

See reference made to the "Amplified" by Senator Lodge
No. 61, Congressional Record, at page 6279, Column 2;
also reference thereto found at pages 6249-50, and 1
7132-2, Senate Journal, 61st Congress, First Session.

PROPOSED AMENDMENTS TO H. R. 8245, REVENUE BILL

OF 1921.

Page and line references are to the bill as reported to the Senate (S. Re. No. 275)
published as Senate Document No. 73.

Printed for the use of the Committee on Finance, United States Senate.

54096

AMENDMENT No. 1.

Section 201(b)(c) not enacted

Pages 7 and 8, disagree to committee amendments on page 7, lines 6279-20
and page 7, line 19 to page 8, line 8, and on page 7, line 18, after 6289-1
the word "distributed" and before the period insert a comma and
the following: but shall be applied against and reduce the basis 6471-1
provided in section 202 for the purpose of ascertaining the gain 6488-2
incurred or the loss sustained from the sale or other disposition of
stock or shares by the distributee See also p. 6481

AMENDMENT No. 2.

Section 202(c) enacted

Page 12, lines 9, 10, and 11, in lieu of the matter proposed to be 6549-20
inserted by the committee amendment insert the following: merger 6550-1
consolidation (including the acquisition by one corporation of at least
majority of the voting stock and at least a majority of the total number 6561-1
shares of all other classes of stock of another corporation, or of sub- 6569-1
stantially all the properties of another corporation) and a comma.

AMENDMENT No. 3.

Section 202(e) enacted

Page 14, line 13, at the end of the line strike out the word "the" 6574-2
and insert in lieu thereof such other

AMENDMENT No. 4.

Section 210(a) not enacted

Page 22, line 18, before the word "That" insert (a) 6577-10
Page 23, after line 2, insert a new subdivision to read as follows: 6584-1
(b) In the case of the head of a family or a married person living
with husband and wife, the tax imposed by this section shall not 6716-1
exceed the sum of (1) the amount of the tax that such person would
pay if his net income for the taxable year were \$5,000, and (2) the
excess of his net income over \$5,000 for such taxable year.

AMENDMENT No. 5.

Section 211(a)(c) enacted

Page 28, strike out all the matter beginning on line 8 down to 6585-10
and including line 20, page 30, and insert the following: 6593-1
(2) For the calendar year 1922 and each calendar year there- 6630-10
after, a surtax equal to the sum of the following: 6648-1
1 per centum of the amount by which the net income exceeds
\$10,000 and does not exceed \$10,000;
2 per centum of the amount by which the net income exceeds
\$10,000 and does not exceed \$12,000;
3 per centum of the amount by which the net income exceeds
\$12,000 and does not exceed \$14,000;

Figures in the margin are to pages and columns of Vol 61 of
Congressional Record Congress Session. Slanted dashes,
(p) indicate that the discussion covers the intervening page or column.
Great difficulty was experienced in tracing the discussions to final
disposition. In fact, it was impossible at times to do so. However, wherever
possible, ultimate disposition is indicated. Under column of figures in margin dash

- 4 per centum of the amount by which the net income exceeds \$14,000 and does not exceed \$16,000;
- 5 per centum of the amount by which the net income exceeds \$16,000 and does not exceed \$18,000;
- 6 per centum of the amount by which the net income exceeds \$18,000 and does not exceed \$20,000;
- 8 per centum of the amount by which the net income exceeds \$20,000 and does not exceed \$22,000;
- 9 per centum of the amount by which the net income exceeds \$22,000 and does not exceed \$24,000;
- 10 per centum of the amount by which the net income exceeds \$24,000 and does not exceed \$26,000;
- 11 per centum of the amount by which the net income exceeds \$26,000 and does not exceed \$28,000;
- 12 per centum of the amount by which the net income exceeds \$28,000 and does not exceed \$30,000;
- 13 per centum of the amount by which the net income exceeds \$30,000 and does not exceed \$32,000;
- 15 per centum of the amount by which the net income exceeds \$32,000 and does not exceed \$36,000;
- 16 per centum of the amount by which the net income exceeds \$36,000 and does not exceed \$38,000;
- 17 per centum of the amount by which the net income exceeds \$38,000 and does not exceed \$40,000;
- 18 per centum of the amount by which the net income exceeds \$40,000 and does not exceed \$42,000;
- 19 per centum of the amount by which the net income exceeds \$42,000 and does not exceed \$44,000;
- 20 per centum of the amount by which the net income exceeds \$44,000 and does not exceed \$46,000;
- 21 per centum of the amount by which the net income exceeds \$46,000 and does not exceed \$48,000;
- 22 per centum of the amount by which the net income exceeds \$48,000 and does not exceed \$50,000;
- 23 per centum of the amount by which the net income exceeds \$50,000 and does not exceed \$52,000;
- 24 per centum of the amount by which the net income exceeds \$52,000 and does not exceed \$54,000;
- 25 per centum of the amount by which the net income exceeds \$54,000 and does not exceed \$56,000;
- 26 per centum of the amount by which the net income exceeds \$56,000 and does not exceed \$58,000;
- 27 per centum of the amount by which the net income exceeds \$58,000 and does not exceed \$60,000;
- 28 per centum of the amount by which the net income exceeds \$60,000 and does not exceed \$62,000;
- 29 per centum of the amount by which the net income exceeds \$62,000 and does not exceed \$64,000;
- 30 per centum of the amount by which the net income exceeds \$64,000 and does not exceed \$66,000;
- 31 per centum of the amount by which the net income exceeds \$66,000 and does not exceed \$68,000;
- 32 per centum of the amount by which the net income exceeds \$68,000 and does not exceed \$70,000;

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- 33 per centum of the amount by which the net income exceeds \$70,000 and does not exceed \$72,000;
- 34 per centum of the amount by which the net income exceeds \$72,000 and does not exceed \$74,000;
- 35 per centum of the amount by which the net income exceeds \$74,000 and does not exceed \$76,000;
- 36 per centum of the amount by which the net income exceeds \$76,000 and does not exceed \$78,000;
- 37 per centum of the amount by which the net income exceeds \$78,000 and does not exceed \$80,000;
- 38 per centum of the amount by which the net income exceeds \$80,000 and does not exceed \$82,000;
- 39 per centum of the amount by which the net income exceeds \$82,000 and does not exceed \$84,000;
- 40 per centum of the amount by which the net income exceeds \$84,000 and does not exceed \$86,000;
- 41 per centum of the amount by which the net income exceeds \$86,000 and does not exceed \$88,000;
- 42 per centum of the amount by which the net income exceeds \$88,000 and does not exceed \$90,000;
- 43 per centum of the amount by which the net income exceeds \$90,000 and does not exceed \$92,000;
- 44 per centum of the amount by which the net income exceeds \$92,000 and does not exceed \$94,000;
- 45 per centum of the amount by which the net income exceeds \$94,000 and does not exceed \$96,000;
- 46 per centum of the amount by which the net income exceeds \$96,000 and does not exceed \$98,000;
- 47 per centum of the amount by which the net income exceeds \$98,000 and does not exceed \$100,000;
- 48 per centum of the amount by which the net income exceeds \$100,000 and does not exceed \$150,000;
- 49 per centum of the amount by which the net income exceeds \$150,000 and does not exceed \$200,000;
- 50 per centum of the amount by which the net income exceeds \$200,000.

AMENDMENT No. 6.
Section 214 (b) (2)

Dr. Adams
enacted P 386 7112-1

Page 38, line 13, strike out the words "title as income to the" and in the same line in the committee amendment already proposed, strike out the word "taxpayer" and insert in lieu thereof the word *title*

AMENDMENT No. 7.
Section 214 (b) (3)

Dr. Adams
enacted P. 387 7226-20
-6227-1

Page 39, line 7, after the word "taxpayer" and before the semi-colon, insert a period and the following:

For the purpose of this paragraph estate, inheritance, legacy, and gift taxes accrue on the due date thereof except as otherwise provided by the law of the jurisdiction imposing such taxes

AMENDMENT No. 8.
Section 214 (b) (5)

Dr. Adams
enacted P 387 7112-2

Page 39, line 25, in the committee amendment already agreed to, after the word "days" insert the following: *before or*

AMENDMENT No. 9.
Section 214(a)

Dr Adams p 387
enacted

2-2 Page 40, line 2, before the word "identical" insert the word *substantially*

AMENDMENT No. 10.
Section 214(a)(9)

Dr Adams p 387
enacted

27-2 Page 41, line 20, after the word "allowed" insert a comma and the following: *for any taxable year ending before March 3, 1924 (if claim therefor was made at the time of filing return for the taxable year 1918 or 1919)*

AMENDMENT No. 11.
Section 219(a)

Dr Adams p 387
enacted

1-2 Page 63, at the end of line 9, strike out the word "the" and insert in lieu thereof the word *a*

Page 63, line 10, after the word "return" insert the word *thereof*

Page 63, line 18, after the period, insert the following sentence: *In cases under this subdivision there shall be included, as provided in subdivision (d) of this section, in computing the net income of each beneficiary, that part of the income of the estate or trust which, pursuant to the instrument or order governing the distribution, is distributable during the taxable year to such beneficiary.*

AMENDMENT No. 12.
Section 219(d)

Dr Adams p 387
enacted

13-1 Page 63, line 19, in the committee amendment already agreed to, strike out the word "irrevocable" and, on page 64, line 2, in the committee amendment already agreed to, strike out the words "such employee" and insert in lieu thereof the word *distributable*

AMENDMENT No. 13.
Section 220

Dr Adams p 387
enacted

13-1 Page 64, line 21, strike out the words "at the same time" and insert in lieu thereof the words *upon the same basis*

AMENDMENT No. 14.
Heading preceding Section 227

Dr Adams p 388
enacted

12-1 Page 75, line 15, in the committee amendment already agreed to, strike out the heading "Returns when accounting period changed" and insert in lieu thereof the following heading: *Returns for a period of less than twelve months*

AMENDMENT No. 15.
Section 222(b) 226(b)

Dr Adams p 387
enacted

13-2 Page 76, lines 9 and 10, in lieu of the matter inserted by the amendment already agreed to insert the following: *(b) In all cases where a separate return is made for a part of a taxable year*

AMENDMENT No. 16.
Section 231(4)

Dr Adams p 388
not enacted

10-2 Page 80, line 1, after the word "members" insert the following: *on the basis of their stock holdings*

AMENDMENT No. 17.
Section 232

Dr Adams p 388
enacted

11-2 Page 82, at the end of line 22, add a new sentence as follows: *In the case of a foreign corporation or foreign trade corporation the computation shall also be made in the manner provided in section 217.*

AMENDMENT No. 18.

Section 233 (b)

Dr Adams p 388 enacted

Page 83, lines 16 and 17, strike out the words "under the provisions of" and insert in lieu thereof the words *in the manner provided in* 7113-2

AMENDMENT No. 19.

Section 234 (a) (1)

Dr Adams p 388 enacted

Page 84, line 14, strike out the words "title as income to the" and, on the same line in the committee amendment already proposed, strike out the word "taxpayer" and insert in lieu thereof the word *title* 7113-2

AMENDMENT No. 20.

Section 234 (a) (3)

Dr Adams p 388 enacted

Page 85, line 18, in the committee amendment already agreed to, after the word "taxes" and before the semicolon, insert a period and the following:

For the purpose of this paragraph, estate, inheritance, legacy, and succession taxes accrue on the due date thereof except as otherwise provided by the law of the jurisdiction imposing such taxes 7113-2

AMENDMENT No. 21.

Section 234 (a) (4)

enacted

Page 86, line 2, in the committee amendment already agreed to, after the word "days" insert the words *before or* 7113-2

AMENDMENT No. 22.

Section 234 (a) (5)

enacted

Page 86, line 4, before the word "identical" insert the word *substantially* 7113-2 7114-1

AMENDMENT No. 23.

Section 234 (a) (6)

enacted Dr Adams p. 388

Page 87, line 25, after the word "allowed" insert a comma and the following: *for any taxable year ending before March 3, 1924 (if claim therefor was made at the time of filing return for the taxable year 1918 or 1919)* 6807-1

AMENDMENT No. 24.

Section 236 (b)

Dr Adams p 388 enacted, but further amended

Page 94, line 18, strike out "In the case of a domestic corporation, \$2,000" and insert in lieu thereof the following:

In the case of a domestic corporation the net income of which is \$2,000 or less, a specific credit of \$2,000. 6807-1 6807-2

AMENDMENT No. 25.

Section 240 (b)

not enacted

Page 100, line 21, reconsider the vote by which the amendment on line 21 was agreed to, and in lieu of that amendment strike out on lines 20 and 21 the following: "of \$2,000 (as provided in section 236)" and the period and the quotation marks, and in lieu thereof insert the following: *as provided in subdivision (b) of section 236, which shall be allowed only if the combined net income of the affiliated corporations is \$25,000 or less and a period.* 7114-1

AMENDMENT No. 26.

Section 242

Dr Adams p 389 enacted

Page 102, line 22, strike out the word "contract" and insert in lieu thereof the word *contracts*

AMENDMENT No. 27.

Section 243 (1)

Dr Adams p 7114-1 enacted 289

Page 103, line 8, in lieu of the amendment proposed by the committee, strike out the following: "12½ per centum of its net income" and

insert in lieu thereof the following: *the same percentage of its net income as is imposed upon other corporations by section 230* 6808-1

AMENDMENT No. 28. *Dr. Adams pp 389, 390*
Section 243 (2) enacted

Page 103, line 10, in lieu of the amendment proposed by the committee, strike out "12½ per centum of its net income from sources within the United States" and insert in lieu thereof the following: *the same percentage of its net income from sources within the United States as is imposed upon the net income of other corporations by section 230*

AMENDMENT No. 29. *Dr. Adams p 6808-1*
Section 245 (a) (c) enacted

Page 105, line 24, after the word "property" and before the semicolon insert a period and the following:

The deduction allowed by this paragraph shall be allowed in the case of taxes imposed upon a shareholder or member of a company upon his interest as shareholder or member, which are paid by the company without reimbursement from the shareholder or member, but in such cases no deduction shall be allowed the shareholder or member for the amount of such taxes

AMENDMENT No. 30. *Dr. Adams p 390*
Section 245 (a) (8) enacted 7114-1

Page 106, lines 10 and 11, strike out the words "title as income to the" and on line 11, in the committee amendment already agreed to, strike out the word "taxpayer" and insert in lieu thereof the word *title*

AMENDMENT No. 31. *Dr. Adams p 390*
Section 245 (a) (9) enacted with 7114-2
from amendment

Page 106, line 17, in the amendment already agreed to, strike out the period and insert a semicolon, and after line 17 insert a new paragraph as follows:

(9) *In the case of a domestic life insurance company, the net income of which (computed without the benefit of this paragraph) is \$25,000 or less, the sum of \$2,000.* 7114-2

AMENDMENT No. 32. enacted
Section 246 (a) (b) and 247 (a) (b) (c)

Page 107, strike out lines 13 to 22, inclusive, and in lieu thereof insert two new sections as follows: 6981-1

Sec. 246. (a) *That, in lieu of the taxes imposed by sections 230 and 1000, there shall be levied, collected and paid for the calendar year 1922, and for each taxable year thereafter, upon the net income of every insurance company (other than a life insurance company) a tax as follows:* 6983-1 7114-2 7159-1

(1) *In the case of such a domestic insurance company the same percentage of its net income as is imposed upon other corporations by section 230;*

(2) *In the case of such a foreign insurance company the same percentage of its net income from sources within the United States as is imposed upon the net income of other corporations by section 230.*

(b) *In the case of an insurance company subject to the tax imposed by this section—*

(1) *The term "gross income" means the combined gross amount, earned during the taxable year, from investment income and from underwriting income as provided in this subdivision, computed on the basis of*

the underwriting and investment exhibit of the annual statement approved by the National Convention of Insurance Commissioners;

(2) The term "net income" means the gross income as defined in paragraph (1) of this subdivision less the deductions allowed by section 247;

(3) The term "investment income" means the gross amount of income earned during the taxable year from interest, dividends and rents, computed as follows:

To all interest, dividends and rents received during the year, add interest, dividends and rents due and accrued at the end of the taxable year, and deduct all interest, dividends and rents due and accrued at the end of the preceding year;

(4) The term "underwriting income" means the premiums earned on insurance contracts during the taxable year less losses incurred and expenses incurred;

(5) The term "premiums earned on insurance contracts during the taxable year" means an amount computed as follows:

From the amount of gross premiums written on insurance contracts during the taxable year, deduct return premiums (or, in the case of mutual companies, dividends or unabsorbed premiums returned or credited to the assured) and premiums paid for reinsurance. To the result so obtained add unearned premiums on outstanding business at the end of the preceding taxable year and deduct unearned premiums on outstanding business at the end of the taxable year;

(6) The term "losses incurred" means losses incurred during the taxable year on insurance contracts, computed as follows:

To losses paid during the taxable year, add salvage and reinsurance recoverable outstanding at the end of the preceding taxable year, and deduct salvag. and reinsurance recoverable outstanding at the end of the taxable year. To the result so obtained add all unpaid losses outstanding at the end of the taxable year and deduct unpaid losses outstanding at the end of the preceding taxable year.

(7) The term "expenses incurred" means all expenses shown on the annual statement approved by the National Convention of Insurance Commissioners, and shall be computed as follows:

To all expenses paid during the taxable year add expenses unpaid at the end of the taxable year and deduct expenses unpaid at the end of the preceding taxable year. For the purpose of computing the net income subject to the tax imposed by this section there shall be deducted from expenses incurred as defined in this paragraph all expenses incurred which are not allowed as deductions by section 247.

Sec. 247. (a) That in computing the net income of an insurance company subject to the tax imposed by section 246 there shall be allowed as deductions:

(1) All ordinary and necessary expenses incurred, as provided in paragraph (1) of subdivision (a) of section 234;

(2) All interest as provided in paragraph (2) of subdivision (a) of section 234;

(3) In the case of mutual marine insurance companies, unless otherwise allowed, amounts repaid to policyholders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment and the payment thereof;

(4) Taxes as provided in paragraph (3) of subdivision (a) of section 234;

(5) Losses incurred;

(6) *Bad debts in the nature of agency balances and bills receivable ascertained to be worthless and charged off within the taxable year;*

(7) *The amount received as dividends from corporations as provided in paragraph (6) of subdivision (a) of section 234;*

(8) *The amount of interest earned during the taxable year which under paragraph (4) of subdivision (b) of section 213 is exempt from taxation under this title, and the amount of interest allowed as a credit under subdivision (a) of section 236;*

(9) *A reasonable allowance for the exhaustion, wear and tear of property, as provided in paragraph (7) of subdivision (a) of section 234;*

(10) *In the case of such a domestic insurance company, the net income of which (computed without the benefit of this paragraph) is \$25,000 or less, the sum of \$2,000.*

(b) *In the case of a foreign corporation the deductions allowed in this section shall be allowed to the extent provided in subdivision (b) of section 234.*

(c) *Nothing in this section or in section 246 shall be construed to permit the same item to be twice deducted.*

→ Page 7, line 2, after the figures "245" insert the following: and paragraph (5) of subdivision (a) of section 246 (Section 204(c)) 7159-1

→ Page 17, line 5, strike out the words "trust under" and in lieu thereof insert the following: trust, and to insurance companies subject to the tax imposed by section 243 or 246, under (Section 204(c)) 7159-1

→ Page 83, line 4, reconsider and disagree to the committee amendment in such line and after the figures "217" strike out the comma and in lieu thereof insert a period; and strike out the remainder of line 4, and strike out lines 10, 11, and 12. (Section 233 (e))

→ Page 83, lines 15 and 16, reconsider the committee amendment already agreed to and in lieu of the matter proposed to be inserted by the committee amendment insert the following: determined (except in the case of insurance companies subject to the tax imposed by section 243 or 246) (Section 233 (b)) 7159-2

→ Page 90, line 13, after the word "contracts" insert a period and the following: This subdivision shall not be in effect after December 31, 1921 (Section 234 (a) (10)) 7160-2

→ Page 90, line 23, after the word "only" insert a period and the following: This subdivision shall not be in effect after December 31, 1921 Section 234 (a) (11) 7160-2 (Section 234 (a) (11) (12))

→ Page 91, line 6, after the word "thereof" insert a period and the following: This subdivision shall not be in effect after December 31, 1921

→ Page 91, line 18, after the word "reserves" insert a period and the following: This subdivision shall not be in effect after December 31, 1921

→ Page 97, line 3, after the period add the following sentence: In the case of domestic insurance companies subject to the tax imposed by section 243 or 246, the term "net income", as used in this subdivision means net income as defined in sections 243 and 246, respectively. (Section 238 (4)) 7160-2

AMENDMENT No. 33.

Section 250 (d)

Page 112, line 4, after the word "begun" insert the following: *not enacted*
7114-2; 7115-2; 7152-1

in any court

AMENDMENT No. 34.

Section 250 (d)

Page 113, line 4, after the word "return" and before the comma, insert the following: *enacted in Adams 2392*
made under the Revenue Act of 1917, the Revenue Act of 1918 or this Act 7152-1

AMENDMENT No. 35.
Section 250(b)

Dr. Adams p. 391, 393.
enacted

Page 118, after line 17, insert the following paragraph:

(h) The provisions of subdivisions (e), (f) and (g) of this section shall apply to the assessment and collection of taxes which have accrued or may accrue under the Revenue Act of 1917, the Revenue Act of 1918 and this Act.

AMENDMENT No. 36.
Section 252

Dr. Adams p. 391 7152-1
enacted

Page 121, line 8, in the committee amendment already agreed to, after the word "filed" strike out the remainder of line 8 and all of lines 9 and 10, and insert in lieu thereof: *prior to the passage of the Revenue Act of 1918 under subdivision (a) of section 14 of the Revenue Act of 1916, or filed prior to the passage of this Act under section 252 of the Revenue Act of 1918.*

7152-2

AMENDMENT No. 37.
Section 260

enacted

Page 127, line 12, in the committee amendment already agreed to, strike out the word "possessions" and after the word "of" insert the words *possessions of the*

6878-1

AMENDMENT No. 38.
Section 401

not enacted

Page 148, line 15, strike out the word "and"

6929-2

Page 148, line 17, strike out the period at the end of the line and insert the following:

- and does not exceed \$15,000,000;
- 30 per centum of the amount by which the net estate exceeds \$15,000,000 and does not exceed \$25,000,000;
- 35 per centum of the amount by which the net estate exceeds \$25,000,000 and does not exceed \$50,000,000;
- 40 per centum of the amount by which the net estate exceeds \$50,000,000 and does not exceed \$100,000,000; and
- 50 per centum of the amount by which the net estate exceeds \$100,000,000.

6922-1 6929-2 ; 6929-1 *Dr. Adams p. 392.*

AMENDMENT No. 39.
Section 403 (a) (v)

enacted

On page 156, line 4, after the word "section" strike out the semicolon and insert a period.

7152-2

Note: In the print of the bill as reported to the Senate following the word "section" in line 4, there is a period. This is a mis-print, for the House bill as passed by the House has a semicolon at this point instead of a period. This amendment is therefore technically necessary in order to make the punctuation proper.

AMENDMENT No. 40.
Section 411

enacted; sect. 413 stricken
6224-2 6225-2

Page 166, strike out lines 3 to 13, inclusive.

Page 166, line 14, in the committee amendment already agreed to, strike out "412" and insert in lieu thereof 411

Dr. Adams p. 392

AMENDMENT No. 41.
Sections 500 (a) (v) (c) (d) (e) (f); 501; 502; Schedule A, Stamp Taxes (14)

enacted Section 500 (a) (v) (c) (d) (e) (f) stricken

Page 168, beginning with line 12, strike out down to and including line 11, on page 170, being all of subdivisions (a), (b), (c), (d), (e), (f) of section 500, 6226-1 6229-1; 6265-1

enacted

Page 170, line 12, strike out "(f)" and insert in lieu thereof (a)

enacted

Page 170, line 23, strike out "(g)" and insert in lieu thereof (b) *enacted*

Page 171, line 8, strike out "(h)" and insert in lieu thereof (c) *enacted*

Page 171, beginning with line 15, strike out down to and including line 25, being all of subdivision (i) of section 500, and insert in lieu thereof the following:

(d) Under regulations prescribed by the Commissioner with the approval of the Secretary, refund shall be made of the proportionate part of the tax collected under subdivision (c) or (d) of section 500 of the Revenue Act of 1918 on tickets or mileage books purchased and only partially used before the passage of this Act.

Page 172, line 1, strike out "(a)" *(Section 501 enacted - (a) stricken)*

Page 172, beginning with line 4, strike out down to and including line 17, on page 174, being all of subdivisions (b), (c), and (d) of section 501. *enacted - 501(b)(c)(d) stricken*

Page 174, lines 23 and 24, strike out "and the taxes imposed upon it under subdivision (c) or (d) of section 501" *enacted*

Page 175, beginning with line 1, strike out down to and including line 6, being all of subdivision (b) of section 502. *enacted*

Page 175, line 7, strike out "(c)" and insert in lieu thereof (b) *enacted*

Page 175, line 13, strike out "(d)" and insert in lieu thereof (c) *enacted*

Page 175, line 18, strike out "(e)" and insert in lieu thereof (d) *enacted*

Page 247, in the committee amendment already agreed to, strike out lines 12 to 20, inclusive. *(Schedule A, Stamp Taxes (14) stricken out) enacted*

AMENDMENT NO. 42.

Section 602 (a)(b) not enacted

Dr Adams p 392

Page 180, after line 7, insert the following new section:

Sec. 602. (a) That there shall be levied and collected on all distilled spirits now in bond or that have been or that may be hereafter produced in or imported into the United States, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of \$6.40 on each proof gallon, or wine gallon when below proof, and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid by the distiller or importer when withdrawn, and collected under the provisions of existing law.

(b) In the case of any distilled spirits upon which tax is hereafter paid at the rate specified in subdivision (a) a refund of \$4.20 on each proof gallon (or wine gallon when below proof, and a proportionate refund on all fractional parts of such proof or wine gallon) shall be made when it is shown to the satisfaction of the Commissioner, under regulations prescribed by him with the approval of the Secretary, that such spirits have been withdrawn and bona fide used, within one year from date of withdrawal, for purposes in the case of which the tax imposed by existing law is at the rate of \$2.20 on each such gallon. If the tax imposed by subdivision (a) has been paid by the distiller or importer without reimbursement the refund shall be made to him, but if the tax has been reimbursed to him by any other person the refund shall be made to such other person.

AMENDMENT NO. 43.

Section 900 (5)

enacted 900(5) stricken

6808-2 6809-1

Page 197, strike out lines 15 to 25, inclusive, and lines 1 to 5, inclusive, on page 198. *7044-2 7045-2*

AMENDMENT No. 44.
Section 900 (4) (4)

D. Adams p 392
enacted
7045-2 & 7047-2

Page 198, strike out lines 6 and 7.
Page 198, line 10, in lieu of the matter proposed to be inserted by the committee amendment insert the following: (4) 7047-20 7051-1

AMENDMENT No. 45.
Section 900 (3) (C)

D. Adams p 392
7071-1

Page 198, in the committee amendment proposed to be inserted in lines 12, 13, and 14, strike out in line 12 the figure "8" and insert in lieu thereof the figure 6, and strike out in lines 13 and 14 the words "and other photographic apparatus and accessories"

AMENDMENT No. 46.
Section 900 (7) (8) (9) (10)

D. Adams p 392
enacted with changes

Page 198, lines 18 and 19, in lieu of the matter proposed to be inserted by the committee amendment insert the following: (8) Candy, 8 per centum, (900) changed to 900 (9); but 900 (9) goes out, 7076-1

Page 198, line 20, in the amendment proposed to be inserted by the committee, strike out "(10)" and insert the following: (8) becomes (7), 7076-2

Page 199, line 1, in the amendment proposed to be inserted by the committee, strike out "(11)" and insert in lieu thereof the following: (8) becomes (8), 7077-1

Page 199, line 2, in the amendment proposed to be inserted by the committee, strike out "(12)" and in lieu thereof insert the following: (8) becomes (9), 7078-1

AMENDMENT No. 47.
Section 900 (13) (old)

enacted; (13) stricken

Page 199, strike out line 6. Stricken out 7076-1

AMENDMENT No. 48.
Section 900 (14) (old)

enacted; (14) stricken

Page 199, strike out lines 12 and 13. 7078-2

AMENDMENT No. 49.
Section 900 (15) (old); (16) (new)

not enacted; not stricken

Page 199, strike out lines 14, 15, and 16. 7078-2

Page 199, line 17, in the amendment proposed to be inserted by the committee, strike out "(16)" and insert in lieu thereof the following: (11) *enacted* 7078-2

Page 200, line 1, in the amendment proposed to be inserted by the committee, strike out "(17)" and insert in lieu thereof the following: (12) *enacted* 7078-2

AMENDMENT No. 50.
Section 900 (18) (old); (19) (new)

not enacted; not stricken

Page 200, strike out lines 3 and 4. 7078-2 & 7079-1

AMENDMENT No. 51.
Section 900 (19) (old); no new

enacted; stricken

Page 200, strike out lines 7 to 15, inclusive. 7079-1 & 7081-2

Page 200, line 19, in lieu of the matter proposed to be inserted by the committee amendment, insert the following: (18) becomes (14) *7081-2*
enacted with change indicated, i.e. (15) becomes (14) 7083-1

AMENDMENT No. 52.
Section 900 (old); enacted; stricken

Page 201, strike out lines 13 and 14. 7090-1 ~~7090-2~~

Page 201, line 15, in the amendment proposed to be inserted by the committee, strike out "(22)" and insert in lieu thereof the following: (14). new (15) enacted with medical change

AMENDMENT No. 53.

Section 900 (2v) not enacted; entire subdivision was stricken

Page 201, lines 17 and 18, in the matter proposed to be inserted by the committee amendment, strike out "tooth and mouth washes, dentifrices, tooth pastes" and the comma following, and in lines 18 and 19, strike out "toilet powders (other than soap powders)" and the comma following; and in line 22, after the comma, insert the following: except tooth and mouth washes, dentifrices, tooth pastes, and toilet powders
7090-2 ~~7094-2~~; 7095-1

AMENDMENT No. 54.

Section 900 (23) enacted; subdivision (3) stricken

Page 201, strike out lines 23, 24, and 25, and lines 1 and 2 on page 202. repealed 7094-2

AMENDMENT No. 55.

Section 902 enacted

Page 203, line 16, in the matter proposed to be inserted by the committee amendment, strike out the figures "10" and insert in lieu thereof the following: 5 7095-2 ~~7098-1~~

AMENDMENT No. 56. enacted; 906 stricken
Section 906

Page 206, strike out lines 20 to 25, inclusive, and lines 1 to 8, inclusive, on page 207. 7102-1 ~~7103-1~~

AMENDMENT No. 57.

Section 907 enacted; 907 stricken

Page 207, strike out lines 11 to 25, inclusive, and lines 1 to 21, inclusive, on page 208. stricken out, 7103-1 ~~7108-2~~

AMENDMENT No. 58. enacted
Section 903, 906

Page 203, line 23, in the matter proposed to be inserted by the committee amendment strike out "904, 906, or 907" and insert in lieu thereof the following: or 904 7108-2 ~~7109-1~~

Page 208, line 22, in the matter proposed to be inserted by the committee amendment strike out the figures "908" and insert in lieu thereof the following: 906 enacted 7108-2 ~~7109-1~~

AMENDMENT No. 59.

Section 906 (c) enacted

Page 210, after line 19 insert a new subdivision to read as follows:
(c) If (1) any person has, prior to August 15, 1921, made a bona fide contract with any other person for the sale or lease, after December 31, 1921, of any article in respect to which a tax was imposed by section 900 of the Revenue Act of 1918, and in respect to which no corresponding tax is imposed by section 900 of this Act, (2) the contract price includes the amount of the tax imposed by section 900 of the Revenue Act of 1918, and (3) such contract does not permit deduction, from the amount to be paid thereunder, of the tax imposed by section 900 of the Revenue Act of 1918; then the vendor or lessor shall refund to the vendee or lessee so 7109-2

much of the amount of such tax as is not so permitted to be deducted from the contract price.

- Page 210, line 20, disagree to the committee amendment. 7109-2 ✓
- Page 211, line 1, disagree to the committee amendment. 7109-2 ✓
- Page 211, line 2, disagree to the committee amendment. 7109-2 ✓
- Page 211, line 11, in lieu of the matter proposed to be inserted by the committee amendment insert the following: (f) A 7109-2

AMENDMENT No. 60. *enacted*
 Section 1000 Capital Stock Tax

Page 212, after line 12, insert the following: 6943-10 6944-2 7042-2
 Sec. 1000. (a) That on and after July 1, 1922, in lieu of the tax imposed by section 1000 of the Revenue Act of 1918— 6943-1

(1) Every domestic corporation shall pay annually a special excise tax with respect to carrying on or doing business, equivalent to \$1 for each \$1,000 of so much of the fair average value of its capital stock for the preceding year ending June thirtieth as is in excess of \$5,000. In estimating the value of capital stock the surplus and undivided profits shall be included: 7032-10 7036-2 7040-1

(2) Every foreign corporation shall pay annually a special excise tax with respect to carrying on or doing business in the United States, equivalent to \$1 for each \$1,000 of the average amount of capital employed in the transaction of its business in the United States during the preceding year ending June thirtieth. 7045-10 7049-2

(b) The taxes imposed by this section shall not apply in any year to any corporation which was not engaged in business (or, in the case of a foreign corporation, not engaged in business in the United States) during the preceding year ending June thirtieth, nor to any corporation enumerated in section 231, nor to any insurance company subject to the tax imposed by section 243 or 246.

(c) Section 257 shall apply to all returns filed with the Commissioner for purposes of the tax imposed by this section.

Page 212, line 13, in the committee amendment already agreed to, strike out "1000" and insert in lieu thereof 1001 *enacted*

Page 218, line 7, in the committee amendment already agreed to, strike out "1001" and insert in lieu thereof 1002 *enacted*

Page 220, line 14, in the committee amendment already agreed to, strike out "1002" and insert in lieu thereof 1003 *enacted*

Page 221, line 20, in the committee amendment already agreed to, strike out "1003" and insert in lieu thereof 1004 *enacted*

Page 221, line 22, in the committee amendment already agreed to, strike out "1000 or 1001" and insert 1000, 1001 or 1002 7041-2 *enacted*

Page 222, line 3, in the committee amendment already agreed to, strike out "1004" and insert in lieu thereof 1005 *enacted*

Page 228, line 17, in the committee amendment already agreed to, strike out "1005" and insert in lieu thereof 1006 *enacted*

Page 230, line 16, in the committee amendment already agreed to, strike out "1006" and insert in lieu thereof 1007 *enacted*

Page 103, lines 2 and 3, in lieu of the matter proposed to be inserted by the committee amendment, insert the following: sections 30 and 1000 and by Title III *enacted*

AMENDMENT No. 61. *enacted with further amendment*
 Section 1001 (10) 6277-2

Page 216, at the end of line 23, insert the following sentence: The tax imposed by this subdivision shall not be collected from as-

sociations composed exclusively of members of units of the Federalized National Guard or the Organized Reserve, if the riding academy is conducted by such association as an incident to the operations of the military unit to which the members of such association belong.

AMENDMENT No. 62.
Section 1001, 1003 enacted

Page 221, after line 19, insert a new paragraph, as follows:
This section shall not apply to vessels or boats used without profit by any benevolent, charitable, or religious organizations, exclusively for furnishing aid, comfort, or relief to seamen. 7152-2

AMENDMENT No. 63. enacted
Section 1107 (c) 7152-2 & 7153-1

Page 238, lines 2 and 3, strike out the words "to an amount equal to the full value of the adhesive stamps so furnished" and in lieu thereof insert the following: *in a sum to be fixed by the Commissioner*

AMENDMENT No. 64
Schedule A, 2, Section 1107 6981-1 & 6984-1

- Page 239, strike out lines 1 to 19, both inclusive. enacted; stricken
- Page 239, line 20, in the committee amendment already agreed to, strike out the figure "3" and insert the figure 2 enacted
- Page 240, line 8, in the committee amendment already agreed to, strike out the figure "4" and insert the figure 3 enacted
- Page 242, line 13, strike out the figure "5" and insert the figure 4
- Page 244, line 18, in the committee amendment already agreed to, strike out the figure "6" and insert the figure 5 enacted
- Page 245, line 9, in the committee amendment already agreed to, strike out the figure "7" and insert the figure 6 enacted
- Page 245, line 22, in the committee amendment already agreed to, strike out the figure "8" and insert the figure 7 enacted
- Page 246, line 3, in the committee amendment already agreed to, strike out the figure "9" and insert the figure 8 enacted
- Page 246, line 6, in the committee amendment already agreed to, strike out the figure "10" and insert the figure 9 enacted
- Page 246, line 14, in the committee amendment already agreed to, strike out the figure "11" and insert the figure 10 enacted
- Page 246, line 19, in the committee amendment already agreed to, strike out the figure "12" and insert the figure 11 enacted
- Page 247, line 8, in the committee amendment already agreed to, strike out the figure "13" and insert the figure 12 enacted
- Page 247, line 21, in the committee amendment already agreed to, strike out the figure "15" and insert the figure 13 enacted
- Page 237, line 24, in the committee amendment already agreed to, strike out "3, 4, and 5" and insert in lieu thereof the following: 2, 3, and 4 enacted

AMENDMENT No. 65.
Schedule A (1)(4), Section 1107 enacted 6984-1 & 6278-1

Page 244, after line 17, insert the following new paragraph:
This subdivision shall not affect but shall be in addition to the provisions of the "United States cotton futures Act," approved August 11, 1916, as amended, and "The Future Trading Act," approved August 24, 1921.

AMENDMENT No. 66.
 Section 1316, R. S. 3226 enacted 7153-1

Page 272, line 11, in the committee amendment already agreed to, after the word "refunding" insert the following: *or crediting*

AMENDMENT No. 67.
 Section 1316, R. S. 3226 enacted 7153-1

Page 272, after line 19, insert the following paragraph:
This section, except as modified by section 253, shall apply retroactively to claims for refund under the Revenue Act of 1917 and the Revenue Act of 1918.

AMENDMENT No. 68.
 Section 1318, R. S. 3226 enacted 7153-1

Page 273, line 20, in the committee amendment already agreed to, after the word "refund" insert the following: *or credit*

AMENDMENT No. 69.
 Section 1318, R. S. 3226 enacted 7153-1

Page 274, after line 4, insert the following paragraph:
This section shall not affect any suit or proceeding instituted prior to the passage of this Act, but shall apply to all suits and proceedings instituted after the passage of this Act, whether or not barred by prior Acts of Congress.

AMENDMENT No. 70. *not enacted*
 Section 1320 *withdrawn* 7153-2

Page 274, line 9, in the committee amendment already agreed to, after the word "begun" insert the following: *in any court*

AMENDMENT No. 71.
 Section 1324 enacted 7153-2

Page 276, line 18, in the committee amendment already agreed to, after the word "for" insert the following: *internal revenue*

AMENDMENT No. 72.
 Section 1329 enacted 7153-2

Page 286, line 4, in the committee amendment already agreed to, after the word "Treasurer" strike out the comma and the remainder of the line and all of lines 5, 6, and 7, and insert in lieu thereof the following: *of the United States, a Federal reserve bank, or other depository duly designated for that purpose by the Secretary, which shall issue receipt therefor and a comma.*

AMENDMENT No. 73. *enacted with further amendment*
 Section 1331 (b) enacted 7153-2

Page 289, line 7, insert after the period a new sentence to read as follows: *For the purposes of this section, public service corporations shall be construed to be affiliated only if and to the extent provided in the regulations heretofore promulgated with reference to Title II of the Revenue Act of 1917.*

AMENDMENT No. 74 enacted
 Section 1332 (a) 7153-2

Page 289, line 19, in the committee amendment already agreed to, strike out the words and figures "sections 230 and 301" and insert in lieu thereof *Titles II and III*

Page 289, line 21, in the committee amendment already agreed to, strike out the words and figures "sections 280 and 301" and insert in lieu thereof Titles II and III 7154-1

AMENDMENT No. 75. *enacted*

Section 1400 (a) 7154-1

Page 292, strike out lines 3 to 25, inclusive, and insert in lieu thereof the following:

Sec. 1400. (a) That the following parts of the Revenue Act of 1918 are repealed, to take effect (except as otherwise provided in this Act) on January 1, 1922, subject to the limitations provided in subdivision (b):

Title II (called "Income Tax") as of January 1, 1921;

Title III (called "War-Profits and Excess-Profits Tax") as of January 1, 1921;

Title IV (called "Estate Tax") on the passage of this Act;

Title V (called "Tax on Transportation and Other Facilities, and on Insurance);

Sections 628, 629, and 630 of Title VI (being the taxes on soft drinks, ice cream, and similar articles);

Title VII (called "Tax on Cigars, Tobacco and Manufactures Thereof");

Title VIII (called "Tax on Admissions and Dues");

Title IX (called "Excise Taxes");

Title X (called "Special Taxes");

Title XI (called "Stamp Taxes");

Title XII (called "Tax on Employment of Child Labor") as of January 1, 1921; and

Sections 1314, 1315, 1316, 1317, 1319, and 1320 of Title XIII (being certain administrative provisions) on the passage of this Act.

AMENDMENT No. 76. *enacted*

Section 1400 (b)

Page 293, line 2, after the word "shall" insert a parenthesis and the following: unless otherwise specifically provided in this Act) 7154-1

AMENDMENT No. 77. *enacted*

Section 1402

Page 294, after line 2, insert a new heading and section to read as follows:

INCREASE IN TREASURY SAVINGS CERTIFICATE LIMIT.

Sec. 1402. That section 6 of the Second Liberty Bond Act, as amended, is amended by striking out in the next to the last sentence thereof the figures "\$1,000" and inserting in lieu thereof the figures "\$5,000".

Page 294, line 4, in the committee amendment already agreed to, strike out the figures "1402" and insert the figures 1403

Page 294, line 10, in the committee amendment already agreed to, strike out the figures "1403" and insert the figures 1404

7154-1 7159-2