as is not so permitted to be
 21 added to the contract price.

22 The taxes payable by the vendee (293)or lessee
 23 OR LESSEE under this section shall be paid to the
 24 vendor (294)or lessor OR LESSOR at the time the
 25 sale (295)or lease OR LEASE is consummated, and collected,

1 returned, and paid to the United States by such vendor (296)
2 ~~or-lesor~~ OR LESSOR in the same manner as provided in sec-
3 tion five hundred and three.

4 The term "dealer" as used in this section includes a
5 vendee who purchases any article with intent to use it in
6 the manufacture or production of another article intended
7 for sale.

8 SEC. (297)4108 [908] 1008. That in the payment of
9 any tax under this Act (298) *not payable by stamp* a fractional
10 part of a cent shall be disregarded unless it amounts to
11 one-half cent or more, in which case it shall be increased to
12 one cent.

13 (299)[SEC. 909. *That the Secretary of the Treasury,*
14 *under rules and regulations prescribed by him, shall permit tax-*
15 *payers liable to income and war profits taxes to make payments*
16 *in advance in installments or in whole of an amount not in*
17 *excess of the estimated taxes which will be due from them,*
18 *and upon determination of the taxes actually due any amount*
19 *paid in excess shall be refunded as taxes erroneously collected:*
20 *Provided, That at least one-fourth of such estimated tax shall*
21 *be paid before the expiration of thirty days after the close of*
22 *the taxable year, at least one-fourth within two months after*
23 *the close of the taxable year, at least one-fourth within four*
24 *months after the close of the taxable year, and the remainder*
25 *of the tax due on or before the time now fixed by law for such*

1 *payment. All penalties provided by existing law for failure*
2 *to pay tax when due are hereby made applicable to any failure*
3 *to pay the tax at the time or times required in this section.]*

4 SEC. 1009. THAT THE SECRETARY OF THE
5 TREASURY, UNDER RULES AND REGULATIONS
6 PRESCRIBED BY HIM, SHALL PERMIT TAXPAY-
7 ERS LIABLE TO INCOME AND EXCESS PROFITS
8 TAXES TO MAKE PAYMENTS IN ADVANCE IN
9 INSTALLMENTS OR IN WHOLE OF AN AMOUNT
10 NOT IN EXCESS OF THE ESTIMATED TAXES
11 WHICH WILL BE DUE FROM THEM, AND UPON
12 DETERMINATION OF THE TAXES ACTUALLY
13 DUE ANY AMOUNT PAID IN EXCESS SHALL BE
14 REFUNDED AS TAXES ERRONEOUSLY COL-
15 LECTED: PROVIDED, THAT WHEN PAYMENT IS
16 MADE IN INSTALLMENTS AT LEAST ONE-
17 FOURTH OF SUCH ESTIMATED TAX SHALL BE
18 PAID BEFORE THE EXPIRATION OF THIRTY
19 DAYS AFTER THE CLOSE OF THE TAXABLE
20 YEAR, AT LEAST AN ADDITIONAL ONE-FOURTH
21 WITHIN TWO MONTHS AFTER THE CLOSE OF
22 THE TAXABLE YEAR, AT LEAST AN ADDI-
23 TIONAL ONE-FOURTH WITHIN FOUR MONTHS
24 AFTER THE CLOSE OF THE TAXABLE YEAR,
25 AND THE REMAINDER OF THE TAX DUE ON OR

1 BEFORE THE TIME NOW FIXED BY LAW FOR
2 SUCH PAYMENT: PROVIDED FURTHER, THAT
3 THE SECRETARY OF THE TREASURY, UNDER
4 RULES AND REGULATIONS PRESCRIBED BY
5 HIM, MAY ALLOW CREDIT AGAINST SUCH
6 TAXES SO PAID IN ADVANCE OF AN AMOUNT
7 NOT EXCEEDING THREE PER CENTUM PER
8 ANNUM CALCULATED UPON THE AMOUNT SO
9 PAID FROM THE DATE OF SUCH PAYMENT TO
10 THE DATE NOW FIXED BY LAW FOR SUCH
11 PAYMENT; BUT NO SUCH CREDIT SHALL BE
12 ALLOWED ON PAYMENTS IN EXCESS OF TAXES
13 DETERMINED TO BE DUE, NOR ON PAYMENTS
14 MADE AFTER THE EXPIRATION OF FOUR AND
15 ONE-HALF MONTHS AFTER THE CLOSE OF THE
16 TAXABLE YEAR. ALL PENALTIES PROVIDED BY
17 EXISTING LAW FOR FAILURE TO PAY TAX
18 WHEN DUE ARE HEREBY MADE APPLICABLE
19 TO ANY FAILURE TO PAY THE TAX AT THE TIME
20 OR TIMES REQUIRED IN THIS SECTION.

21 (300)Sec. [910]1010. That [*collectors of internal revenue*
22 *are authorized to receive at par*] UNDER RULES AND
23 REGULATIONS PRESCRIBED BY THE SECRETARY
24 OF THE TREASURY, COLLECTORS OF INTERNAL
25 REVENUE MAY RECEIVE, AT PAR AND AC-

1 CRUED INTEREST, *certificates of indebtedness issued*
 2 *under section six of the Act entitled "An Act to authorize an*
 3 *issue of bonds to meet expenditures for the national security*
 4 *and defense, and, for the purpose of assisting in the prosecu-*
 5 *tion of the war, to extend credit to foreign governments, and*
 6 *for other purposes," approved April twenty-fourth, nineteen*
 7 *hundred and seventeen, AND ANY SUBSEQUENT ACT*
 8 *OR ACTS, and uncertified checks in payment of income and*
 9 **[war]** *EXCESS profits taxes, during such time and under*
 10 *such regulations as the Commissioner of Internal Revenue,*
 11 *with the approval of the Secretary of the Treasury, shall*
 12 *prescribe; but if a check so received is not paid by the bank on*
 13 *which it is drawn the person by whom such check has been*
 14 *tendered shall remain liable for the payment of the tax and for*
 15 *all legal penalties and additions the same as if such check had*
 16 *not been tendered.*

17 **TITLE (301)XX [X]XI.—POSTAL RATES (302) [AND WAR**
 18 **TAX ON PROFITS OF PUBLICATIONS].**

19 **(303)SEC. 1200.** ~~That the rate of postage on all mail matter~~
 20 ~~of the first class, except postal cards, shall ten days after the~~
 21 ~~passage of this Act be, in addition to the existing rate, 1 cent~~
 22 ~~for each ounce or fraction thereof: Provided, That the rate~~
 23 ~~of postage on drop letters of the first class shall be~~
 24 ~~2 cents an ounce or fraction thereof. Postal cards, and~~
 25 ~~private mailing or post cards when complying with the re-~~

1 ~~requirements of existing law, shall be transmitted through~~
 2 ~~the mails at 1 cent each in addition to the existing rate.~~

3 SEC. [1200] 1100. THAT THE RATE OF POSTAGE ON ALL
 4 MAIL MATTER OF THE FIRST CLASS, EXCEPT POSTAL CARDS,
 5 SHALL [TEN] THIRTY DAYS AFTER THE PASSAGE OF THIS
 6 ACT BE, IN ADDITION TO THE EXISTING RATE, 1 CENT FOR
 7 EACH OUNCE OR FRACTION THEREOF: PROVIDED, THAT
 8 THE RATE OF POSTAGE ON DROP LETTERS OF THE FIRST
 9 CLASS SHALL BE 2 CENTS AN OUNCE OR FRACTION THEREOF.
 10 POSTAL CARDS, AND PRIVATE MAILING OR POST CARDS WHEN
 11 COMPLYING WITH THE REQUIREMENTS OF EXISTING LAW,
 12 SHALL BE TRANSMITTED THROUGH THE MAILS AT 1 CENT
 13 EACH IN ADDITION TO THE EXISTING RATE.

14 [*Sec. 1000.*] *That letters written and mailed by soldiers,*
 15 *sailors, and marines assigned to duty in a foreign country*
 16 *engaged in the present war may be mailed free of postage,*
 17 *subject to such rules and regulations as may be prescribed*
 18 *by the Postmaster General.*

19 (304) ~~Sec. 1201. That on and after July first, nineteen hun-~~
 20 ~~dred and seventeen, the zone system applicable to parcel~~
 21 ~~post shall apply to mail matter of the second class, and (a)~~
 22 ~~from that date until November first, nineteen hundred and~~
 23 ~~seventeen, the rate of postage shall be as follows, except as~~
 24 ~~hereinafter provided: 1¹/₂ cents a pound or fraction thereof~~
 25 ~~when for delivery within the first zone, 1¹/₂ cents a pound or~~

~~1 fraction thereof when for delivery within the second or third
2 zone, $1\frac{3}{4}$ cents a pound or fraction thereof when for delivery
3 within the fourth or fifth zone, 2 cents a pound or fraction
4 thereof when for delivery within the sixth zone, $2\frac{1}{2}$ cents a
5 pound or fraction thereof when for delivery within the seventh
6 zone, and $2\frac{3}{4}$ cents a pound or fraction thereof when for deliv-
7 ery within the eighth zone, and (b) from November first, nine-
8 teen hundred and seventeen, until March first, nineteen hun-
9 dred and eighteen, the rate of postage shall be as follows,
10 except as hereinafter provided: $1\frac{1}{2}$ cents a pound or fraction
11 thereof when for delivery within the first zone, $1\frac{3}{4}$ cents a
12 pound or fraction thereof when for delivery within the second
13 or third zone, $2\frac{1}{2}$ cents a pound or fraction thereof when for
14 delivery within the fourth or fifth zone, 3 cents a pound or
15 fraction thereof when for delivery within the sixth zone,
16 $3\frac{3}{4}$ cents a pound or fraction thereof when for delivery within
17 the seventh zone, and $4\frac{1}{2}$ cents a pound or fraction thereof
18 when for delivery within the eighth zone, and (c) after March
19 first, nineteen hundred and eighteen, the rate of postage
20 shall be as follows, except as hereinafter provided: $1\frac{1}{2}$ cents
21 a pound or fraction thereof when for delivery within the
22 first zone, 2 cents a pound or fraction thereof when for delivery
23 within the second or third zone, 3 cents a pound or fraction
24 thereof when for delivery within the fourth or fifth zone,
25 4 cents a pound or fraction thereof when for delivery within~~

1 ~~the sixth zone, 5 cents a pound or fraction thereof when for~~
2 ~~delivery within the seventh zone, and 6 cents a pound or~~
3 ~~fraction thereof when for delivery within the eighth zone.~~

4 SEC. 1101. THAT ON AND AFTER JULY FIRST,
5 NINETEEN HUNDRED AND EIGHTEEN, THE RATES
6 OF POSTAGE ON PUBLICATIONS ENTERED AS
7 SECOND-CLASS MATTER (INCLUDING SAMPLE
8 COPIES TO THE EXTENT OF TEN PER CENTUM OF
9 THE WEIGHT OF COPIES MAILED TO SUBSCRIBERS
10 DURING THE CALENDAR YEAR) WHEN SENT BY
11 THE PUBLISHER THEREOF FROM THE POST OF-
12 FICE OF PUBLICATION OR OTHER POST OFFICE,
13 OR WHEN SENT BY A NEWS AGENT TO ACTUAL
14 SUBSCRIBERS THERETO, OR TO OTHER NEWS
15 AGENTS FOR THE PURPOSE OF SALE:

16 (A) IN THE CASE OF THE PORTION OF SUCH
17 PUBLICATION DEVOTED TO MATTER OTHER THAN
18 ADVERTISEMENTS, SHALL BE AS FOLLOWS: (1)
19 ON AND AFTER JULY FIRST, NINETEEN HUN-
20 DRED AND EIGHTEEN, AND UNTIL JULY FIRST,
21 NINETEEN HUNDRED AND NINETEEN, 1¼ CENTS
22 PER POUND OR FRACTION THEREOF; (2) ON AND
23 AFTER JULY FIRST, NINETEEN HUNDRED AND
24 NINETEEN, 1½ CENTS PER POUND OR FRACTION
25 THEREOF;

1 (B) IN THE CASE OF THE PORTION OF SUCH
2 PUBLICATION DEVOTED TO ADVERTISEMENTS
3 THE RATES PER POUND OR FRACTION THEREOF
4 FOR DELIVERY WITHIN THE SEVERAL ZONES
5 APPLICABLE TO FOURTH-CLASS MATTER SHALL
6 BE AS FOLLOWS (BUT WHERE THE SPACE
7 DEVOTED TO ADVERTISEMENTS DOES NOT
8 EXCEED FIVE PER CENTUM OF THE TOTAL
9 SPACE, THE RATE OF POSTAGE SHALL BE THE
10 SAME AS IF THE WHOLE OF SUCH PUBLICA-
11 TION WAS DEVOTED TO MATTER OTHER THAN
12 ADVERTISEMENTS): (1) ON AND AFTER JULY
13 FIRST, NINETEEN HUNDRED AND EIGHTEEN,
14 AND UNTIL JULY FIRST, NINETEEN HUNDRED
15 AND NINETEEN, FOR THE FIRST AND SECOND
16 ZONES, $1\frac{1}{4}$ CENTS; FOR THE THIRD ZONE, $1\frac{1}{2}$
17 CENTS; FOR THE FOURTH ZONE, 2 CENTS; FOR
18 THE FIFTH ZONE, $2\frac{1}{4}$ CENTS; FOR THE SIXTH
19 ZONE, $2\frac{1}{2}$ CENTS; FOR THE SEVENTH ZONE, 3
20 CENTS; FOR THE EIGHTH ZONE, $3\frac{1}{4}$ CENTS;
21 (2) ON AND AFTER JULY FIRST, NINETEEN
22 HUNDRED AND NINETEEN, AND UNTIL JULY
23 FIRST, NINETEEN HUNDRED AND TWENTY,
24 FOR THE FIRST AND SECOND ZONES, $1\frac{1}{2}$ CENTS;
25 FOR THE THIRD ZONE, 2 CENTS; FOR THE

1 FOURTH ZONE, 3 CENTS; FOR THE FIFTH ZONE.
2 3½ CENTS; FOR THE SIXTH ZONE, 4 CENTS;
3 FOR THE SEVENTH ZONE, 5 CENTS; FOR THE
4 EIGHTH ZONE, 5½ CENTS; (3) ON AND AFTER
5 JULY FIRST, NINETEEN HUNDRED AND TWENTY
6 AND UNTIL JULY FIRST, NINETEEN HUNDRED
7 AND TWENTY-ONE, FOR THE FIRST AND SECOND
8 ZONES, 1¾ CENTS; FOR THE THIRD ZONE, 2½
9 CENTS; FOR THE FOURTH ZONE, 4 CENTS; FOR
10 THE FIFTH ZONE, 4¾ CENTS; FOR THE SIXTH
11 ZONE, 5½ CENTS; FOR THE SEVENTH ZONE, 7
12 CENTS; FOR THE EIGHTH ZONE, 7¾ CENTS;
13 (4) ON AND AFTER JULY FIRST, NINETEEN
14 HUNDRED AND TWENTY-ONE, FOR THE FIRST
15 AND SECOND ZONES, 2 CENTS; FOR THE THIRD
16 ZONE, 3 CENTS; FOR THE FOURTH ZONE, 5
17 CENTS; FOR THE FIFTH ZONE, 6 CENTS; FOR
18 THE SIXTH ZONE, 7 CENTS; FOR THE SEVENTH
19 ZONE, 9 CENTS; FOR THE EIGHTH ZONE, 10,
20 CENTS;

21 (C) WITH THE FIRST MAILING OF EACH,
22 ISSUE OF EACH SUCH PUBLICATION, THE
23 PUBLISHER SHALL FILE WITH THE POST-
24 MASTER A COPY OF SUCH ISSUE, TOGETHER
25 WITH A STATEMENT CONTAINING SUCH

1 INFORMATION AS THE POSTMASTER GENERAL
2 MAY PRESCRIBE FOR DETERMINING THE
3 POSTAGE CHARGEABLE THEREON.

4 ~~(305)SEC. 1202. That the rate of postage on daily news-~~
5 ~~papers, when the same are deposited in a letter carrier office~~
6 ~~for delivery by its carriers, shall be the same as now provided~~
7 ~~by law; and nothing in this title shall affect existing law as~~
8 ~~to free circulation and existing rates on second class mail~~
9 ~~matter within the county of publication: *Provided*, That the~~
10 ~~Postmaster General may hereafter require publishers to sepa-~~
11 ~~rate or make up to zones in such a manner as he may direct~~
12 ~~all mail matter of the second class when offered for mailing.~~

13 SEC. [1202] 1102. THAT THE RATE OF POSTAGE ON
14 DAILY NEWSPAPERS, WHEN THE SAME ARE DEPOSITED IN A
15 LETTER CARRIER OFFICE FOR DELIVERY BY ITS CARRIERS,
16 SHALL BE THE SAME AS NOW PROVIDED BY LAW; AND NOTH-
17 ING IN THIS TITLE SHALL AFFECT EXISTING LAW AS TO
18 FREE CIRCULATION AND EXISTING RATES ON SECOND-CLASS
19 MAIL MATTER WITHIN THE COUNTY OF PUBLICATION: PRO-
20 VIDED, THAT THE POSTMASTER GENERAL MAY HEREAFTER
21 REQUIRE PUBLISHERS TO SEPARATE OR MAKE UP TO ZONES
22 IN SUCH A MANNER AS HE MAY DIRECT ALL MAIL MATTER
23 OF THE SECOND CLASS WHEN OFFERED FOR MAILING.

24 ~~(306)Sec. 1203. That in the case of newspapers and periodicals~~
25 ~~entitled to be entered as second class matter and maintained~~

~~1 by and in the interest of religious, educational, scientific, phil-~~
~~2 anthropic, agricultural, labor, or fraternal organizations or~~
~~3 associations, not organized for profit and none of the net~~
~~4 income of which inures to the benefit of any private stock-~~
~~5 holder or individual, the second class postage rates shall be,~~
~~6 irrespective of the zone in which delivered (except when the~~
~~7 same are deposited in a letter carrier office for delivery by its~~
~~8 carrier, in which case the rates shall be the same as now pro-~~
~~9 vided by law), 1¹/₄ cents a pound or fraction thereof from July~~
~~10 first, nineteen hundred and seventeen, until March first,~~
~~11 nineteen hundred and eighteen, and thereafter 1¹/₂ cents a~~
~~12 pound or fraction thereof. The publishers of such newspapers~~
~~13 or periodicals before being entitled to the foregoing rates~~
~~14 shall furnish to the Postmaster General, at such times and~~
~~15 under such conditions as he may prescribe, satisfactory evi-~~
~~16 dence that none of the net income of such organization inures~~
~~17 to the benefit of any private stockholder or individual.~~

18 SEC. [1203] 1103. THAT IN THE CASE OF NEWSPAPERS
 19 AND PERIODICALS ENTITLED TO BE ENTERED AS SECOND-
 20 CLASS MATTER AND MAINTAINED BY AND IN THE INTEREST
 21 OF RELIGIOUS, EDUCATIONAL, SCIENTIFIC, PHILANTHROPIC,
 22 AGRICULTURAL, LABOR, OR FRATERNAL ORGANIZATIONS OR
 23 ASSOCIATIONS, NOT ORGANIZED FOR PROFIT AND NONE OF
 24 THE NET INCOME OF WHICH INURES TO THE BENEFIT OF
 25 ANY PRIVATE STOCKHOLDER OR INDIVIDUAL, THE SECOND-

1 CLASS POSTAGE RATES SHALL BE, IRRESPECTIVE OF THE
2 ZONE IN WHICH DELIVERED (EXCEPT WHEN THE SAME ARE
3 DEPOSITED IN A LETTER-CARRIER OFFICE FOR DELIVERY BY
4 ITS CARRIERS, IN WHICH CASE THE RATES SHALL BE THE
5 SAME AS NOW PROVIDED BY LAW), [1¼ CENTS A POUND OR
6 FRACTION THEREOF FROM JULY FIRST, NINETEEN HUNDRED
7 AND SEVENTEEN, UNTIL MARCH FIRST, NINETEEN HUNDRED]
8 [AND EIGHTEEN, AND THEREAFTER 1½] 1⅓ CENTS A
9 POUND OR FRACTION THEREOF ON AND AFTER
10 JULY FIRST, NINETEEN HUNDRED AND
11 EIGHTEEN, AND UNTIL JULY FIRST, NINETEEN
12 HUNDRED AND NINETEEN, AND ON AND AFTER
13 JULY FIRST, NINETEEN HUNDRED AND NINE-
14 TEEN, 1¼ CENTS A POUND OR FRACTION THEREOF. THE
15 PUBLISHERS OF SUCH NEWSPAPERS OR PERIODICALS BEFORE
16 BEING ENTITLED TO THE FOREGOING RATES SHALL FURNISH
17 TO THE POSTMASTER GENERAL, AT SUCH TIMES AND UNDER
18 SUCH CONDITIONS AS HE MAY PRESCRIBE, SATISFACTORY
19 EVIDENCE THAT NONE OF THE NET INCOME OF SUCH ORGAN-
20 IZATION INURES TO THE BENEFIT OF ANY PRIVATE STOCK-
21 HOLDER OR INDIVIDUAL.

22 ~~(307) Sec. 1204. That where the total weight of any one~~
23 ~~edition or issue of any publication mailed to any one zone~~
24 ~~does not exceed one pound, the rate of postage shall be 1 cent~~
25 ~~for each eight ounces or fraction thereof.~~

1 SEC. [1204] 1104. THAT WHERE THE TOTAL WEIGHT
2 OF ANY ONE EDITION OR ISSUE OF ANY PUBLICATION MAILED
3 TO ANY ONE ZONE DOES NOT EXCEED ONE POUND, THE RATE
4 OF POSTAGE SHALL BE 1 CENT [FOR EACH EIGHT OUNCES
5 OR FRACTION THEREOF].

6 ~~(308)SEC. 1205. The rates provided by this title shall relate~~
7 ~~to the entire bulk mailed to any one zone and not to indi-~~
8 ~~vidually addressed packages.~~

9 SEC. [1205] 1105. THE ZONE RATES PROVIDED BY
10 THIS TITLE SHALL RELATE TO THE ENTIRE BULK MAILED
11 TO ANY ONE ZONE AND NOT TO INDIVIDUALLY ADDRESSED
12 PACKAGES.

13 ~~(309)SEC. 1206. That where a newspaper or periodical~~
14 ~~is mailed by other than the publisher or his agent or a news~~
15 ~~agent or dealer, the rate shall be the same as now provided~~
16 ~~by law.~~

17 SEC. [1206] 1106. THAT WHERE A NEWSPAPER OR
18 PERIODICAL IS MAILED BY OTHER THAN THE PUBLISHER OR
19 HIS AGENT OR A NEWS AGENT OR DEALER, THE RATE SHALL
20 BE THE SAME AS NOW PROVIDED BY LAW.

21 ~~(310)SEC. 1207. That the Postmaster General, on or before~~
22 ~~the tenth day of each month, shall pay into the general~~
23 ~~fund of the Treasury an amount equal to the difference~~
24 ~~between the estimated amount received during the preceding~~
25 ~~month for the transportation of first and second class matter~~

1 ~~through the mails and the estimated amount which would~~
2 ~~have been received under the provisions of the law in force~~
3 ~~at the time of the passage of this Act.~~

4 SEC. [1207] 1107. THAT THE POSTMASTER GENERAL,
5 ON OR BEFORE THE TENTH DAY OF EACH MONTH, SHALL PAY
6 INTO THE GENERAL FUND OF THE TREASURY AN AMOUNT
7 EQUAL TO THE DIFFERENCE BETWEEN THE ESTIMATED
8 AMOUNT RECEIVED DURING THE PRECEDING MONTH FOR THE
9 TRANSPORTATION OF FIRST [AND SECOND] CLASS MATTER
10 THROUGH THE MAILS AND THE ESTIMATED AMOUNT WHICH
11 WOULD HAVE BEEN RECEIVED UNDER THE PROVISIONS OF
12 THE LAW IN FORCE AT THE TIME OF THE PASSAGE OF THIS
13 ACT.

14 (311) ~~SEC. 1208. That the salaries of postmasters at~~
15 ~~offices of the first, second, and third classes shall not be in-~~
16 ~~creased after July first, nineteen hundred and seventeen,~~
17 ~~during the existence of the present war. The compensation~~
18 ~~of postmasters at offices of the fourth class shall continue to~~
19 ~~be computed on the basis of the present rates of postage, unless~~
20 ~~compensation be less than that received during the fiscal~~
21 ~~year ending June thirtieth, nineteen hundred and seventeen,~~
22 ~~in which case such compensation shall be computed upon the~~
23 ~~basis of the rates of postage provided for in this Act, but in~~
24 ~~no case shall the compensation so computed be greater than~~
25 ~~that received during such fiscal year.~~

1 SEC. [1208] 1108. THAT THE SALARIES OF POST-
 2 MASTERS AT OFFICES OF THE FIRST, SECOND, AND THIRD
 3 CLASSES SHALL NOT BE INCREASED AFTER JULY FIRST,
 4 NINETEEN HUNDRED AND SEVENTEEN, DURING THE EX-
 5 ISTENCE OF THE PRESENT WAR. THE COMPENSATION OF
 6 POSTMASTERS AT OFFICES OF THE FOURTH CLASS SHALL
 7 CONTINUE TO BE COMPUTED ON THE BASIS OF THE PRESENT
 8 RATES OF POSTAGE [, UNLESS COMPENSATION BE LESS
 9 THAN THAT RECEIVED DURING THE FISCAL YEAR END-
 10 ING JUNE THIRTIETH, NINETEEN HUNDRED AND SEVEN-
 11 TEEN. IN WHICH CASE SUCH COMPENSATION SHALL BE
 12 COMPUTED UPON THE BASIS OF THE RATES OF POSTAGE
 13 PROVIDED FOR IN THIS ACT, BUT IN NO CASE SHALL THE
 14 COMPENSATION SO COMPUTED BE GREATER THAN THAT
 15 RECEIVED DURING SUCH FISCAL YEAR].

16 (312)SEC. [1001] 1109. *That where postmasters at offices of*
 17 *the third class HAVE BEEN SINCE MAY FIRST, NINE-*
 18 *TEEN HUNDRED AND SEVENTEEN, OR HERE-*
 19 *AFTER are granted leave without pay for military purposes,*
 20 *the Postmaster General may allow, in addition to the maxi-*
 21 *mum amounts which may now be allowed such offices for*
 22 *clerk hire, in accordance with [the Act of Congress] LAW,*
 23 *an amount not to exceed fifty per centum of the salary of the*
 24 *postmaster.*

25 (313)SEC. [1002] 1110. *That section five of the Act approved*

1 *March third, nineteen hundred and seventeen, entitled "An*
 2 *Act making appropriations for the Post Office Department for*
 3 *the year ending June thirtieth, nineteen hundred and*
 4 *eighteen," shall not be construed to apply to ethyl alcohol for*
 5 *governmental, scientific, medicinal, mechanical, manufac-*
 6 *turing, and industrial purposes, and the Postmaster General*
 7 *shall prescribe suitable rules and regulations to carry into*
 8 *effect this [proviso] SECTION in connection with the Act*
 9 *of which it is amendatory, nor shall said section be held to*
 10 *prohibit the use of the mails by regularly ordained ministers*
 11 *of religion; or by officers of regularly established churches,*
 12 *for ordering [bona fide] wines for sacramental uses, or by*
 13 *manufacturers and dealers for quoting and billing such*
 14 *wines for such purposes only.*

15 **(314) TITLE [XI] XII.—INCOME TAX AMENDMENTS.**

16 *SEC. [1100] 1200. That subdivision (a) of section two*
 17 *of such Act of September eighth, nineteen hundred and*
 18 *sixteen, is hereby amended to read as follows:*

19 *"(a) That, subject only to such exemptions and de-*
 20 *ductions as are hereinafter allowed, the net income of a*
 21 *taxable person shall include gains, profits, and income, de-*
 22 *rived from salaries, wages, or compensation for personal*
 23 *service of whatever kind and in whatever form paid, or from*
 24 *professions, vocations, businesses, trade, commerce, or sales,*
 25 *or dealings in property, whether real or personal, growing*

1 out of the ownership or use of or interest in real or personal
 2 property, also from interest, rent, dividends, securities, or
 3 the transaction of any business carried on for gain or profit,
 4 or gains or profits and income derived from any source what-
 5 ever¹]: Provided, That the term 'dividends' as used in this
 6 title shall be held to mean any distribution made or ordered
 7 to be made by a corporation, joint-stock company, associa-
 8 tion, or insurance company, out of its earnings or profits
 9 accrued since March first, nineteen hundred and thirteen,
 10 and payable to its shareholders, whether in cash or in stock
 11 of the corporation, joint-stock company, association, or in-
 12 surance company, which stock dividend shall be considered
 13 income, to the amount of the earnings or profits so distributed:
 14 Provided further, That any distribution made to the share-
 15 ¹holders of a corporation, joint-stock company or association,
 16 or insurance company, in the year nineteen hundred and
 17 seventeen, or subsequent tax years, shall be deemed to have
 18 been made from the net income of the year in which such dis-
 19 tribution is made or, if such income is insufficient, from the
 20 most recently accumulated undivided profits or surplus, and
 21 shall constitute a part of the annual income of the shareholder
 22 for the respective years in which earned by the corporation,
 23 joint-stock company, association, or insurance company, and
 24 shall be taxed to the shareholder at the rate prescribed by law
 25 for such years].''

¹The matter here stricken out is reinserted with an amendment on page 179 of this bill.

1 Section four of such Act of September eighth, nineteen
2 hundred and sixteen, is hereby amended to read as follows:

3 "SEC. 4. The following income shall be exempt from
4 the provisions of this title:

5 "The proceeds of life insurance policies paid to indi-
6 vidual beneficiaries upon the death of the insured; the amount
7 received by the insured, as a return of premium or premiums
8 paid by him under life insurance, endowment, or annuity
9 contracts, either during the term or at the maturity of the
10 term mentioned in the contract or upon surrender of the con-
11 tract; the value of property acquired by gift, bequest, devise,
12 or descent (but the income from such property shall be in-
13 cluded as income); interest upon the obligations of a State
14 or any political subdivision thereof or upon the obligations
15 of the United States (but, in the case of obligations of the
16 United States issued after September first, nineteen hundred
17 and seventeen, only if and to the extent provided in
18 [connection with] THE ACT AUTHORIZING the
19 issue thereof) or its possessions or securities issued
20 under the provisions of the Federal Farm Loan Act of
21 July seventeenth, nineteen hundred and sixteen; the com-
22 pensation of the present President of the United States
23 during the term for which he has been elected and the judges
24 of the supreme and inferior courts of the United States now
25 in office, and the compensation of all officers and employees

1 of a State, or any political subdivision thereof, except when
2 such compensation is paid by the United States Government."

3 SEC. [1101] 1201. (1) That paragraphs second and
4 third of subdivision (a) of section five of such Act of
5 September eighth, nineteen hundred and sixteen, are hereby
6 amended to read as follows:

7 "Second. All interest paid within the year on his in-
8 debtedness except on indebtedness incurred for the purchase of
9 obligations or securities the interest upon which is exempt from
10 taxation as income under this title:

11 "Third. Taxes paid within the year imposed by the au-
12 thority of the United States (except income and [war]
13 EXCESS profits taxes) or of its Territories, or possessions,
14 or any foreign country, or by the authority of any State,
15 county, school district, or municipality, or other taxing
16 subdivision of any State, not including those assessed
17 against local benefits;"

18 [(2) Subdivision (c) of section five of such Act of Septem-
19 ber eighth, nineteen hundred and sixteen, is hereby repealed.]

20 ¹(2) Section five of such Act of September eighth,
21 nineteen hundred and sixteen, is hereby amended by adding
22 at the end of subdivision (a) a further paragraph numbered
23 nine, to read as follows:

24 "Ninth. Contributions or gifts actually made within
25 the year to corporations or associations organized and operated

¹This amendment was transferred without change from page 9 of this bill.

1 *exclusively for religious, charitable, scientific, or educational*
2 *purposes, or to societies for the prevention of cruelty to children*
3 *or animals, no part of the net income of which inures to the*
4 *benefit of any private stockholder or individual, to an amount*
5 *not in excess of fifteen per centum of the taxpayer's taxable*
6 *net income as computed without the benefit of this paragraph.*
7 *Such contributions or gifts shall be allowable as deductions*
8 *only if verified under rules and regulations prescribed by the*
9 *Commissioner of Internal Revenue, with the approval of the*
10 *Secretary of the Treasury."*

11 *SBC. [1102] 1202. That (1) paragraphs second and*
12 *third of subdivision (a) of section six of such Act of Sep-*
13 *tember eighth, nineteen hundred and sixteen, are hereby*
14 *amended to read as follows:*

15 *"Second. The proportion of all interest paid within the*
16 *year by such person on his indebtedness (except on indebted*
17 *ness incurred for the purchase of obligations or securities the*
18 *interest upon which is exempt from taxation as income under*
19 *this title) which the gross amount of his income for the year*
20 *derived from sources within the United States bears to the*
21 *gross amount of his income for the year derived from all*
22 *sources within and without the United States, but this de-*
23 *duction shall be allowed only if such person includes in the*
24 *return required by section eight all the information necessary*
25 *for its calculation;*

1 *“Third. Taxes paid within the year imposed by the author-*
2 *ity of the United States (except income and [war] EXCESS*
3 *profits taxes), or of its Territories, or possessions, or by the*
4 *authority of any State, county, school district, or municipality,*
5 *or other taxing subdivision of any State, paid within the*
6 *United States, not including those assessed against local*
7 *benefits;”*

8 *[2) Subdivision (b) of section six of such Act of Septem-*
9 *ber eighth, nineteen hundred and sixteen, is hereby amended*
10 *to read as follows:*

11 *“(b) There shall also be allowed the same credit as*
12 *specified in subdivision (b) of section five, and likewise a*
13 *credit for the amount of income, the normal tax on which has*
14 *been paid or withheld for payment at the source of the income*
15 *under the provisions of this title.”]*

16 *[3/] (2) Section six of such Act of September eighth,*
17 *nineteen hundred and sixteen, is also further amended by*
18 *adding a new subdivision to read as follows:*

19 *“(c) A nonresident alien individual shall receive the*
20 *benefit of the deductions and credits provided for in this*
21 *section only by filing or causing to be filed with the collector*
22 *of internal revenue a true and accurate return of his total*
23 *income, received from all sources, corporate or otherwise, in*
24 *the United States, in the manner prescribed by this title;*
25 *and in case of his failure to file such return the collector shall*

1 collect the tax on such income, and all property belonging to
2 such nonresident alien individual shall be liable to distraint
3 for the tax."

4 SEC. [1103] 1203. (1) That section seven of such Act of
5 September eighth, nineteen hundred and sixteen, is hereby
6 amended to read as follows:

7 "SEC. 7. That for the purpose of the normal tax only,
8 there shall be allowed as an exemption in the nature of a deduc-
9 tion from the amount of the net income of each citizen or resident
10 of the United States, ascertained as provided herein, the sum
11 of \$3,000, plus \$1,000 additional if the person making the
12 return be a head of a family or a married man with a wife
13 living with him, or plus the sum of \$1,000 additional if the
14 person making the return be a married woman with a hus-
15 band living with her: but in no event shall this additional
16 exemption of \$1,000 be deducted by both a husband and a
17 wife: Provided, That only one deduction of \$4,000 shall
18 be made from the aggregate income of both husband and wife
19 when living together: Provided further, That if the person
20 making the return is the head of a family there shall be an
21 additional exemption of \$200 for each child dependent upon
22 such person, if under eighteen years of age, or if incapable
23 of self-support because mentally or physically defective,
24 but this provision shall operate only in the case of one
25 parent in the same family: Provided further, That

1 guardians or trustees shall be allowed to make this
 2 personal exemption as to income derived from the property
 3 of which such guardian or trustee has charge in favor of each
 4 ward or cestui que trust: Provided further, That in no event
 5 shall a ward or cestui que trust be allowed a greater personal
 6 exemption than as provided in this section from the amount of
 7 net income received from all sources. There shall also be
 8 allowed an exemption from the amount of the net income of
 9 estates of deceased citizens or residents of the United States
 10 during the period of administration or settlement, and of trust
 11 or other estates of citizens or residents of the United States
 12 the income of which is not distributed annually or regularly
 13 under the provisions of subdivision (b) of section two, the
 14 sum of \$3,000, including such deductions as are allowed
 15 under section five."

16 (2) Subdivision (b) of section seven of such Act of Sep-
 17 tember eighth, nineteen hundred and sixteen, is hereby repealed.

18 SEC. [1104]1204. (1) That subdivisions (c) and (e) of
 19 section eight of such Act of September eighth, nineteen hun-
 20 dred and sixteen, are hereby amended to read as follows:

21 "(c) Guardians, trustees, executors, administrators, re-
 22 ceivers, conservators, and all persons, corporations, or asso-
 23 ciations, acting in any fiduciary capacity, shall make and
 24 render a return of the income of the person, trust, or estate for
 25 whom or which they act, and be subject to all the provisions of

1 *this title which apply to individuals. Such fiduciary shall make*
2 *oath that he has sufficient knowledge of the affairs of such*
3 *person, trust, or estate to enable him to make such return and*
4 *that the same is, to the best of his knowledge and belief, true*
5 *and correct, and be subject to all the provisions of this title*
6 *which apply to individuals: Provided, That a return made by*
7 *one of two or more joint fiduciaries filed in the district where*
8 *such fiduciary resides, under such regulations as the Secretary*
9 *of the Treasury may prescribe, shall be a sufficient compliance*
10 *with the requirements of this paragraph: Provided further,*
11 *That no return of income not exceeding \$3,000 shall be re-*
12 *quired except as in this title otherwise provided.*

13 “(e) *Persons carrying on business in partnership shall*
14 *be liable for income tax only in their individual capacity,*
15 *and the share of the profits of the partnership to which any*
16 *taxable partner would be entitled if the same were divided,*
17 *whether divided or otherwise, shall be returned for taxation*
18 *and the tax paid under the provisions of this title: Provided,*
19 *That from the net distributive interests on which the indi-*
20 *vidual members shall be liable for tax, normal and additional,*
21 *there shall be excluded their proportionate shares received*
22 *from interest on the obligations of a State or any political*
23 *or taxing subdivision thereof, and upon the obligations of*
24 *the United States (IF AND TO THE EXTENT THAT*
25 *IT IS PROVIDED IN THE ACT AUTHORIZING THE*

1 ISSUE OF SUCH OBLIGATIONS OF THE UNITED
2 STATES THAT THEY ARE EXEMPT FROM
3 TAXATION) *and its possessions, and that for the*
4 *purpose of computing the normal tax there shall be*
5 *allowed a credit, as provided by section five, subdivi-*
6 *vision (b), for their proportionate share of the profits*
7 *derived from dividends. Such partnership, when requested*
8 *by the Commissioner of Internal Revenue or any district col-*
9 *lector, shall render a correct return of the earnings, profits,*
10 *and income of the partnership, except income exempt under*
11 *section four of this Act, setting forth the item of the gross*
12 *income and the deductions and credits allowed by this title,*
13 *and the names and addresses of the individuals who would*
14 *be entitled to the net earnings, profits, and income, if dis-*
15 *tributed. A partnership shall have the same privilege of*
16 *fixing and making returns upon the basis of its own fiscal*
17 *year as is accorded to corporations under this title. If a*
18 *fiscal year ends during nineteen hundred and sixteen or a*
19 *subsequent calendar year for which there is a rate of tax*
20 *different from the rate for the preceding calendar year, then*
21 *(1) the rate for such preceding calendar year shall apply*
22 *to an amount of each partner's share of such partnership*
23 *profits equal to the proportion which the part of such fiscal*
24 *year falling within such calendar year bears to the full fiscal*
25 *year, and (2) the rate for the calendar year during which*
26 *such fiscal year ends shall apply to the remainder.*

1 (2) Subdivision (d) of section eight of such Act of Septem-
2 ber eighth, nineteen hundred and sixteen, is hereby repealed.

3 SEC. [1105] 1205. (1) That subdivisions (b), (C), (f),
4 and (g) of section nine of such Act of September eighth, nineteen
5 hundred and sixteen, are hereby amended to read as follows:

6 “(b) All persons, corporations, partnerships, associa-
7 tions, and insurance companies, in whatever capacity acting,
8 including lessees or mortgagors of real or personal property,
9 trustees acting in any trust capacity, executors, administra-
10 tors, receivers, conservators, employers, and all officers and
11 employees of the United States, having the control, receipt,
12 custody, disposal, or payment of interest, rent, salaries, wages,
13 premiums, annuities, compensation, remuneration, emolu-
14 ments, or other fixed or determinable annual or periodical
15 gains, profits, and income of any nonresident alien individual,
16 other than income derived from dividends on capital stock, or
17 from the net earnings of a corporation, joint-stock company
18 or association, or insurance company, which is taxable upon
19 its net income as provided in this title, are hereby authorized
20 and required to deduct and withhold from such annual or peri-
21 odical gains, profits, and income such sum as will be sufficient
22 to pay the normal tax imposed thereon by this title, and shall
23 MAKE RETURN THEREOF ON OR BEFORE MARCH
24 FIRST OF EACH YEAR AND, ON OR BEFORE THE
25 TIME FIXED BY LAW FOR THE PAYMENT OF

1 THE TAX, SHALL *pay the amount withheld to the officer*
2 *of the United States Government authorized to receive the*
3 *same; and they are each hereby made personally liable for*
4 *such tax, and they are each hereby indemnified against every*
5 *person, corporation, partnership, association, or insurance*
6 *company, or demand whatsoever for all payments which*
7 *they shall make in pursuance and by virtue of this title.*

8 " (C) THE AMOUNT OF THE NORMAL TAX
9 HEREINBEFORE IMPOSED SHALL ALSO BE DE-
10 DUCTED AND WITHHELD FROM FIXED OR DETER-
11 MINABLE ANNUAL OR PERIODICAL GAINS, PROF-
12 ITS, AND INCOME DERIVED FROM INTEREST
13 UPON BONDS AND MORTGAGES, OR DEEDS OF
14 TRUST OR OTHER SIMILAR OBLIGATIONS OF COR-
15 PORATIONS, JOINT-STOCK COMPANIES, ASSOCIA-
16 TIONS, AND INSURANCE COMPANIES (IF SUCH
17 BONDS, MORTGAGES, OR OTHER OBLIGATIONS
18 CONTAIN A CONTRACT OR PROVISION BY WHICH
19 THE OBLIGOR AGREES TO PAY ANY PORTION OF
20 THE TAX IMPOSED BY THIS TITLE UPON THE
21 OBLIGEE OR TO REIMBURSE THE OBLIGEE FOR
22 ANY PORTION OF THE TAX OR TO PAY THE INTER-
23 EST WITHOUT DEDUCTION FOR ANY TAX WHICH
24 THE OBLIGOR MAY BE REQUIRED OR PERMITTED
25 TO PAY THEREON OR TO RETAIN THEREFROM UN-

1 DERANY LAW OF THE UNITED STATES), WHETHER
2 PAYABLE ANNUALLY OR AT SHORTER OR LONGER
3 PERIODS AND WHETHER SUCH INTEREST IS PAY-
4 ABLE TO A NONRESIDENT ALIEN INDIVIDUAL
5 OR TO AN INDIVIDUAL CITIZEN OR RESIDENT
6 OF THE UNITED STATES, SUBJECT TO THE PRO-
7 VISIONS OF THE FOREGOING SUBDIVISION (B)
8 OF THIS SECTION REQUIRING THE TAX TO BE
9 WITHHELD AT THE SOURCE AND DEDUCTED
10 FROM ANNUAL INCOME AND RETURNED AND
11 PAID TO THE GOVERNMENT, UNLESS THE PER-
12 SON ENTITLED TO RECEIVE SUCH INTEREST
13 SHALL FILE WITH THE WITHHOLDING AGENT,
14 ON OR BEFORE FEBRUARY FIRST, A SIGNED
15 NOTICE IN WRITING CLAIMING THE BENEFIT
16 OF AN EXEMPTION UNDER SECTION SEVEN OF
17 THIS TITLE.

18 “(f) *All persons, corporations, partnerships, or associa-*
19 *tions, undertaking as a matter of business or for profit the col-*
20 *lection of foreign payments of interest or dividends by means*
21 *of coupons, checks, or bills of exchange shall obtain a license*
22 *from the Commissioner of Internal Revenue, and shall be sub-*
23 *ject to such regulations enabling the Government to obtain the*
24 *information required under this title, as the Commissioner*
25 *of Internal Revenue, with the approval of the Secretary*

1 of the Treasury, shall prescribe; and whoever know-
2 ingly undertakes to collect such payments as aforesaid
3 without having obtained a license therefor, or without com-
4 plying with such regulations, shall be deemed guilty of a
5 misdemeanor and for each offense be fined in a sum not
6 exceeding \$5,000, or imprisoned for a term not exceeding
7 one year, or both, in the discretion of the court.

8 “(g) The tax herein imposed upon gains, profits, and
9 incomes not falling under the foregoing and not returned
10 and paid by virtue of the foregoing or as otherwise
11 provided by law shall be assessed by personal return
12 under rules and regulations to be prescribed by the
13 Commissioner of Internal Revenue and approved by the
14 Secretary of the Treasury. The intent and purpose of this
15 title is that all gains, profits, and income of a taxable class,
16 as defined by this title, shall be charged and assessed with the
17 corresponding tax, normal and additional, prescribed by this
18 title, and said tax shall be paid by the owner of such income,
19 or the proper representative having the receipt, custody, con-
20 trol, or disposal of the same. For the purpose of this title
21 ownership or liability shall be determined as of the year for
22 which a return is required to be rendered.

23 “The provisions of this section, EXCEPT SUB-
24 DIVISION (C), relating to the deduction and payment of
25 the tax at the source of income shall only apply to the normal
26 tax hereinbefore imposed upon nonresident alien individuals.”

1 (2) Subdivisions [(c),] (d) [.] and (e) of section nine of
2 such Act of September eighth, nineteen hundred and sixteen,
3 are hereby repealed.

4 SEC. [1106] 1208. (1) That the first paragraph of
5 section ten of such Act of September eighth, nineteen hundred
6 and sixteen, is hereby amended to read as follows:

7 “SEC. 10. (a) That there shall be levied, assessed, col-
8 lected, and paid annually upon the total net income received
9 in the preceding calendar year from all sources by every cor-
10 poration, joint-stock company or association, or insurance com-
11 pany, organized in the United States, no matter how created
12 or organized, but not including partnerships, a tax of two per
13 centum upon such income; and a like tax shall be levied,
14 assessed, collected, and paid annually upon the total net
15 income received in the preceding calendar year from all
16 sources within the United States by every corporation, joint-
17 stock company or association, or insurance company, organ-
18 ized, authorized, or existing under the laws of any foreign
19 country, including interest on bonds, notes, or other interest-
20 bearing obligations of residents, corporate or otherwise, and
21 including the income derived from dividends on capital stock
22 or from net earnings of resident corporations, joint-stock com-
23 panies or associations, or insurance companies, whose net
24 income is taxable under this title ¹[: Provided, That the term]

¹The matter here stricken out is reinserted with an amendment on page 179 of this bill.

1 [“dividends” as used in this title shall be held to mean any
2 distribution made or ordered to be made by a corporation,
3 joint-stock company, association, or insurance company, out
4 of its earnings or profits accrued since March first, nineteen
5 hundred and thirteen, and payable to its shareholders, whether
6 in cash or in stock of the corporation, joint-stock company,
7 association, or insurance company, which stock dividend shall
8 be considered income, to the amount of the earnings or profits
9 so distributed: Provided further, That any distribution made
10 to the shareholders of a corporation, joint-stock company or
11 association, or insurance company, in the year nineteen hun-
12 dred and seventeen, or subsequent tax years, shall be deemed
13 to have been made from the net income of the year in which
14 such distribution is made or, if such income is insufficient,
15 from the most recently accumulated undivided profits or sur-
16 plus, and shall constitute a part of the annual income of the
17 shareholder for the respective years in which earned by the
18 corporation, joint-stock company, association, or insurance
19 company, and shall be taxed to the shareholder at the rate
20 prescribed by law for such years].”

21 (2) Section ten of such Act of September eighth, nineteen
22 hundred and sixteen, is hereby further amended by adding
23 a new subdivision as follows:

24 “(b) In addition to the income tax imposed by sub-
25 division (a) of this section there shall be levied, assessed,

¹The matter here stricken out is reinserted with an amendment on page 179 of this bill.

1 collected, and paid annually an additional tax of ten per
2 centum upon the amount, remaining undistributed six
3 months after the end of each calendar or fiscal year,
4 of the total net income of every corporation, joint-stock
5 company or association, or insurance company, received
6 during the year, as determined for the purposes of the tax
7 imposed by such subdivision (a), [but including the amount
8 allowed as a credit under subdivision (d) of section twelve]
9 BUT NOT INCLUDING THE AMOUNT OF ANY
10 INCOME TAXES PAID BY IT WITHIN THE YEAR
11 IMPOSED BY THE AUTHORITY OF THE UNITED
12 STATES.

13 "The tax imposed by this subdivision shall not apply to
14 that portion of such undistributed net income which is actually
15 invested and employed in the business or is retained for employ-
16 ment in the reasonable requirements of the business OR IS
17 INVESTED IN OBLIGATIONS OF THE UNITED
18 STATES ISSUED AFTER SEPTEMBER FIRST,
19 NINETEEN HUNDRED AND SEVENTEEN: Pro-
20 vided, That if the Secretary of the Treasury ascertains and
21 finds that any portion of such amount so retained at any time
22 for employment in the business is not so employed or is not
23 reasonably required in the business a tax of fifteen per centum
24 shall be levied, assessed, collected, and paid thereon[, and the
25 finding and ruling of the Secretary of the Treasury in any
26 and all such cases shall be conclusive and final].

1 *“ The foregoing tax [rate] RATES shall apply to the*
2 *undistributed net income received by every taxable corpora-*
3 *tion, joint-stock company or association, or insurance com-*
4 *pany in the calendar year nineteen hundred and seventeen*
5 *and in each year thereafter, except that if it has fixed its*
6 *own fiscal year under the provisions of existing law, the fore-*
7 *going [rate] RATES shall apply to the proportion of the taxable*
8 *undistributed net income returned for the fiscal year ending*
9 *prior to December thirty-first, nineteen hundred and seventeen,*
10 *which the period between January first, nineteen hundred*
11 *and seventeen, and the end of such fiscal year bears to the*
12 *whole of such fiscal year.”*

13 *SEC. [1107] 1207. (1) That paragraphs third and fourth*
14 *of subdivision (a) of section twelve of such Act of September*
15 *eighth, nineteen hundred and sixteen, are hereby amended to*
16 *read as follows:*

17 *“ Third. The amount of interest paid within the year on*
18 *its indebtedness (except on indebtedness incurred for the pur-*
19 *chase of obligations or securities the interest upon which is*
20 *exempt from taxation as income under this title) to an amount*
21 *of such indebtedness not in excess of the sum of (a) the entire*
22 *amount of the paid-up capital stock outstanding at the close*
23 *of the year, or, if no capital stock, the entire amount of cap-*
24 *ital employed in the business at the close of the year, and (b)*
25 *one-half of its interest-bearing indebtedness then outstanding:*

1 *Provided, That for the purpose of this title preferred capital*
2 *stock shall not be considered interest-bearing indebtedness,*
3 *and interest or dividends paid upon this stock shall not be*
4 *deductible from gross income: Provided further, That in*
5 *cases wherein shares of capital stock are issued without par*
6 *or nominal value, the amount of paid-up capital stock, within*
7 *the meaning of this section, as represented by such shares,*
8 *will be the amount of cash, or its equivalent, paid or trans-*
9 *ferred to the corporation as a consideration for such shares:*
10 *Provided further, That in the case of indebtedness wholly*
11 *secured by property collateral, tangible or intangible, the*
12 *subject of sale or hypothecation in the ordinary business of*
13 *such corporation, joint-stock company or association as a*
14 *dealer only in the property constituting such collateral, or in*
15 *loaning the funds thereby procured, the total interest paid by*
16 *such corporation, company, or association within the year on*
17 *any such indebtedness may be deducted as a part of its ex-*
18 *penses of doing business, but interest on such indebtedness*
19 *shall only be deductible on an amount of such indebtedness*
20 *not in excess of the actual value of such property collateral:*
21 *Provided further, That in the case of bonds or other indebted-*
22 *ness, which have been issued with a guaranty that the interest*
23 *payable thereon shall be free from taxation, no deduction for*
24 *the payment of the tax herein imposed, or any other tax paid*
25 *pursuant to such guaranty, shall be allowed; and in the*

1 case of a bank, banking association, loan or trust company,
 2 interest paid within the year on deposits or on moneys received
 3 for investment and secured by interest-bearing certificates of
 4 indebtedness issued by such bank, banking association, loan
 5 or trust company shall be deducted;

6 "Fourth. Taxes paid within the year imposed by the
 7 authority of the United States (except income and [war]
 8 EXCESS profits taxes), or of its Territories, or possessions,
 9 or any foreign country, or by the authority of any State,
 10 county, school district, or municipality, or other taxing sub-
 11 division of any State, not including those assessed against
 12 local benefits."

13 (2) Paragraphs third and fourth of subdivision (b) of sec-
 14 tion twelve of such Act of September eighth, nineteen hun-
 15 dred and sixteen, are hereby amended to read as follows:

16 "Third. The amount of interest paid within the year
 17 on its indebtedness (except on indebtedness incurred for the
 18 purchase of obligations or securities the interest upon which
 19 is exempt from taxation as income under this title) to an
 20 amount of such indebtedness not in excess of the proportion
 21 of the sum of (a) the entire amount of the paid-up capital
 22 stock outstanding at the close of the year, or, if no capital
 23 stock, the entire amount of the capital employed in the busi-
 24 ness at the close of the year, and (b) one-half of its interest-

1 bearing indebtedness then outstanding, which the gross
2 amount of its income for the year from business transacted
3 and capital invested within the United States bears to the
4 gross amount of its income derived from all sources within
5 and without the United States: Provided, That in the case
6 of bonds or other indebtedness which have been issued with a
7 guaranty that the interest payable thereon shall be free from
8 taxation, no deduction for the payment of the tax herein
9 imposed or any other tax paid pursuant to such guaranty
10 shall be allowed; and in case of a bank, banking association,
11 loan or trust company, or branch thereof, interest paid within
12 the year on deposits by or on moneys received for investment
13 from either citizens or residents of the United States and
14 secured by interest-bearing certificates of indebtedness issued
15 by such bank, banking association, loan or trust company, or
16 branch thereof;

17 "Fourth. Taxes paid within the year imposed by the au-
18 thority of the United States (except income and [war]
19 EXCESS profits taxes), or of its Territories, or possessions, or by
20 the authority of any State, county, school district, or munici-
21 pality, or other taxing subdivision of any State, paid within
22 the United States, not including those assessed against local
23 benefits."

1 *["revenue, and for other purposes," approved September*
2 *eighth, nineteen hundred and sixteen: Provided further, That*
3 *the said excess fund shall be invested as soon as practicable in*
4 *the purchase, acquisition, or construction of other tonnage*
5 *under American registry: And provided further, That said*
6 *funds for the purposes stated shall be turned over to a trustee*
7 *or trustees designated by the owner and approved by the Sec-*
8 *retary of the Treasury, and the terms and conditions of such*
9 *acquisition, construction, or contract for construction shall*
10 *be acceptable to and approved by the Shipping Board."']*

11 *SEC. [1108. (1)] 1208. That subdivision (e) of section*
12 *thirteen of such Act of September eighth, nineteen hundred*
13 *and sixteen, is hereby amended to read as follows:*

14 *"(e) All the provisions of this title relating to the tax*
15 *authorized and required to be deducted and withheld and*
16 *paid to the officer of the United States Government authorized*
17 *to receive the same from the income of nonresident alien*
18 *individuals from sources within the United States shall be*
19 *made applicable to the tax imposed by subdivision (a) of*
20 *section ten upon incomes derived from interest upon bonds*
21 *and mortgages or deeds of trust or similar obligations of do-*
22 *mestic or other resident corporations, joint-stock companies*
23 *or associations, and insurance companies by nonresident alien*
24 *firms, copartnerships, companies, corporations, joint-stock*
25 *companies or associations, and insurance companies, not*

1 engaged in business or trade within the United States and
 2 not having any office or place of business therein."

3 [(2) Subdivision (f) of section thirteen of such Act of
 4 September eighth, nineteen hundred and sixteen, is hereby
 5 amended to read as follows:

6 " (f) Likewise, all the provisions of this title relating to
 7 the tax authorized and required to be deducted and withheld
 8 and paid to the officer of the United States Government
 9 authorized to receive the same from the income of nonresident
 10 alien individuals from sources within the United States shall
 11 be made applicable to income derived from dividends upon the
 12 capital stock or from net earnings of domestic or other resi-
 13 dent corporations, joint-stock companies or associations, and
 14 insurance companies, by nonresident alien companies, cor-
 15 porations, joint-stock companies or associations, and insur-
 16 ance companies not engaged in business or trade within the
 17 United States and not having any office or place of business
 18 therein, so far as such income is taxable under this title."]

19 *SEC. [1109] 1209.* That section eighteen of such Act of
 20 September eighth, nineteen hundred and sixteen, is hereby
 21 amended to read as follows:

22 " *SEC. 18.* That any person, corporation, partnership,
 23 association, or insurance company, liable TO PAY THE TAX,
 24 to make a return or to supply information required under
 25 this title, who refuses or neglects TO PAY SUCH TAX,

1 to make such return or to supply such information
2 at the time or times herein specified in each year, shall be
3 liable, except as otherwise specially provided in this title, to
4 a penalty of not less than \$20 nor more than \$1,000. Any
5 individual or any officer of any corporation, partnership,
6 association, or insurance company, required by law to make,
7 render, sign, or verify any return or to supply any informa-
8 tion, who makes any false or fraudulent return or statement
9 with intent to defeat or evade the assessment required by this
10 title to be made, shall be guilty of a misdemeanor, and shall
11 be fined not exceeding \$2,000 or be imprisoned not exceeding
12 one year, or both, in the discretion of the court, with the costs
13 of prosecution: Provided, That where any tax heretofore due
14 and payable has been duly paid by the taxpayer, it shall not
15 be re-collected from any withholding agent required to re-
16 tain it at its source, nor shall any penalty be imposed or col-
17 lected in such cases from the taxpayer, or such withholding
18 agent whose duty it was to retain it, for failure to return or
19 pay the same, unless such failure was fraudulent and for
20 the purpose of evading payment."

21 SBO. [1110] 1210. That section twenty-six of such Act of
22 September eighth, nineteen hundred and sixteen, as amended
23 by the Act entitled "An Act to provide increased revenue to
24 defray the expenses of the increased appropriations for the
25 Army and Navy and the extensions of fortifications, and for

1 other purposes," approved March third, nineteen hundred
2 and seventeen, is hereby amended to read as follows:

3 "SEC. 26. Every corporation, joint-stock company or
4 association, or insurance company subject to the tax herein
5 imposed, when required by the Commissioner of Internal
6 Revenue, shall render a correct return, duly verified under
7 oath, of its payments of dividends, whether made in cash or
8 its equivalent or in stock, including the names and addresses
9 of stockholders and the number of shares owned by each, and
10 the tax years and the applicable amounts in which such divi-
11 dends were earned, in such form and manner as may be
12 prescribed by the Commissioner of Internal Revenue, with
13 the approval of the Secretary of the Treasury."

14 **SBO. [1111] 1211.** That Title I of such Act of September
15 eighth, nineteen hundred and sixteen, is hereby amended by
16 adding to Part III [five] SIX new sections, as follows:

17 "SEC. 27. That every person, corporation, partnership,
18 or association, doing business as a broker on any exchange or
19 board of trade or other similar place of business shall, when
20 required by the Commissioner of Internal Revenue, render a
21 correct return duly verified under oath, under such rules and
22 regulations as the Commissioner of Internal Revenue, with
23 the approval of the Secretary of the Treasury, may prescribe,
24 showing the names of customers for whom such person,
25 corporation, partnership, or association has transacted any

1 *business, with such details as to the profits, losses, or other*
2 *information which the commissioner may require, as to each*
3 *of such customers, as will enable the Commissioner of Internal*
4 *Revenue to determine whether all income tax due on profits*
5 *or gains of such customers has been paid.*

6 *“SEC. 28. That all persons, corporations, partnerships,*
7 *associations, and insurance companies, in whatever capacity*
8 *acting, including lessees or mortgagors of real or personal*
9 *property, trustees acting in any trust capacity, executors, ad-*
10 *ministrators, receivers, conservators, and employers, making*
11 *payment to another person, corporation, partnership, associa-*
12 *tion, or insurance company, of interest, rent, salaries, wages,*
13 *premiums, annuities, compensation, remuneration, emolu-*
14 *ments, or other fixed or determinable gains, profits, and income*
15 *(other than payments described in sections twenty-six and*
16 *twenty-seven), of \$800 or more in any taxable year, or, in the*
17 *case of such payments made by the United States, the officers*
18 *or employees of the United States having information as to*
19 *such payments and required to make returns in regard thereto*
20 *by the regulations hereinafter provided for, are hereby author-*
21 *ized and required to render a true and accurate return to the*
22 *Commissioner of Internal Revenue, under such rules and reg-*
23 *ulations and in such form and manner as may be pre-*
24 *scribed by him, with the approval of the Secretary of the Treas-*
25 *ury, setting forth the amount of such gains, profits, and*

1 *income, and the name and address of the recipient of such*
2 *payment: Provided, That such returns shall be required,*
3 *regardless of amounts, in the case of payments of interest*
4 *upon bonds and mortgages or deeds of trust or other similar*
5 *obligations of corporations, joint-stock companies, associa-*
6 *tions, and insurance companies, and in the case of collections*
7 *of items (not payable in the United States) of interest upon*
8 *the bonds of foreign countries and interest from the bonds and*
9 *dividends from the stock of foreign corporations by persons,*
10 *corporations, partnerships, or associations, undertaking as a*
11 *matter of business or for profit the collection of foreign pay-*
12 *ments of such interest or dividends by means of coupons,*
13 *checks, or bills of exchange.*

14 *“When necessary to make effective the provisions of*
15 *this section the name and address of the recipient of in-*
16 *come shall be furnished upon demand of the person, corpo-*
17 *ration, partnership, association, or insurance company paying*
18 *the income.*

19 *“The provisions of this section shall apply to the*
20 *calendar year nineteen hundred and seventeen and each*
21 *calendar year thereafter, BUT SHALL NOT APPLY TO*
22 **THE PAYMENT OF INTEREST ON OBLIGATIONS**
23 **OF THE UNITED STATES.**

24 *“SEC. 29. That in assessing income tax the net income*
25 *embraced in the return shall also be credited with the amount*

1 of any [war] EXCESS profits tax imposed by Act of
2 Congress and assessed for the same calendar or fiscal year
3 upon the taxpayer and, in the case of a member of a partner-
4 ship, with his proportionate share of such [war] EXCESS
5 profits tax imposed upon the partnership.

6 "SEC. 30. That nothing in section II of the Act ap-
7 proved October third, nineteen hundred and thirteen, entitled
8 'An Act to reduce tariff duties and to provide revenue for the
9 Government, and for other purposes,' or in this title, shall be
10 construed as taxing the income of foreign governments re-
11 ceived from investments in the United States in stocks, bonds,
12 or other domestic securities, OWNED BY SUCH FOREIGN
13 GOVERNMENTS, OR FROM INTEREST ON DEPOSITS
14 IN BANKS IN THE UNITED STATES OF MONEYS
15 BELONGING TO FOREIGN GOVERNMENTS.

16 ["SEC. 31. That all contracts entered into after the en-
17 actment of this amendment by which any person, corporation,
18 partnership, association, or insurance company agrees to pay
19 any portion of the tax imposed by this title upon any other
20 person, corporation, association, or insurance company, or to
21 reimburse such person, corporation, association, or insurance
22 company for any portion of such tax, shall be void, and any
23 person, corporation, partnership, association, or insurance"]

1 *[company entering into such a contract shall be subject to a*
2 *fine of not more than \$1,000.]*

3 ¹ "SEC. 31 (a) THAT THE TERM 'DIVIDENDS'
4 AS USED IN THIS TITLE SHALL BE HELD TO MEAN
5 ANY DISTRIBUTION MADE OR ORDERED TO BE
6 MADE BY A CORPORATION, JOINT-STOCK COM-
7 PANY, ASSOCIATION, OR INSURANCE COMPANY,
8 OUT OF ITS EARNINGS OR PROFITS ACCRUED
9 SINCE MARCH FIRST, NINETEEN HUNDRED AND
10 THIRTEEN, AND PAYABLE TO ITS SHAREHOLD-
11 ERS, WHETHER IN CASH OR IN STOCK OF THE
12 CORPORATION, JOINT-STOCK COMPANY, ASSO-
13 CIATION, OR INSURANCE COMPANY, WHICH
14 STOCK DIVIDEND SHALL BE CONSIDERED IN-
15 COME, TO THE AMOUNT OF THE EARNINGS OR
16 PROFITS SO DISTRIBUTED.

17 (b) ANY DISTRIBUTION MADE TO THE SHARE-
18 HOLDERS OR MEMBERS OF A CORPORATION,
19 JOINT-STOCK COMPANY, OR ASSOCIATION, OR IN-
20 SURANCE COMPANY, IN THE YEAR NINETEEN
21 HUNDRED AND SEVENTEEN, OR SUBSEQUENT
22 TAX YEARS, SHALL BE DEEMED TO HAVE BEEN

¹ The matter here inserted takes the place of the Senate amendments on page 151, lines 5 to 25; page 164, line 24, and page 165, lines 1 to 20.

1 MADE FROM THE MOST RECENTLY ACCUMU-
2 LATED UNDIVIDED PROFITS OR SURPLUS, AND
3 SHALL CONSTITUTE A PART OF THE ANNUAL
4 INCOME OF THE DISTRIBUTEE FOR THE YEAR IN
5 WHICH RECEIVED, AND SHALL BE TAXED TO
6 THE DISTRIBUTEE AT THE RATES PRESCRIBED
7 BY LAW FOR THE YEARS IN WHICH SUCH PROFITS
8 OR SURPLUS WERE ACCUMULATED BY THE COR-
9 PORATION, JOINT-STOCK COMPANY, ASSOCIA-
10 TION, OR INSURANCE COMPANY, BUT NOTHING
11 HEREIN SHALL BE CONSTRUED AS TAXING ANY
12 EARNINGS OR PROFITS ACCRUED PRIOR TO
13 MARCH FIRST, NINETEEN HUNDRED AND THIR-
14 TEEN, BUT SUCH EARNINGS OR PROFITS MAY BE
15 DISTRIBUTED IN STOCK DIVIDENDS OR OTHER-
16 WISE, EXEMPT FROM THE TAX, AFTER THE DIS-
17 TRIBUTION OF EARNINGS AND PROFITS ACCRUED
18 SINCE MARCH FIRST, NINETEEN HUNDRED AND
19 THIRTEEN, HAS BEEN MADE. THIS SUBDIVI-
20 SION SHALL NOT APPLY TO ANY DISTRIBUTION
21 MADE PRIOR TO AUGUST SIXTH, NINETEEN
22 HUNDRED AND SEVENTEEN, OUT OF EARNINGS
23 OR PROFITS ACCRUED PRIOR TO MARCH FIRST,
24 NINETEEN HUNDRED AND THIRTEEN.

1 ¹ SEC. 32. THAT PREMIUMS PAID ON LIFE IN-
2 SURANCE POLICIES COVERING THE LIVES OF
3 OFFICERS, EMPLOYEES, OR THOSE FINAN-
4 CIALY INTERESTED IN ANY TRADE OR BUSI-
5 NESS CONDUCTED BY AN INDIVIDUAL, PART-
6 NERSHIP, CORPORATION, JOINT-STOCK COMPANY
7 OR ASSOCIATION, OR INSURANCE COMPANY,
8 SHALL NOT BE DEDUCTED IN COMPUTING THE
9 NET INCOME OF SUCH INDIVIDUAL, CORPORA-
10 TION, JOINT-STOCK COMPANY OR ASSOCIATION,
11 OR INSURANCE COMPANY, OR IN COMPUTING
12 THE PROFITS OF SUCH PARTNERSHIP FOR THE
13 PURPOSES OF SUBDIVISION (E) OF SECTION NINE.

14 SEC. [1112] 1212. *That any amount heretofore withheld*
15 *by any withholding agent as required by Title I of such Act of*
16 *September eighth, nineteen hundred and sixteen, on account*
17 *of the tax imposed upon the income of any individual, a citizen*
18 *or resident of the United States, for the calendar year nineteen*
19 *hundred and seventeen, EXCEPT IN THE CASES COV-*
20 *ERED BY SUBDIVISION (C) OF SECTION NINE OF*
21 *SUCH ACT, AS AMENDED BY THIS ACT, shall be*
22 *released and paid over to such individual, and the entire tax*
23 *upon the income of such individual for such year shall be*
24 *assessed and collected in the manner prescribed by such Act*
25 *as amended by this Act.*

¹ The matter here inserted takes the place of the Senate amendment on page 28, lines 1 to 8 of this bill.

1 TITLE (315)~~XII~~ [XII]XIII.—GENERAL PROVISIONS.

2 SEC. (316)~~1200~~ [1200]1300. That if any clause, sentence,
3 paragraph, or part of this Act shall for any reason be adjudged
4 by any court of competent jurisdiction to be invalid, such
5 judgment shall not affect, impair, or invalidate the remainder
6 of said Act, but shall be confined in its operation to the clause,
7 sentence, paragraph, or part thereof directly involved in the
8 controversy in which such judgment shall have been ren-
9 dered.

10 SEC. (317)~~1201~~ [1201]1301. That Title I of the Act enti-
11 tled, "An Act to provide increased revenue to defray the ex-
12 penses of the increased appropriations for the Army and Navy
13 and the extension of fortifications, and for other purposes,"
14 approved March third, nineteen hundred and seventeen, be,
15 and the same is hereby, repealed.

16 [(318)SEC. 1202. *That whenever, upon protest and appeal*
17 *from the decision of the collector of customs as to the rate or*
18 *amount of duties as now provided by law, it shall appear*
19 *that a clerical error was made in invoicing or entering mer-*
20 *chandise, resulting in the assessment of more duties than*
21 *would have been otherwise payable had such error not been*
22 *committed, relief may be granted and a reliquidation of the*
23 *entry by the collector of customs ordered, if necessary upon*
24 *a value below the entered value of such merchandise, accord-*
25 *ing to the equity and justice of the case, whenever it shall*

1 *plainly and distinctly appear from the evidence taken at the*
 2 *trial of such case before the Board of United States General*
 3 *Appraisers that such clerical error causing such excessive*
 4 *assessment of duties was in fact made.】*

5 **[(319)SEC. 1203.** *That the Board of United States General*
 6 *Appraisers in determining the correct rate or amount of duty*
 7 *upon protest and appeal from the decision of the collector of*
 8 *customs shall review all questions of law and fact involved*
 9 *in the action or nonaction of all executive and administra-*
 10 *tive officers upon which said decision of the collector may*
 11 *depend or be in any way predicated.】*

12 **SEC. (320)~~1302~~ [1204]1302.** *That unless otherwise*
 13 *herein specially provided, this Act shall take effect on the*
 14 *day following its (321)passage [enactment] PASSAGE.*

Passed the House of Representatives May 23, 1917.

Attest: SOUTH TRIMBLE,
Clerk.

Passed the Senate with amendments August 15 (calendar day, September 10), 1917.

Attest: JAMES M. BAKER,
Secretary.

Engineering

[COMMITTEE PRINT—AS AGREED TO IN
CONFERENCE.]

65TH CONGRESS, } H. R. 4280.
1st Session.

AN ACT

To provide revenue to defray war expenses,
and for other purposes.