

PROCEDURE FOR ASSESSING CERTAIN ADDITIONS TO TAX

APRIL 21, 1960.—Ordered to be printed

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

CONFERENCE REPORT

[To accompany H.R. 9660]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9660) to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

Strike out the last two lines on page 1 and the first two lines on page 2 of the Senate engrossed amendments and insert:

(i) *is the mother or father of the taxpayer or of his spouse, and*

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES;

Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR, Jr.,
FRANK A. CARLSON,

By W. B.

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9660) to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The first section of the bill, as passed by the House, dealt with the procedure for assessing certain additions to tax. Section 2 of the bill, as passed by the House, contained effective date provisions relating to the first section of the bill. There was no Senate amendment to the first two sections of the bill.

Amendment No. 1: Senate amendment No. 1 adds a new section 3 to the bill. Section 3(a) amends section 213(a) of the Internal Revenue Code of 1954 (relating to deduction for medical, dental, etc., expenses). Section 213(a) of existing law provides as a general rule that a taxpayer may deduct medical and dental expenses for the care of himself, his spouse, and his dependents only to the extent that they exceed 3 percent of the taxpayer's adjusted gross income. Under existing section 213(a), the 3-percent limitation is removed with respect to medical and dental expenses for the care of the taxpayer or his spouse if either has attained the age of 65 before the close of the taxable year.

Under Senate amendment No. 1, the 3-percent limit would also be removed in the case of medical and dental expenses incurred by the taxpayer for the care of his dependent mother or father, the dependent mother or father of his spouse, or a dependent individual who stands in loco parentis to the taxpayer or his spouse, if such dependent has attained the age of 65 before the close of the taxable year.

Section 3(b) of the bill, as added by Senate amendment No. 1, provides that the amendment to section 213(a) of the 1954 code made by section 3(a) of the bill is to apply to taxable years beginning after December 31, 1959.

The House recedes with an amendment. Under the amendment the removal of the 3-percent limitation is applicable in the case of a dependent mother or father of the taxpayer or a dependent mother or father of the taxpayer's spouse, if such mother or father has attained the age of 65 before the close of the taxable year. No change is made in existing law in the case of a dependent individual who stands in loco parentis to the taxpayer or his spouse.

Amendment No. 2: Senate amendment No. 2 added a new section 4 to the bill, relating to the allowance (under certain specified circumstances) of a deduction of \$600 to a taxpayer who has as a member of his household, for a period of not less than 7 calendar months, a foreign student enrolled in the 9th, 10th, 11th, or 12th grade at an educational institution. The Senate recedes.

Amendment to the title: The Senate amendment to the title of the bill amended it to read: "An Act to amend section 6659(b) of the Internal Revenue Code of 1954 with respect to the procedure for assessing certain additions to tax, and for other purposes." The House recesses.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,

Managers on the Part of the House.

