

PREVENTING PENALTIES AND ADDITIONS TO TAX IN CASE OF  
FAILURE TO MEET REQUIREMENTS WITH RESPECT TO ESTI-  
MATED TAX BY REASON OF INCREASES IMPOSED BY THE REV-  
ENUE ACT OF 1950

---

DECEMBER 19 (legislative day, NOVEMBER 27) 1950.—Ordered to be printed

---

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

REPORT

[To accompany H. R. 9913]

The Committee on Finance, to whom was referred the bill (H. R. 9913) to prevent penalties and additions to tax in case of failure to meet requirements with respect to estimated tax by reason of increases imposed by the Revenue Act of 1950, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

As a result of the increase in individual taxes imposed by the Revenue Act of 1950 a substantial number of taxpayers will have to file an amended declaration of estimated tax by January 15, 1951, in order not to be subject to penalty assessments. The purpose of the legislation is to prevent the application of the penalty for failure to file an amended declaration of estimated tax if the penalty would be imposed as the result of the increase in the normal and surtax on individuals resulting from the Revenue Act of 1950.

Enactment of this legislation will not result in any loss of revenue and will make it unnecessary for taxpayers to recompute their increased tax liability by January 15, 1951, in order to avoid running the risk of a penalty assessment because of underestimating their estimated tax by reason of the increased rates in the Revenue Act of 1950.