

## REVENUE BILL OF 1924

MAY 24, 1924.—Ordered to be printed

Mr. GREEN of Iowa, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany H. R. 6715]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, 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 amendments numbered 1, 13, 14, 15, 18, 19, 21, 22, 23, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 48, 53, 69, 71, 72, 76, 77, 80, 81, 82, 83, 89, 90, 92, 93, 95, 123, 127, 128, 129, 132, 136, 137, 140, 141, 143, 144, 145, 146, 147, 148, 149, 150, 153, 157, 158, 159, 161, 162, 163, 164, 166, 167, 168, 169, 171, 172, 174, 176, 181, 183, 184, 188, 189, 190, 191, 192, 195, 196, 197, 198, 199, 203, 205, 206, 207, 208, 209, 210, 211, 215, 222, 223, 224, 225, 229, 253, 254, and 260.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 16, 17, 20, 24, 29, 37, 38, 40, 42, 43, 45, 46, 49, 50, 52, 54, 55, 57, 58, 59, 60, 64, 65, 66, 67, 68, 70, 73, 74, 75, 78, 84, 85, 86, 87, 94, 97, 98, 99, 100, 102, 103, 104, 105, 106, 107, 108, 109, 112, 113, 115, 116, 118, 119, 120, 121, 124, 125, 126, 130, 131, 133, 134, 135, 138, 139, 142, 151, 156, 160, 165, 170, 173, 175, 177, 178, 180, 182, 185, 193, 200, 201, 202, 204, 213, 214, 217, 218, 219, 220, 221, 226, 227, 231, 232, 233, 234, 235, 236, 237, 238, 239, 241, 242, 243, 244, 245, 246, 247, 248, 249, 251, 252, 255, 256, 257, 258, and 259, and agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

Restore the matter proposed to be stricken out by the Senate amendment and on page 16 of the House bill strike out all after "shall" in line 9 down to and including the comma in line 10; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

*(b) In the case of an individual the tax shall, in addition to the credits provided in section 222, be credited with 25 per centum of the amount of tax which would be payable if his earned net income constituted his entire net income; but in no case shall the credit allowed under this subdivision exceed 25 per centum of his tax under section 210 and a period; and the Senate agree to the same.*

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

On page 5 of the Senate engrossed amendments, line 18, strike out "Two" and insert 2; and on page 5 of the Senate engrossed amendments, line 19, strike out "attributed" and insert *attributable*; and on page 6 of the Senate engrossed amendments, line 1, strike out "Four" and insert 4; and on page 6 of the Senate engrossed amendments, line 6, strike out "Six" and insert 6; and the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

*(A) If by the terms of such contract the tax imposed by this title is to be paid out of the proceeds from the operation of such public utility, prior to any division of such proceeds between the person and the State, Territory, political subdivision, or the District of Columbia, and if, but for the imposition of the tax imposed by this title, a part of such proceeds for the taxable year would accrue directly to or for the use of such State, Territory, political subdivision, or the District of Columbia, then a tax upon the net income from the operation of such public utility shall be levied, assessed, collected, and paid in the manner and at the rates prescribed in this title, but there shall be refunded to such State, Territory, political subdivision, or the District of Columbia, (under rules and regulations to be prescribed by the Commissioner with the approval of the Secretary) an amount which bears the same relation to the amount of the tax as the amount which (but for the imposition of the tax imposed by this title) would have accrued directly to or for the use of such State, Territory, political subdivision, or the District of Columbia, bears to the amount of the net income from the operation of such public utility for such taxable year.*

*(B) If by the terms of such contract no part of the proceeds from the operation of the public utility for the taxable year would, irrespective of the tax imposed by this title, accrue directly to or for the use of such State, Territory, political subdivision, or the District of Columbia, then the tax upon the net income of such person from the operation of such public*

*utility shall be levied, assessed, collected, and paid in the manner and at the rates prescribed in this title; and on page 40 of the House bill, line 1, strike out the comma at the end of the line and insert a dash; and the Senate agree to the same.*

Amendment numbered 47:

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows:

On page 12 of the Senate engrossed amendments strike out line 11 and down to and including "continued" in line 12; and the Senate agree to the same.

Amendment numbered 51:

That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows:

On page 13 of the Senate engrossed amendments, line 3, strike out "or community chest" and the comma following such words; and the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows:

On page 15 of the Senate engrossed amendments, line 10, strike out all after "to" down to and including the comma in line 12, and insert \$2,500; and on page 15 of the Senate engrossed amendments, line 13, strike out "had such status" and insert *was a married person living with husband or wife or was the head of a family*; and the Senate agree to the same.

Amendment numbered 61:

That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert a comma and the following: *or for the prevention of cruelty to children or animals or for the establishment, acquisition, maintenance or operation of a public cemetery not operated for profit*; and the Senate agree to the same.

Amendment numbered 62:

That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows:

On page 16 of the Senate engrossed amendments, line 11, after "person" insert *not a beneficiary of the trust*; and the Senate agree to the same.

Amendment numbered 63:

That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows:

On page 16 of the Senate engrossed amendments, line 19, after "person" insert *not a beneficiary of the trust*; and the Senate agree to the same.

Amendment numbered 79:

That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows:

On page 76 of the House bill, line 7, strike out "Farmers'" and insert *Benevolent life insurance associations of a purely local character, farmers'*; and the Senate agree to the same.

Amendment numbered 88:

That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *taxes imposed by sections 230 and 700*; and the Senate agree to the same.

Amendment numbered 91:

That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *taxes imposed by sections 230 and 700*; and the Senate agree to the same.

Amendment numbered 96:

That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows:

Omit the matter proposed to be inserted by the Senate amendment and restore the matter proposed to be stricken out by the Senate amendment with the following changes:

On page 103 of the House bill, line 16, after "Treasury" insert *for*; and on page 103 of the House bill, line 17, after "furnish" insert a comma; and on page 104 of the House bill, line 24, strike out all after "the" down to and including "district" in line 2 on page 105, and insert *name and the post-office address of each person making an income-tax return in such district, together with the amount of the income tax paid by such person*; and the Senate agree to the same.

Amendment numbered 101:

That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment, as follows:

Omit the matter proposed to be inserted by the Senate amendment and restore the matter proposed to be stricken out by the Senate amendment and on page 113 of the House bill, line 16, strike out all after the period down to and including the period in line 21 and insert *No part of the amount determined as a deficiency by the Commissioner but disallowed as such by the Board shall be assessed, but a proceeding in court may be begun, without assessment, for the collection of any part of the amount so disallowed. The court shall include in its judgment interest upon the amount thereof at the rate of 6 per centum per annum from the date prescribed for the payment of the tax to the date of the judgment and a period*; and the Senate agree to the same.

## Amendment numbered 110:

That the House recede from its disagreement to the amendment of the Senate numbered 110, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at*; and the Senate agree to the same.

## Amendment numbered 111:

That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at*; and the Senate agree to the same.

## Amendment numbered 114:

That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment, as follows:

Omit the matter proposed to be inserted by the Senate amendment and restore the matter proposed to be stricken out by the Senate amendment and on page 122 of the House bill, line 20, strike out "5 per centum" and insert *6 per centum*; and on page 123 of the House bill, line 5, strike out "5 per centum" and insert *6 per centum*; and the Senate agree to the same.

## Amendment numbered 117:

That the House recede from its disagreement to the amendment of the Senate numbered 117, and agree to the same with an amendment, as follows:

On page 33 of the Senate engrossed amendments, line 21, after "claim" insert *or, if no claim was filed, then during the four years immediately preceding the allowance of the credit or refund*; and the Senate agree to the same.

## Amendment numbered 122:

That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment, as follows:

Omit the matter proposed to be inserted by the Senate amendment and restore the matter proposed to be stricken out by the Senate amendment with the following changes:

On page 128 of the House bill strike out line 13 and insert the following heading in capitals: *Title III* and a period;

and on page 128 of the House bill, after line 13, insert the following heading in small capitals: *Part I.—Estate Tax* and a period;

and on page 128 of the House bill, line 14, after "in" insert *Part I* of;

and on page 128 of the House bill, line 17, strike out "trator," and insert *trator appointed, qualified, and acting within the United States, then*;

and on page 131 of the House bill, line 24, before "this" insert *Part I of*;

and on page 132 of the House bill, line 10, strike out all after "held" down to and including "son" in line 12 and insert as *joint tenants by the decedent and any other person, or as tenants by the entirety by the decedent and spouse*;

and on page 133 of the House bill strike out lines 2, 3, and 4 and line 5 through "thereof" and insert *by the entirety by the decedent and spouse, then to the extent of one-half of the value thereof, or, where so acquired by the decedent and any other person as joint tenants and their interests are not otherwise specified or fixed by law, then to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants*;

and on page 133 of the House bill, line 20, strike out "right" and insert *rights*;

and on page 134 of the House bill strike out lines 21 to 25, inclusive, and lines 1 to 11, inclusive, on page 135, and insert:

(2) *An amount equal to the value of any property (A) forming a part of the gross estate situated in the United States of any person who died within five years prior to the death of the decedent, or (B) transferred to the decedent by gift within five years prior to his death, where such property can be identified as having been received by the decedent from such donor by gift or from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax or an estate tax under this or any prior act of Congress was paid by or on behalf of the donor or the estate of such prior decedent as the case may be, and only in the amount of the value placed by the Commissioner on such property in determining the value of the gift or the gross estate of such prior decedent, and only to the extent that the value of such property is included in the decedent's gross estate and not deducted under paragraph (1) or (3) of this subdivision and a semicolon*;

and on page 135 of the House bill, line 24, strike out all after "trustee or" down to and including "and" in line 2 on page 136, and insert *trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes; and*;

and on page 136 of the House bill strike out lines 14 to 25, inclusive, and lines 1 to 6, inclusive, on page 137, and insert:

(2) *An amount equal to the value of any property (A) forming a part of the gross estate situated in the United States of any person who died within five years prior to the death of the decedent, or (B) transferred to the decedent by gift within five years prior to his death, where*

*such property can be identified as having been received by the decedent from such donor by gift or from such prior decedent by gift, bequest, devise, or inheritance, or which can be identified as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax or an estate tax under this or any prior act of Congress was paid by or on behalf of the donor or the estate of such prior decedent as the case may be, and only in the amount of the value placed by the Commissioner on such property in determining the value of the gift or the gross estate of such prior decedent, and only to the extent that the value of such property is included in that part of the decedent's gross estate which at the time of his death is situated in the United States and not deducted under paragraph (1) or (3) of this subdivision; and;*

and on page 137 of the House bill strike out line 20 and line 21 through "States" and insert *trustees, or a fraternal society, order, or association operating under the lodge system, but only if such contributions or gifts are to be used within the United States by such trustee or trustees, or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. If the tax imposed by section 301, or any estate, succession, legacy or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes;*

and on page 138 of the House bill, line 3, after "of" insert *Part I of;*

and on page 138 of the House bill, line 17, after "of" insert *Part I of;* and the Senate agree to the same.

**Amendment numbered 152:**

That the House recede from its disagreement to the amendment of the Senate numbered 152, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert 308; and the Senate agree to the same.

**Amendment numbered 154:**

That the House recede from its disagreement to the amendment of the Senate numbered 154, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert *assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at;* and the Senate agree to the same.

**Amendment numbered 155:**

That the House recede from its disagreement to the amendment of the Senate numbered 155, and agree to the same with an amendment, as follows:

On page 59 of the Senate engrossed amendments, line 23, strike out "315" and insert 310; and the Senate agree to the same.

Amendment numbered 179:

That the House recede from its disagreement to the amendment of the Senate numbered 179, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

*PART II.—GIFT TAX.*

*SEC. 319. For the calendar year 1924 and each calendar year thereafter, a tax equal to the sum of the following is hereby imposed upon the transfer by a resident by gift during such calendar year of any property wherever situated, whether made directly or indirectly; and upon the transfer by a nonresident by gift during such calendar year of any property situated within the United States, whether made directly or indirectly:*

- 1 per centum of the amount of the taxable gifts not in excess of \$50,000;*
- 2 per centum of the amount by which the taxable gifts exceed \$50,000 and do not exceed \$100,000;*
- 3 per centum of the amount by which the taxable gifts exceed \$100,000 and do not exceed \$150,000;*
- 4 per centum of the amount by which the taxable gifts exceed \$150,000 and do not exceed \$250,000;*
- 6 per centum of the amount by which the taxable gifts exceed \$250,000 and do not exceed \$450,000;*
- 9 per centum of the amount by which the taxable gifts exceed \$450,000 and do not exceed \$750,000;*
- 12 per centum of the amount by which the taxable gifts exceed \$750,000 and do not exceed \$1,000,000;*
- 15 per centum of the amount by which the taxable gifts exceed \$1,000,000 and do not exceed \$1,500,000;*
- 18 per centum of the amount by which the taxable gifts exceed \$1,500,000 and do not exceed \$2,000,000;*
- 21 per centum of the amount by which the taxable gifts exceed \$2,000,000 and do not exceed \$3,000,000;*
- 24 per centum of the amount by which the taxable gifts exceed \$3,000,000 and do not exceed \$4,000,000;*
- 27 per centum of the amount by which the taxable gifts exceed \$4,000,000 and do not exceed \$5,000,000;*
- 30 per centum of the amount by which the taxable gifts exceed \$5,000,000 and do not exceed \$8,000,000;*
- 35 per centum of the amount by which the taxable gifts exceed \$8,000,000 and do not exceed \$10,000,000;*
- 40 per centum of the amount by which the taxable gifts exceed \$10,000,000.*

*SEC. 320. If the gift is made in property, the fair market value thereof at the date of the gift shall be considered the amount of the gift. Where property is sold or exchanged for less than a fair consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the consideration received shall, for the purpose of the tax imposed by section 319, be deemed a gift, and shall be included in computing the amount of gifts made during the calendar year.*

*SEC. 321. In computing the amount of the gifts subject to the tax imposed by section 319, there shall be allowed as deductions:*

(a) *In the case of a resident—*

(1) *An exemption of \$50,000;*

(2) *The amount of all gifts or contributions made within the calendar year to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to a trustee or trustees, or fraternal society, order, or association, operating under the lodge system, but only if such gifts or contributions are to be used by such trustee or trustees or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, and the amount of all gifts or contributions made within the calendar year by such corporation, trustee, or fraternal society, order, or association for a religious, charitable, scientific, literary, or educational purpose, or for the prevention of cruelty to children or animals, and the amount of all gifts or contributions made within the calendar year to the special fund for vocational rehabilitation authorized by section 7 of the Vocational Rehabilitation Act;*

(3) *Gifts the aggregate amount of which to any one person does not exceed \$500;*

(4) *An amount equal to the value of any property transferred by gift within the calendar year, which can be identified (A) as having been received by the donor within five years prior to the time of his making such gift, either from another person by gift or from a decedent by gift, bequest, devise, or inheritance, or (B) as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax or an estate tax under this or any prior act of Congress was paid by or on behalf of the donor or the estate of such decedent, as the case may be, and only in the amount of the value placed by the Commissioner on such property in determining the value of the gift or the gross estate of such decedent, and only to the extent that the value of such property is included in the total amount of gifts made within the calendar year and not deducted under paragraph (2) or (3) of this subdivision.*

(b) *In the case of a nonresident—*

(1) *The amount of all gifts or contributions made within the calendar year to or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes, or to or for the use of any domestic corporation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to a trustee or trustees, or fraternal society, order, or association, operating under the lodge system, but only if such gifts or contributions are to be used within the United States by such trustee or trustees or by such fraternal society, order, or association, exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, and the amount of all gifts or contributions made within the calendar year by such corporation, trustee, or fraternal society, order, or association for a religious, charitable,*

scientific, literary, or educational purpose, or for the prevention of cruelty to children or animals, and the amount of all gifts or contributions made within the calendar year to the special fund for vocational rehabilitation authorized by section 7 of the Vocational Rehabilitation Act;

(2) Gifts the aggregate amount of which to any one person does not exceed \$500;

(3) An amount equal to the value of any property situated in the United States transferred by gift within the calendar year, which can be identified (A) as having been received by the donor within five years prior to the time of his making such gift, either from another person by gift or from a decedent by gift, bequest, devise, or inheritance, or (B) as having been acquired in exchange for property so received. This deduction shall be allowed only where a gift tax or an estate tax under this or any prior act of Congress was paid by or on behalf of the donor or the estate of such decedent, as the case may be, and only in the amount of the value placed by the Commissioner on such property in determining the value of the gift or the gross estate of such decedent, and only to the extent that the value of such property is included within the total amount of gifts made within the calendar year of property situated in the United States and not deducted under paragraph (1) or (2) of this subdivision.

SEC. 322. In case a tax has been imposed under section 319 upon any gift, and thereafter upon the death of the donor the amount thereof is required by any provision of Part I of this title to be included in the gross estate of the decedent then there shall be credited against and applied in reduction of the estate tax, which would otherwise be chargeable against the estate of the decedent under the provisions of section 301, an amount equal to the tax paid with respect to such gift; and in the event the donor has in any year paid the tax imposed by section 319 with respect to a gift or gifts which upon the death of the donor must be included in his gross estate and a gift or gifts not required to be so included, then the amount of the tax which shall be deemed to have been paid with respect to the gift or gifts required to be so included shall be that proportion of the entire tax paid on account of all such gifts which the amount of the gift or gifts required to be so included bears to the total amount of gifts in that year.

SEC. 323. Any person who within the year 1924 or any calendar year thereafter makes any gift or gifts in excess of the deductions allowed by section 321 shall, on or before the 15th day of March, file with the collector a return under oath in duplicate, listing and setting forth therein all gifts and contributions made by him during such calendar year (other than the gifts specified in paragraph (3) of subdivision (a) and in paragraph (2) of subdivision (b) of section 321), and the fair market value thereof when made, and also all sales and exchanges of property owned by him made within such year for less than a fair consideration in money or money's worth, stating therein the fair market value of the property so sold or exchanged and that of the consideration received by him, both as of the date of such sale or exchange.

SEC. 324. The tax imposed by section 319 shall be paid by the donor on or before the 15th day of March, and shall be assessed, collected, and paid in the same manner and subject, in so far as applicable, to the same provisions of law as the tax imposed by section 301 and a period; and the Senate agree to the same.

## Amendment numbered 186:

That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment, as follows:

On page 68 of the Senate engrossed amendments strike out lines 18 to 22, inclusive, and insert in lieu thereof a subdivision as follows:

(3) *Tires, inner tubes, parts, or accessories for any of the articles enumerated in subdivision (1) or (2), sold to any person other than a manufacturer or producer of any of the articles enumerated in subdivision (1) or (2), 2 1/2 per centum. This subdivision shall not apply to chassis or bodies for automobile trucks, automobile wagons, or other automobiles and a semicolon; and the Senate agree to the same.*

## Amendment numbered 187:

That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment, as follows:

On page 69 of the Senate engrossed amendments, line 1, strike out "10" and insert 5; and on page 69 of the Senate engrossed amendments, line 4, strike out "10" and insert 5; and the Senate agree to the same.

## Amendment numbered 194:

That the House recede from its disagreement to the amendment of the Senate numbered 194, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert §30; and the Senate agree to the same.

## Amendment numbered 212:

That the House recede from its disagreement to the amendment of the Senate numbered 212, and agree to the same with an amendment, as follows:

On page 72 of the Senate engrossed amendments, line 19, after "Board" insert *appointed for a term beginning after the expiration of two years after the enactment of this Act*; and on page 73 of the Senate engrossed amendments, line 2, strike out "313, and 317" and insert 279, 308, and 312; and the Senate agree to the same.

## Amendment numbered 216:

That the House recede from its disagreement to the amendment of the Senate numbered 216, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

*(h) Notice and an opportunity to be heard shall be given to the taxpayer and the Commissioner and a decision shall be made as quickly as practicable. Hearings before the Board and its divisions shall be open to the public. The proceedings of the Board and its divisions shall be conducted in accordance with such rules of evidence and procedure as the Board may prescribe. It shall be the duty of the Board and of each division to make a report in writing of its findings of fact and decision in each case, and a copy of its report shall be entered of record and a copy furnished the taxpayer. If the amount of tax in controversy is more than \$10,000 the oral testimony taken at the hearing shall be reduced to*

writing and the report shall contain an opinion in writing in addition to the findings of fact and decision. All reports of the Board and its divisions and all evidence received by the Board and its divisions (including, in cases where the oral testimony is reduced to writing, the transcript thereof) shall be public records open to the inspection of the public. The Board shall provide for the publication of its reports at the Government Printing Office in such form and manner as may be best adapted for public information and use, and such authorized publication shall be competent evidence of the reports of the Board therein contained in all courts of the United States and of the several States without any further proof or authentication thereof. Such reports shall be subject to sale in the same manner and upon the same terms as other public documents. The principal office of the Board shall be in the District of Columbia, but the Board or any of its divisions may sit at any place within the United States. The times and places of the meetings of the Board, and of its divisions, shall be prescribed by the chairman with a view to securing reasonable opportunity to taxpayers to appear before the Board or any of its divisions, with as little inconvenience and expense to taxpayers as is practicable and a period; and the Senate agree to the same.

Amendment numbered 228:

That the House recede from its disagreement to the amendment of the Senate numbered 228, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(b) No tax shall be levied, assessed, or collected under the provisions of Title VI of this Act on any article sold or leased by the manufacturer, producer, or importer, if at the time of the sale or lease there was an existing ruling, regulation, or Treasury Decision holding that the sale or lease of such article was not taxable, and the manufacturer, producer, or importer parted with possession or ownership of such article, relying upon the ruling, regulation, or Treasury Decision and a period; and the Senate agree to the same.

Amendment numbered 230:

That the House recede from its disagreement to the amendment of the Senate numbered 230, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at; and the Senate agree to the same.

Amendment numbered 240:

That the House recede from its disagreement to the amendment of the Senate numbered 240, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(b) The exemption provided in paragraph (10) of subdivision (a) of section 11 of the Revenue Act of 1916; and in subdivision (10) of section 231 of the Revenue Act of 1918; and in subdivision (10) of section 231 of the Revenue Act of 1921, shall be granted to farmers' or

other mutual hail, cyclone, or fire insurance companies (if otherwise exempt under such paragraphs), whether or not such organizations were of a purely local character. Any taxes assessed against such organizations shall, subject to the statutory period of limitations properly applicable thereto, be abated, credited or refunded and a period; and the Senate agree to the same.

Amendment numbered 250:

That the House recede from its disagreement to the amendment of the Senate numbered 250, and agree to the same with an amendment, as follows:

On page 85 of the Senate engrossed amendments after line 5 insert the following heading in small capitals: *Special deposits* and a period; and on page 85 of the Senate engrossed amendments, line 21, strike out all after "taxes" down to and including "law" in line 22, and insert *and revenues received under the provisions of this Act, and collections of whatever nature received or collected by authority of any internal-revenue law*; and on page 86 of the Senate engrossed amendments, line 9, strike out "offereed" and insert *offered*; and the Senate agree to the same.

W. R. GREEN,  
W. C. HAWLEY,  
ALLEN T. TREADWAY,  
JNO. N. GARNER,  
J. W. COLLIER,

*Managers on the part of the House.*

REED SMOOT,  
GEO. P. MULEAN,  
CHARLES CURTIS,  
F. M. SIMMONS,  
A. A. JONES,

*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. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

Amendment No. 1: The House bill provided that corporate earnings or profits accumulated or increase in value of property accrued before March 1, 1913, may be distributed exempt from tax after the earnings and profits accumulated after February 28, 1913, have been distributed. The Senate amendment adds to the list of tax-free distributions "capital paid in" before March 1, 1913; and the Senate recedes.

Amendment No. 2: The House bill provided that the gain from a liquidating dividend, to the extent of the earnings and profits accumulated by the corporation since March 1, 1913, should be treated as a dividend and subject to the surtax rates. The Senate amendment strikes out this provision with the result that a liquidating dividend is to be treated as a sale of stock and taxable as a gain from the sale of property; and the House recedes.

Amendment No. 3: This amendment makes a clerical change; and the House recedes.

Amendment No. 4: This amendment provides that there shall be included within the provisions of subdivision (d) of section 201 amounts distributed by corporations out of depletion reserves based upon the discovery value of mines. As contained in the House bill the provision includes distributions made out of depletion and depreciation reserves based upon the cost of the property depreciated or depleted, but, under the House bill, distributions out of depletion reserves based upon discovery value are treated as ordinary dividends. The Senate amendment applies only to depletion reserves based upon the discovery value of mines; and the House recedes.

Amendment No. 5: This amendment is to clarify the wording of the House bill; and the House recedes.

Amendment No. 6: The House bill provided that certain expenditures "properly chargeable" with respect to property should be taken into consideration in determining gain or loss. The Senate amendment limits such expenditures to those "previously allowed"; and the House recedes.

Amendment No. 7: This amendment allows the exchange of common stock in a corporation for other common stock in the same corporation and of preferred stock in a corporation for other preferred stock in the same corporation, even though the exchange is not made in connection with the reorganization of the corporation; and the House recedes.

Amendment No. 8: This amendment makes a clerical change; and the House recedes.

Amendments Nos. 9, 10, and 11: These amendments are designed to clarify the provisions of the House bill and to show clearly that the types of transactions described in paragraphs (7) and (8) of subdivision (a) of section 204 are not within the provisions of paragraph (6) and are not subject to rules laid down therein, even though the particular transaction, because of the date of its occurrence or for some other reason, may not be within the provisions of paragraph (7) or (8); and the House recedes.

Amendment No. 12: The House bill provided that where a person transfers assets to a corporation after December 31, 1920, in exchange for stock of the corporation in such a manner that no gain or loss to the transferor is recognized or that only a part of the gain or loss to the transferor is recognized, the basis of the assets in the hands of the corporation shall be the same as it would have been in the hands of the transferor, adjustment being made for any gain or loss recognized to the transferor upon the exchange. The Senate amendment strikes out this provision. The House recedes with an amendment restoring the language of the House bill but omitting the phrase "notwithstanding the provisions of paragraph (6) of this subdivision", for the reasons explained in connection with Amendment No. 9.

Amendments Nos. 13, 14, and 15: These amendments make changes in the numbering of the paragraphs; and the Senate recedes.

Amendment No. 16: This amendment provides that in determining the fair market value of stock in a corporation as of March 1, 1913, due regard shall be given to the fair market value of the assets of the corporation as of that date; and the House recedes.

Amendment No. 17: This amendment makes a clerical change; and the House recedes.

Amendment No. 18: Subdivision (c) of Sec. 204 of the House bill provided the basis upon which depletion, exhaustion, wear and tear and obsolescence are to be allowed in respect of any property. The Senate amendment adds a sentence to the effect that discoveries, upon which depletion is based in certain cases, shall include minerals discovered or proven in an existing mine or mining tract by the taxpayer after February 28, 1913, not included in any prior valuation; and the Senate recedes.

Amendments Nos. 19, 21, 22, 23, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, and 69: The House bill provided that in the case of any taxpayer (other than a corporation) who for any taxable year sustains a capital net loss, there shall be levied, collected, and paid in lieu of the taxes imposed by sections 210 and 211 a tax determined as follows: a partial tax shall first be computed upon the ordinary net income at the rates and in the manner provided in sections 210 and 211, and the total tax shall be this amount minus  $12\frac{1}{2}$  per cent. of the capital net loss; but in no case shall the tax so computed be less than the tax imposed by sections 210 and 211 computed without regard to the provisions of this section. Senate Amendment No. 30 struck out this provision and the other amendments struck out other provisions of the bill with reference to capital losses. The Senate recedes on Amendment No. 30, which necessitates the restoration of all the provisions of the House bill with reference to capital losses; and consequently the Senate recedes with reference to the other amendments.

Amendment No. 20: This amendment makes a clerical change necessitated by the action of the conferees upon Amendment No. 54; and the House recedes.

Amendments Nos. 21, 22, and 23: The effect of these amendments and the action of the conferees thereon has been explained in connection with Amendment No. 19.

Amendment No. 24: This amendment makes a clerical change; and the House recedes.

Amendments Nos. 25, 26, 27, and 28: The effect of these amendments and the action of the conferees thereon has been explained in connection with Amendment No. 19.

Amendment No. 29: The House bill provided that there should not be included within the term "capital assets" stock received as a stock dividend by the taxpayer, or by the donor if the taxpayer acquired the stock by gift. The Senate amendment strikes out this provision; and the House recedes.

Amendments Nos. 30, 31, 32, 33, 34, 35, and 36: The effect of these amendments and the action of the conferees thereon has been explained in connection with Amendment No. 19.

Amendment No. 37: This amendment makes clerical changes; and the House recedes.

Amendment No. 38: The House bill limited the amount which might be considered as earned net income to \$20,000. The Senate amendment changes this amount to \$10,000; and the House recedes.

Amendment No. 39: The House bill provided for a credit against the income tax of an individual of 25 per cent of an amount bearing the same relation to the total amount of the tax as the amount of the earned net income bears to the total amount of the net income. The Senate amendment provides for the crediting against the tax of 25 per cent of the amount of tax which would be payable by the taxpayer on a total ordinary net income equal in amount to his earned net income. The House recedes with clerical amendments and with an amendment limiting the amount of the credit to 25 per cent of the normal tax of the taxpayer.

Amendment No. 40: This amendment makes a clerical change in the lettering of the subdivision; and the House recedes.

Amendment No. 41: The House bill provided for a normal tax at the rate of 6 per cent except that in the case of the first \$4,000, the tax was at the rate of 2 per cent, and upon the next \$4,000, the tax was at the rate of 5 per cent. The Senate amendment provides that the tax upon the second \$4,000 shall be at the rate of 4 per cent; and the House recedes with an amendment making clerical changes.

Amendment No. 42: The House bill provided for surtax rates ranging from  $1\frac{1}{2}$  per cent of the amount by which the net income exceeds \$10,000 and does not exceed \$12,000, to  $37\frac{1}{2}$  per cent of the amount by which the net income exceeds \$200,000. The Senate amendment provides for surtax rates ranging from 1 per cent of the net income in excess of \$10,000 and not in excess of \$14,000, to 40 per cent of the net income in excess of \$500,000; and the House recedes.

Amendment No. 43: The House bill provided that items of gross income should be considered to be received in the taxable year in which they are unqualifiedly made subject to the demands of the taxpayer. This provision was designed to require dividends, bond

interests, and salaries such as drawing accounts, to be included in income when subject to demand by the taxpayer even though not actually received in cash by him. Since this is the rule which is and should be followed in such cases in the absence of a statutory provision, the Senate amendment strikes out the provision; and the House recedes.

Amendment No. 44: The House bill provided that whenever any State, Territory, political subdivision, or the District of Columbia, prior to September 8, 1916, entered in good faith into a contract with any person, the object and purpose of which is to acquire, construct, operate or maintain a public utility, the tax upon the income from the operation of such public utility shall be collected and paid in the manner and at the rates prescribed in this title, but there shall be refunded to such State, Territory, political subdivision, or the District of Columbia, a part of such tax equal to the amount by which the share of income from the operation of such public utility accruing to such State, Territory, political subdivision thereof, or the District of Columbia, was reduced by the imposition of such tax. The Senate amendment provides that in the case of such a contract no tax shall be levied under the provisions of this title upon the income derived from the operation of such public utility, so far as the payment thereof will impose a loss or burden upon such State, Territory, District of Columbia, or political subdivision; but that the provision is not intended and shall not be construed to confer upon such person any financial gain or exemption or to relieve such person from the payment of the tax as provided for in this title, upon the part or portion of such income to which such person is entitled under such contract. The House recedes, with an amendment providing that: (1) If by the terms of such contract the tax imposed by this title is to be paid out of the proceeds from the operation of such public utility, prior to any division of such proceeds between the person and the State, Territory, political subdivision, or the District of Columbia, and if, but for the imposition of the tax imposed by this title, a part of such proceeds for the taxable year would accrue directly to or for the use of such State, Territory, political subdivision, or the District of Columbia, then a tax upon the net income from the operation of such public utility shall be levied, assessed, collected and paid in the manner and at the rates prescribed in this title, but there shall be refunded to such State, Territory, political subdivision, or the District of Columbia (under rules and regulations to be prescribed by the Commissioner with the approval of the Secretary), an amount which bears the same relation to the amount of the tax as the amount which (but for the imposition of the tax imposed by this title) would have accrued directly to or for the use of such State, Territory, political subdivision, or the District of Columbia, bears to the amount of the net income from the operation of such public utility for such taxable year; and (2) if by the terms of such contract no part of the proceeds from the operation of the public utility for the taxable year would, irrespective of the tax imposed by this title, accrue directly to or for the use of such State, Territory, political subdivision, or the District of Columbia, then the tax upon the net income of such person from

the operation of such public utility shall be levied, assessed, collected, and paid in the manner and at the rates prescribed in this title.

Amendment No. 45: This paragraph of the House bill exempts from gross income certain amounts received as compensation or allowances under the War Risk Insurance and Vocational Rehabilitation Acts. The amendment adds to the list of these acts "World War Veterans Act, 1924" under which certain compensation and allowances will be paid in the future; and the House recedes.

Amendment No. 46: The Senate amendment adds to the items enumerated as exempt from taxation a State pension for services rendered by the beneficiary or another for which the State is paying a pension; and the House recedes.

Amendment No. 47: The House bill provided that there shall be allowed as deductions in computing net income of an individual all interest paid or accrued within the taxable year on indebtedness. The Senate amendment added to this provision "except on indebtedness incurred or continued for the purpose of evading the payment of taxes and also except indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer) the interest upon which is wholly exempt from taxation under this title;". The House, in view of the action of the conferees on Amendment No. 54, recedes, with an amendment which restores the language of the existing law, striking out of the provision added by the Senate amendment the words "incurred or continued for the purpose of evading the payment of taxes and also except indebtedness".

Amendments Nos. 48 and 80: The Senate amendments add a provision to the effect that taxes or assessments levied to pay the cost of construction or maintenance of works to protect property from damage or destruction by floods, or annual or periodical taxes assessed against construction or repair of levees or drainage improvements, may be deducted in computing net income; and the Senate recedes.

Amendment No. 49: The Senate amendment adds religious, charitable, scientific, literary or educational trusts to the list of organizations contributions to which are deductible in computing net income under the act; and the House recedes.

Amendment No. 50: This amendment makes a clerical change; and the House recedes.

Amendment No. 51: This amendment allows the deduction of contributions to a fraternal society, order, or association, operating under the lodge system, or community chest, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. The House recedes with an amendment striking out the words "or community chest".

Amendment No. 52: The House bill limits to 15 per cent of the taxpayers' net income the amount which he can deduct in computing net income, for contributions to charity. The Senate amendment provides that this limitation shall not apply if the taxpayer has in each of the 10 preceding years, as well as the year in question, contributed an amount equal to or exceeding 90 per cent of his income for each such year to the organizations and for the purposes specified in this paragraph; and the House recedes.

Amendment No. 53: The Senate amendment adds two paragraphs to subdivision (a) of section 214, which sets forth the deductions allowed in computing net income, which paragraphs make special provision for computing net income and deductions in the case of lands managed for the production of crops of timber; and the Senate recedes.

Amendment No. 54: The House bill provided that the deduction for interest paid on indebtedness (except indebtedness incurred in connection with the trade or business of the taxpayer) and the deduction for non-business losses should be allowed as deductions in computing net income only if and to the extent that the sum of these amounts exceeds the income of the taxpayer from tax-exempt securities. The Senate amendment strikes out this provision; and the House recedes.

Amendment No. 55: The House bill provided a personal exemption in the case of a single person of \$1,000, or in the case of the head of a family or a married person living with husband or wife, of \$2,500, unless the net income is in excess of \$5,000, in which case the personal exemption shall be \$2,000. The Senate amendment provides a personal exemption in the case of a single person of \$1,000, or in the case of the head of a family or a married person living with husband or wife, of \$2,500, and the House recedes.

Amendment No. 56: The House bill retained the provisions of the existing law to the effect that the personal exemption and the credit for dependents should be determined by the status of the taxpayer on the last day of the period for which the return of income is made. The Senate amendment provides that in case the status of the taxpayer changes during his taxable year personal exemption should be prorated according to the number of months during which the taxpayer occupied each status. The House recedes with a clerical amendment made necessary by the action taken on Amendment No. 55.

Amendments Nos. 57, 58, and 59: These amendments make clerical changes; and the House recedes.

Amendment No. 60: This amendment excepts from the general provisions of the subdivision, which provides the general method of taxing the incomes of estates and trusts, subdivisions (g) and (h) of section 219, which provide a method for taxing the incomes of estates and trusts in specific cases; and the House recedes.

Amendment No. 61: The Senate amendment provides for the deduction in computing the net income of a trust of any part of the gross income which, pursuant to the terms of the will or deed creating the trust, is paid by the trustee or permanently set aside for the prevention of cruelty to children or animals, or for a public cemetery not operated for profit. The House recedes with an amendment making clerical changes.

Amendment No. 62: The House bill provided that where the grantor of a trust reserves the power to revoke the trust the income of the trust shall be included in computing the net income of the grantor. The Senate amendment provides for the taxation to the grantor of the income of a trust, if he either alone or in conjunction with any person has the power during the taxable year to revoke the trust. The House recedes with an amendment providing for the taxation to the grantor of the income of a trust if the grantor either

alone or in conjunction with any person not a beneficiary of the trust has the power during the taxable year to revoke the trust.

Amendment No. 63: The House bill provided that where any part of the income of a trust may, in the discretion of any person, including the grantor of the trust, be distributed to the grantor or be held or accumulated for future distribution to him, or where any part of the income of the trust is or may be applied to the payment of premiums upon policies of insurance on the life of the grantor, whether payable to his estate or otherwise, such part of the income of the trust should be included in computing the net income of the grantor. The Senate amendment provides that where any part of the income of a trust may, in the discretion of the grantor of the trust, either alone or in conjunction with any person, be distributed to the grantor or held or accumulated for future distribution to him, or applied to the payment of premiums upon policies of insurance on his life, except policies payable to benevolent organizations specified in section 214 (a) (10), the income shall be included in computing the net income of the grantor. The House recedes with an amendment limiting the application of the subdivision to cases where the income of the trust may, in the discretion of the grantor of the trust, either alone or in conjunction with any person not a beneficiary of the trust, be distributed to the grantor, accumulated for future distribution to him, or so used in the payment of premiums upon policies of insurance on his life.

Amendment No. 64: The House bill provided that if any corporation is formed or availed of for the purpose of preventing the imposition of surtaxes upon its shareholders by permitting its gains and profits to accumulate instead of being distributed, there should be levied, collected, and paid for each taxable year upon the net income of such corporation a tax equal to 25 per cent of the amount of the earnings in addition to the tax imposed by section 230. The Senate amendment changes the rate of the tax from 25 to 50 per cent; and the House recedes.

Amendment No. 65: The House bill provided that if all the shareholders of a corporation formed or availed of for the purpose of preventing the imposition of the surtax upon its shareholders should agree thereto, the Commissioner might, in lieu of all income taxes imposed upon the corporation for the taxable year, tax the shareholders of such corporation upon their distributive shares in the net income of the corporation for the taxable year in the same manner as provided in subdivision (a) of section 218 in the case of members of a partnership. The Senate amendment strikes out this provision; and the House recedes.

Amendments Nos. 66, 67, and 68: These amendments make clerical changes; and the House recedes.

Amendment No. 69: The effect of this amendment and the action of the conferees thereon has been explained in connection with Amendment No. 19.

Amendment No. 70: The House bill provided that partnership and fiduciary returns on which no tax is shown to be due, should be filed with the Commissioner. The Senate amendment strikes out this provision, thereby restoring the subdivision to the form in which it appears in the existing law; and the House recedes.

Amendment No. 71: The Senate amendment provides that the shareholders of any corporation may, if they all agree thereto, elect to be taxed in the same manner as the members of a partnership, and, in any such case, the corporation shall be exempt from tax; and the Senate recedes.

Amendment No. 72: The House bill provided for a tax of 12½ per cent upon the net income of every corporation in excess of the credits provided in sections 236 and 263. The Senate amendment strikes out this provision and inserts in lieu thereof provisions for a normal tax upon the net income of every corporation of 9 per cent, and for surtaxes upon the amount of its surtax net income, as therein defined, based upon the relation between the undistributed net income and the surtax net income; and the Senate recedes.

Amendment No. 73: This amendment makes a clerical change; and the House recedes.

Amendment No. 74: This amendment makes a clerical change; and the House recedes.

Amendment No. 75: The House bill provided that local associations of employees, the membership of which is limited to employees of a designated person or persons in a particular municipality and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes, whether or not for the benefit of the members and their families, should be exempt from income taxation. The Senate amendment strikes out the words "whether or not for the benefit of the members and their families"; and the House recedes.

Amendments Nos. 76 and 79: The House bill provided for the exemption of benevolent mutual life insurance associations not operated for profit whose business is purely local and wholly for the benefit of its members. Senate Amendment No. 79 strikes out this provision but Amendment No. 76 provides for the exemption of mutual life insurance companies if 85 per cent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses. The Senate recedes on Amendment No. 76, and the House recedes on Amendment No. 79 with an amendment providing for the exemption of benevolent life insurance associations of a purely local character if 85 per cent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses.

Amendment No. 77: The Senate amendment provides for the exemption under certain conditions of casualty or fire reciprocal or interinsurance exchanges; and the Senate recedes.

Amendment No. 78: The House bill provided for the exemption of certain specified mutual companies if substantially all the income consists of amounts collected from members for the sole purpose of meeting losses and expenses; the Senate amendment provides for the exemption of such organizations if 85 per cent or more of the income consists of such amounts; and the House recedes.

Amendment No. 79: The effect of this amendment and the action of the conferees thereon has been explained in connection with Amendment No. 76.

Amendment No. 80: The effect of this amendment and the action of the conferees thereon has been explained in connection with Amendment No. 48.

Amendments Nos. 81, 82, and 83: These amendments make certain changes carrying out the action of the Senate in making Amendment No. 72; and, in accordance with the action of the conferees on Amendment No. 72, the Senate recedes.

Amendment No. 84: This amendment makes a clerical change; and the House recedes.

Amendments Nos. 85 and 86: The House bill provided that two or more corporations shall be deemed to be affiliated if one corporation owns at least 85 per cent of the voting stock of the other, or if at least 85 per cent of the voting stock of two or more corporations is owned by the same interests. The Senate amendment changes these percentages to 95; and the House recedes.

Amendment No. 87: The House bill provided that the Commissioner shall consolidate the gains of related trades and businesses in certain cases. The Senate amendment provides that the Commissioner may, and at the request of the taxpayer shall, consolidate the accounts in certain specified cases; and the House recedes.

Amendments Nos. 88 and 91: The House bill provides that there shall be levied, collected and paid for each taxable year upon the net income of certain specified insurance companies a specified tax, in lieu of the tax imposed by sections 230 and 800. The Senate amendments strike out the words "taxes imposed by sections 230 and 800" and insert in lieu thereof "tax imposed by section 230"; and the House recedes with amendments restoring the language of the House bill with clerical amendments.

Amendments Nos. 89 and 92: The House bill provided for a tax upon certain insurance companies of "the same percentage of its net income as is imposed upon other corporations by section 230". The Senate amendment changes the language of the House Bill to provide for a tax at the rate of 12½ per cent; and the Senate recedes.

Amendments Nos. 90 and 93: The House bill provided for a tax upon certain foreign insurance companies of "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". The Senate amendment provides that the tax shall be at the rate of 12½ per cent; and the Senate recedes.

Amendments Nos. 91, 92, and 93: The effect of these amendments and the action of the conferees thereon has been explained in connection with Amendments Nos. 88, 89, and 90, respectively.

Amendment No. 94: This amendment makes a clerical change; and the House recedes.

Amendment No. 95: This amendment makes a clerical change; and the Senate recedes.

Amendment No. 96: The House bill provided that returns upon which the tax has been determined shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President; with special provisions for the inspection of returns by, and the furnishing of information to, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, a special committee of the Senate or House, the proper officers of any State, and bona fide shareholders of record of a corporation. The Senate amendment strikes out these provisions and in lieu thereof provides that returns upon which the tax has been determined by the Commis-

sioner shall constitute public records and shall be open to examination and inspection as other public records under the same rules and regulations as may govern the examination of public documents generally; and that all claims for abatement or refund of taxes, including decisions, shall likewise be subject to inspection under similar rules. The House recedes with amendments restoring the provisions of the House bill with clerical changes, and with an amendment providing that there shall be available for public inspection in the collectors' offices, in addition to the names and addresses of income taxpayers, the amounts of income taxes paid by such taxpayers.

Amendments Nos. 97 and 98: These amendments make clerical changes; and the House recedes.

Amendments Nos. 99, 102, 103, 107, 125, 138, 139, 160, and 247: The House bill provided that the rate of interest upon amounts the payment of which has been extended, upon deficiencies and upon credits and refunds, should be 5 per cent. The Senate amendment changes the rate to 6 per cent; and the House recedes.

Amendment No. 100: This amendment makes a clerical change; and the House recedes.

Amendment No. 101: The House bill provided in subdivision (b) of section 274 that if the Board of Tax Appeals determines that there is a deficiency, the amount so determined shall be assessed and shall be paid upon notice and demand from the collector. The Senate amendment strikes out subdivision (b) and inserts in lieu thereof provisions to the effect that if the Board determines that there is a deficiency, the amount so determined shall be assessed and the taxpayer shall be notified of the assessment; that within 30 days after the mailing of such notice, the taxpayer may file with the Commissioner a written statement showing the amount of the deficiency, if any, admitted by him to be due, and the amount of tax so admitted shall be paid upon notice and demand from the collector; that if the deficiency determined by the Board is in excess of the amount so admitted by the taxpayer, the amount of such excess may be collected only by a civil suit brought in the name of the United States in the district court. The House recedes, with an amendment restoring the provisions of the House bill, and providing that if the Board determines that there is a deficiency the amount so determined shall be assessed and shall be paid upon notice and demand from the collector; that no part of the amount determined as a deficiency by the Commissioner but disallowed by the Board shall be assessed, but a proceeding in court may be begun without assessment for the collection of any part of the amount so disallowed; and that the court shall include in its judgment interest upon the amount thereof at the rate of 6 per centum per annum, from the date prescribed for the payment of the tax to the date of judgment.

The Senate amendment alters the provisions of subdivisions (c) and (d) of section 274 to correspond with the changes made in subdivision (b). By the action of the conferees the provisions of subdivisions (c) and (d) of the House bill are restored without change.

Amendments Nos. 102 and 103: The effect of these amendments, and the action of the conferees thereon, has been explained in connection with Amendment No. 99.

Amendments Nos. 104 and 105: These amendments make clerical changes; and the House recedes.

Amendment No. 106: The Senate amendment adds a specific provision for interest at the rate of 1 per cent a month upon deficiencies prorated to unpaid installments of the tax which are not paid when due; and the House recedes.

Amendment No. 107: The effect of this amendment and the action of the conferees thereon has been explained in connection with Amendment No. 99.

Amendments Nos. 108 and 109: The Senate amendments add a provision requiring suit for the collection of income taxes on the income of a decedent received during his lifetime to be brought within one year after written request therefor filed after the return is made, by the representative of the estate; and the House recedes.

Amendments Nos. 110, 154, and 230: The Senate amendments provide that a proceeding in court for the collection of the tax may be begun without assessment at any time, if a false or fraudulent return is made with intent to evade the tax, or if no return is filed. The House recedes with clerical amendments.

Amendment No. 111: The Senate amendment provides that a deficiency attributable to a change in a deduction tentatively allowed under section 214(a) (9) or section 234(a) (8) of the Revenue Act of 1918 or the Revenue Act of 1921, may be collected by a proceeding in court, begun without assessment, at any time. The House recedes with a clerical amendment.

Amendments Nos. 112, 155, and 231: The House bill authorized the collection at any time by distraint or by a proceeding in court of a tax assessed within the prescribed period. The Senate amendment placed a limitation of 6 years after the assessment of the tax upon proceedings in court and distraint for its collection; and the House recedes on Amendments Nos. 112 and 231, and recedes on Amendment No. 155 with an amendment making a clerical change.

Amendments Nos. 113 and 232: The Senate amendment rewords these subdivisions in order to make it clear that the section does not extend to assessments, distraints, or proceedings already barred by the existing law, or to assessments, distraint, or proceedings already made or begun under the existing law before the enactment of this act; and the House recedes.

Amendment No. 114: The House bill provided that if a jeopardy assessment has been made under subdivision (d) of section 274, the taxpayer may file with the collector a claim for the abatement of such deficiency, subject to specified requirements. The Senate amendment strikes out subdivisions (a), (b), and (c), of section 279, and part of subdivision (d), so that the section as amended would read: "No claim in abatement shall be filed in respect of any assessment made after the enactment of this Act in respect of any income, war-profits, or excess-profits tax." The House recedes with an amendment restoring the provisions of the House bill but changing the interest rate upon the amount of the claim denied and upon delinquent amounts in the case of estates of incompetent, deceased, or insolvent persons, from 5 per cent per annum to 6 per cent.

Amendments Nos. 115 and 116: These amendments make clerical changes; and the House recedes.

Amendment No. 117: The Senate amendment rewords subdivision (b) of section 281, in order to restrict the amount of a credit or refund to the portion of the tax paid during the four years immediately pre-

ceding the filing of a claim therefor. The House recedes with an amendment providing that if no claim was filed the amount of the credit or refund shall not exceed the portion of the tax paid during the four years immediately preceding the allowance of the credit or refund.

Amendment No. 118: The House bill provided that where any provision of any income tax act, or its application to any person or circumstances has been held by the Supreme Court of the United States to be invalid, any amount of income, war-profits or excess-profits tax illegally collected pursuant to such provision shall be credited or refunded if a claim therefor is filed by the taxpayer within four years after the decision, notwithstanding the period of limitation provided in subdivision (b) has expired. The Senate amendment strikes out this provision; and the House recedes.

Amendment No. 119: This amendment makes a clerical change; and the House recedes.

Amendment No. 120: The Senate amendment provides that if the taxpayer has (1) within five years from the time his return for 1917 was due filed a waiver of his right to have the taxes due for that year determined and assessed within five years after his return was filed, or if he has (2) filed such a waiver on or before June 15, 1924, in respect to the taxes due for 1918, a credit or refund may be allowed if claim therefor is filed on or before April 1, 1925, or within four years after the tax was paid; and the House recedes.

Amendment No. 121: The House bill provided for the allowance of a claim in respect of a tax for the taxable year 1919 if such claim is filed within five years from the date the return was due. The Senate amendment provides for similar treatment of claims in respect of a tax for the taxable year 1920; and the House recedes.

Amendment No. 122: The House bill provided for an estate tax. The Senate amendment strikes out sections 300 to 304, inclusive, of the House bill, providing for the estate tax, and inserts in lieu thereof provisions for an inheritance tax. The House recedes with an amendment restoring the provisions of the House bill with the following changes in addition to clerical changes: In section 300, in the definition of the term "executor", the House bill provided: "if there is no executor or administrator, any person in actual or constructive possession of any property of the decedent"; this clause is amended to read: "if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent". The provision of the House bill with reference to that part of the gross estate made up of property held by the decedent as a joint tenant or as a tenant by the entirety has been reworded for purposes of clarity. There has been added to the provision for the deduction of bequests, legacies, devises or transfers for certain benevolent purposes in paragraph (3) of subdivision (a), and in paragraph (3) of subdivision (b), of section 303, a provision permitting the deduction of bequests, legacies, devises, or transfers to fraternal beneficiary societies operating under the lodge system for use for specified benevolent purposes. An additional sentence has been added to these paragraphs to provide that the amount deductible under such paragraphs on account of bequests, legacies, devises; or transfers for the specified benevolent purposes shall be the net amount

distributable for such purposes after estate, legacy, or inheritance taxes imposed in respect thereof have been deducted therefrom.

Amendment No. 123: This amendment makes a change in the numbering of the section; and the Senate recedes.

Amendment No. 124: This amendment makes a clerical change; and the House recedes.

Amendment No. 125: The effect of this amendment and the action of the conferees thereon has been explained in connection with Amendment No. 99.

Amendment No. 126: The Senate amendment provides that the time for the payment of the estate tax imposed by the Revenue Act of 1921 may be extended for not to exceed five years; and the House recedes.

Amendment No. 127: The Senate amendment provides that each person shall be liable to the executor for the inheritance taxes upon transfers to such person. In view of the action of the conferees upon Amendment No. 122, the Senate recedes.

Amendments Nos. 128 and 129: These amendments make clerical changes in the numbering of the sections; and the Senate recedes.

Amendments Nos. 130 and 131: These amendments make clerical changes; and the House recedes.

Amendment No. 132: This amendment makes a clerical change in the numbering of the section; and the Senate recedes.

Amendments Nos. 133 and 134: These amendments make clerical changes; and the House recedes.

Amendment No. 135: This amendment makes a clerical change, and also changes the rate of interest from 5 per cent to 6 per cent; and the House recedes.

Amendments Nos. 136 and 137: These amendments make clerical changes in the numbering of the sections; and the Senate recedes.

Amendments Nos. 138 and 139: The effect of these amendments and the action of the conferees thereon has been explained in connection with Amendment No. 99.

Amendment No. 140: The Senate amendment changes the word "estate" to "inheritance"; and the Senate recedes.

Amendment No. 141: This amendment makes a clerical change in the numbering of the section; and the Senate recedes.

Amendment No. 142: This amendment makes a clerical change; and the House recedes.

Amendments Nos. 143, 144, 145, 146, 147, 148, 149, and 150: These amendments make clerical changes; and the Senate recedes.

Amendment No. 151: This amendment makes a clerical change; and the House recedes.

Amendment No. 152: This amendment makes a clerical change; and the House recedes with a further clerical amendment.

Amendment No. 153: This amendment makes a clerical change in the numbering of the section; and the Senate recedes.

Amendments Nos. 154 and 155: The effect of these amendments and the action of the conferees thereon is explained in connection with Amendments Nos. 110 and 112.

Amendment No. 156: The Senate amendment provides that this section shall not affect (1) the assessment or collection of a tax in case such assessment, distraint, or proceeding for collection was barred at the time of the enactment of this Act, or (2) any assessment made or

distrain or proceeding begun before the enactment of this Act; and the House recedes.

Amendments Nos. 157, 158, and 159: These amendments make clerical changes in the numbering of the sections; and the Senate recedes.

Amendment No. 160: The effect of this amendment and the action of the conferees thereon has been explained under Amendment No. 99.

Amendments Nos. 161, 162, 163, and 164: These amendments make clerical changes; and the Senate recedes.

Amendment No. 165: Subdivision (c) of section 313 of the House bill provides for the preservation of the lien for estate taxes upon the assets of the estate, except as to such part as has passed into the hands of bona fide purchasers for value. The Senate amendment is a revision of this subdivision of section 313 of the House bill to provide further that if any part of the gross estate passes to a bona fide purchaser for value, the lien shall attach to the consideration received from such purchaser by the beneficiary of the estate; and the House recedes.

Amendment No. 166: This amendment makes a clerical change; and the Senate recedes.

Amendment No. 167: The Senate amendment strikes out subdivision (b) of section 314 of the House bill with reference to the collection of the estate tax. In view of the action of the conferees on Amendment No. 122 the Senate recedes.

Amendments Nos. 168 and 169: These amendments make clerical changes; and the Senate recedes.

Amendment No. 170: This amendment makes a clerical change; and the House recedes.

Amendments Nos. 171 and 172: These amendments make clerical changes; and the Senate recedes.

Amendment No. 173: This amendment makes a clerical change; and the House recedes.

Amendment No. 174: This amendment makes a clerical change; and the Senate recedes.

Amendment No. 175: This amendment makes a clerical change; and the House recedes.

Amendment No. 176: This amendment makes a clerical change; and the Senate recedes.

Amendments Nos. 177 and 178: These amendments make clerical changes; and the House recedes.

Amendment No. 179: The Senate amendment strikes out the provisions of the House bill with reference to the gift tax and inserts in lieu thereof other provisions for a gift tax at different rates and with different exemptions. The House recedes with amendments restoring the provisions of the House bill contained in sections 319 to 324, inclusive, with the following changes in addition to certain clerical changes:

(1) The provisions of section 321 allowing the deduction of certain contributions have been revised in order to enumerate specifically and not by reference the type of organizations gifts to which are deductible, and in addition to provide for the deduction of gifts made by certain specified benevolent institutions for religious, charitable, scientific, educational, or literary purposes.

(2) Provision is made for the exemption from the gift tax of any property given away within the taxable year which was received by the donor by gift or by inheritance within the preceding five years and on which a gift or estate tax was paid.

(3) Section 323 is changed to provide that a return for purposes of the gift tax shall be made by any person whose taxable gifts during the calendar year exceed \$50,000.

Amendment No. 180: The Senate amendment amends section 3392 of the Revised Statutes to provide that cigars may be put up in packages containing 3 and 7 cigars, as well as in the other numbers already specified in that section; and the House recedes.

Amendment No. 181: This amendment makes a clerical change; and the Senate recedes.

Amendment No. 182: The Senate amendment adds a proviso requiring tobacco growers' cooperative associations to keep available records of all purchases and sales of tobacco, such records to be open to inspection by the agents of the Government; and the House recedes.

Amendments Nos. 183 and 184: These amendments make clerical changes; and the Senate recedes.

Amendment No. 185: The Senate amendment provides that the excise taxes upon sales by the manufacturer imposed by section 600 shall take effect on and after the expiration of 30 days after the enactment of this act; and the House recedes.

Amendment No. 186: In section 600(1) of the House bill the tax upon the sale of automobile trucks or wagons was limited to trucks and wagons the selling price of the chassis of which is in excess of \$1,000. The Senate amendment makes clerical changes and adds a provision exempting from the tax truck and wagon bodies selling for an amount not in excess of \$200. The Senate amendment also eliminates the tax on automobile parts and accessories. The House recedes, with an amendment restoring parts and accessories to the list of articles subject to tax.

Amendment No. 187: The House bill imposed a tax upon the sale of automatic slot-device vending machines of 5 per cent, and a tax of 10 per cent upon the sale of automatic slot-device weighing machines. The Senate amendment strikes out this provision and inserts a tax of 10 per cent upon coin-operated devices, coin-operated machines, and devices and machines operated by any substitute for a coin, and also a tax of 10 per cent on mah-jongg and similar tile sets and component parts thereof. The House recedes with an amendment making the rate of tax 5 per cent upon the coin-operated devices, etc.

Amendment No. 188: The Senate amendment strikes out the provisions of the House bill imposing a tax upon sales, by any person other than the artist, of paintings, statuary, art porcelains, and bronzes; and the Senate recedes.

Amendments Nos. 189, 190, and 191: These amendments make clerical changes in the numbering of the sections; and the Senate recedes.

Amendments Nos. 192 and 195: The House bill exempts eyeglasses and spectacles from the jewelry tax imposed by section 604. Amendment No. 192 strikes out this exemption, and Amendment No. 195 exempts eyeglasses and spectacles sold or leased for an amount not in excess of \$30; and the Senate recedes on both these amendments.

Amendment No. 193: The Senate amendment adds to the articles exempted from the tax imposed on jewelry under subdivision (a) of section 604 of the House bill articles used for religious purposes; and the House recedes.

Amendment No. 194: The House bill provided that the jewelry tax imposed by subdivision (a) of section 604 should not apply to articles sold or leased for an amount not in excess of \$40. The Senate amendment changes this amount to \$25; and the House recedes with an amendment changing the amount to \$30.

Amendment No. 195: The effect of this amendment and the action of the conferees thereon has been explained in connection with Amendment No. 192.

Amendments Nos. 196 and 197: These amendments make clerical changes in the numbering of the sections; and the Senate recedes.

Amendment No. 198: The Senate amendment strikes out the provisions of the House bill imposing a capital stock tax; and the Senate recedes.

Amendment No. 199: This amendment makes a clerical change; and the Senate recedes.

Amendment No. 200: The Senate amendment alters the occupational tax imposed upon brokers in two respects: (1) Brokers exclusively engaged in negotiating purchases or sales of produce or merchandise are exempted from the \$50 tax imposed upon other brokers; and the tax in respect to membership in a stock or produce exchange or board of trade is amended to provide that if the seat or membership in such exchange or board has an average value of from \$2,000 to \$5,000, the tax shall be \$100; if the average value is \$5,000 to \$10,000, the tax shall be \$150; if the value is in excess of \$10,000, the tax shall be \$250; and the House recedes.

Amendment No. 201: The House bill reduced the occupational tax upon proprietors of bowling alleys and billiard rooms from \$10 to \$5 for each alley or table. The Senate amendment restores the tax to \$10; and the House recedes.

Amendment No. 202: The Senate amendment strikes out the provision inserted by the House for the prorating of certain taxes on brokers, which prorating is already provided for by the Revised Statutes; and the House recedes.

Amendment No. 203: This amendment makes a clerical change; and the Senate recedes.

Amendment No. 204: This amendment makes a clerical change; and the House recedes.

Amendments Nos. 205, 206, 207, 208, 209, and 210: These amendments make clerical changes; and the Senate recedes.

Amendment No. 211: The Senate amendment provides that the stamp tax upon packs of playing cards shall take effect upon the approval of this act. Under the House bill this stamp tax would take effect on and after the expiration of 30 days after the enactment of this act; and the Senate recedes.

Amendment No. 212: The House bill provided for a Board of Tax Appeals, to be composed of from 7 to 28 members, appointed by the President with the advice and consent of the Senate. The Senate amendment is a revision of subdivisions (a) and (b) of section 900 of the House bill, with the following changes in addition to clerical

changes: Instead of a board varying in number from 7 to 28 in the discretion of the President, the Senate amendment provides for a board of 28 members for two years and of 7 members after the expiration of two years. In lieu of the provision of the House bill that no member of the Board shall be permitted for two years after ceasing to be a member to practice before the Board or the Treasury Department, or to be connected with any firm so practicing, the Senate amendment provides that no member of the Board shall be permitted to practice before the Board or any official of the Bureau of Internal Revenue for two years after leaving office. The House recedes with an amendment making clerical changes and providing that no member of the Board appointed for a term beginning after the expiration of two years after the enactment of this act shall be permitted to practice before the Board or any official of the Bureau of Internal Revenue for a period of two years after leaving office.

Amendments Nos. 213 and 214: These amendments make clerical changes; and the House recedes.

Amendment No. 215: This amendment makes a clerical change in the numbering of the section; and the Senate recedes.

Amendment No. 216: The House bill provided that the opinions of the Board other than findings of fact should not be in writing unless the chairman so orders. The Senate amendment provides that the hearings before the Board shall be open to the public, that the proceedings of the Board shall be in accordance with such rules of evidence and procedure as the Board may prescribe, that the testimony taken at the hearings shall be reduced to writing, that the Board shall make a report in writing of its findings of fact and its opinion and decision in each case, that such report and all evidence received by the Board shall be public records open to the inspection of the public, and shall be published at the Government Printing Office, and sold in the same manner as other public documents. The House recedes with an amendment limiting the cases in which the oral testimony shall be reduced to writing and in which the Board shall write an opinion to those cases in which the amount of tax in controversy exceeds \$10,000.

Amendment No. 217: This amendment empowers the Board to require the answer in writing under oath to any question of fact submitted, provides for the reduction to writing of depositions taken, and makes the usual provision for fees and mileage allowances for witnesses; and the House recedes.

Amendment No. 218: This amendment makes a clerical change; and the House recedes.

Amendment No. 219: This amendment reduces the allowance for travelling expenses in the case of employees of the Board from \$7 as provided in the House bill to \$4, provides for the classification in accordance with the Classification Act of 1923 of employees of the Board, and prescribes that the expenditures of the Board shall be paid upon the presentation of itemized vouchers therefor, signed by the chairman of the Board, out of any moneys appropriated for the collection of internal revenue taxes and allotted to the Board, or out of any moneys specifically appropriated for the purposes of the Board. In addition, it provides that the Board shall be an inde-

pendent agency in the executive branch of the Government. The House recedes.

Amendment No. 220: The House bill provided that the rules and regulations prescribed by the Commissioner, with the approval of the Secretary, for the enforcement of this act should not enlarge or modify any provisions of this act and of any other law, and all such rules and regulations, and all amendments thereto, should be annually reported to Congress. The Senate amendment strikes out this provision; and the House recedes.

Amendment No. 221: The Senate amendment inserts a specific provision that oaths required by the provisions of this act may be administered by any officer authorized to administer oaths for general purposes under laws of the jurisdiction wherein such oath is administered; and the House recedes.

Amendment No. 222: This amendment makes a clerical change; and the Senate recedes.

Amendments Nos. 223 and 224: The House bill provided, as does the existing law, that if the commissioner and the taxpayer should agree in writing that a determination and an assessment in any case should be final the case should not be reopened or the determination or assessment set aside in the absence of fraud, malfeasance, or misrepresentation of fact. The Senate amendments provide that if after a determination and assessment the taxpayer has paid the tax or penalty or accepted the abatement, credit or refund, without protest, then the case should not be reopened or the determination or assessment set aside in the absence of fraud, malfeasance, or misrepresentation of fact; and the Senate recedes.

Amendment No. 225: The Senate amendment provides that if any part of an excise tax has been refunded to the taxpayer by the Government, such refund not being required by a decision of a court of competent jurisdiction, and if the articles the sale of which was taxed have passed from the possession of the taxpayer, the taxpayer should not again be assessed or taxed, or if he has been reassessed and taxed, the amount of the tax should be abated or refunded; and the Senate recedes.

Amendment No. 226: The House bill provides that the decision of the Commissioner upon the merits of a claim under the internal revenue laws shall not, except as provided in section 900, be subject to review by any other administrative officer or employee or agent of the United States. The Senate adds the words "or accounting" after the word "administrative"; and the House recedes.

Amendment No. 227: This amendment makes a clerical change; and the House recedes.

Amendment No. 228: The Senate amendment provides that where, at the time of the sale or lease of an article, there was an existing ruling, regulation, or Treasury Decision, holding that the article or its lease or sale was not taxable, and if the manufacturer, purchaser or importer parted with possession, relying upon such ruling, regulation or decision, then no excise tax shall be later collected; and the House recedes with clerical amendments.

Amendment No. 229: This amendment makes clerical changes in the numbering of the sections; and the Senate recedes.

Amendment No. 230: The effect of this amendment and the action of the conferees thereon has been explained in connection with Amendment No. 110.

Amendment No. 231: The effect of this amendment and the action of the conferees thereon has been explained in connection with Amendment No. 112.

Amendment No. 232: The effect of this amendment and the action of the conferees thereon has been explained in connection with Amendment No. 113.

Amendment No. 233: This amendment makes a clerical change; and the House recedes.

Amendment No. 234: The Senate amendment provides that in the case of offenses involving the defrauding of or attempting to defraud the United States the period of limitation shall be six years except as to acts, offenses, or transactions barred by law at the time of the enactment of this act; and the House recedes.

Amendments Nos. 235, 236, 237, 238, and 239: These amendments make clerical changes; and the House recedes.

Amendment No. 240: This amendment provides for the exemption from the income tax imposed by the Revenue Act of 1916, the Revenue Act of 1917, the Revenue Act of 1918, and the Revenue Act of 1921, of farmers' or other mutual hail, cyclone, or fire insurance companies (if otherwise exempt under the provisions of such acts) whether or not such organizations are of a purely local character. The House recedes with an amendment making clerical changes.

Amendment No. 241: The House bill repeals section 3225 of the Revised Statutes. The Senate amendment makes it clear that this repeal shall be retroactive to all revenue acts since 1916; and the House recedes.

Amendment No. 242: The Senate amendment provides a complete system of penalties in lieu of those contained in section 1017 of the House bill. Subdivisions (a) and (b) correspond to subdivision (a) of this section of the House bill with the following changes: The penalty provided in subdivision (a) of the Senate amendment applies to a wilful failure to comply with the requirements of the law therein set forth; in the House bill the penalty applied to a wilful refusal. Wilful failure to collect, account for, and pay over any tax imposed by the act, or a wilful attempt to evade such tax, is made a felony with a fine of not over \$10,000 and imprisonment for not over five years or both, instead of a misdemeanor as in the House bill. A wilful attempt to defeat the tax or the payment thereof has been added to the list of offenses specified in subdivision (b). Subdivision (c), which was not contained in the House bill, provides a penalty for the offense of aiding in the preparation, presentation, procurement, counseling or advising of a false or fraudulent return, affidavit, claim or document authorized or required by the internal revenue laws. The House recedes.

Amendments Nos. 243, 244, and 245: Subdivision (d) of section 1017 as amended by the Senate, corresponds to subdivision (b) of section 1017 of the House bill, except that, as in subdivision (a), the penalty attaches to a wilful failure to perform the required acts rather than to a wilful refusal, and a wilful attempt to evade or

defeat the tax or its payment has been specifically added to the list of offenses. The House recedes.

Amendment No. 246: This amendment makes a clerical change; and the House recedes.

Amendment No. 247: The effect of this amendment and the action of the conferees thereon has been explained under Amendment No. 99.

Amendment No. 248: This amendment makes a clerical change; and the House recedes.

Amendment No. 249: The Senate amendment changes section 3207 of the Revised Statutes to afford to a holder of a lien prior in time to that of the United States for taxes a method of procedure for clearing the title to the property by giving notice to the Commissioner and by undertaking prescribed procedure in court; and the House recedes.

Amendment No. 250: The Senate amendment provides that sums offered in compromise under section 3229 of the Revised Statutes and section 35 of Title II of the National Prohibition Act, sums offered for the purchase of real estate under section 3208 of the Revised Statutes, and surplus proceeds in any distraint sale, shall be deposited with the Treasurer of the United States in a special deposit account. If the offer in compromise or offer for the purchase of real estate is accepted, the amount so accepted shall be transferred from the special deposit account into the Treasury of the United States as internal revenue collections; if such offers are rejected, the amount of the offer shall be refunded to its maker. The House recedes with an amendment making clerical changes.

Amendments Nos. 251 and 252: The House bill provided that section 900 of the Revenue Act of 1921 should be repealed, effective upon the enactment of this act. The Senate amendments provide that section 900 shall be repealed, effective on the expiration of 30 days after the enactment of this act; and the House recedes.

Amendments Nos. 253 and 254: The Senate amendment provides that the stamp tax on playing cards imposed by the existing law shall be repealed upon the enactment of this act. The House bill provides that this tax as well as the other stamp taxes shall be repealed, effective on the expiration of 30 days after the enactment of this act; and the Senate recedes.

Amendment No. 255: The Senate amendment provides that the Legislative Drafting Service shall hereafter be known as the Office of the Legislative Counsel; that the positions of the two legislative counsel shall be allocated by the President of the Senate and the Speaker of the House under the schedules of the Classification Act; and that the legislative counsel shall have the privilege of free transmission of official mail; and the House recedes.

Amendment No. 256: The Senate amendment provides that the salary of the Government Actuary, so long as the position is held by the present incumbent, shall be at the rate of \$7,500 a year; and the House recedes.

Amendment No. 257: The Senate amendment strikes out a section of the House bill providing specifically for an allowance for subsistence for officers and employees of the Bureau of Internal Revenue, while traveling on official business, in an amount not to exceed \$7 per day; and the House recedes.

Amendments Nos. 258 and 259: These amendments make clerical changes in the numbering of the sections; and the House recedes.

Amendment No. 260: This amendment provides for a reduction of the postal rates in the case of the portion of publications devoted to advertisements; and the Senate recedes.

W. R. GREEN,  
W. C. HAWLEY,  
ALLEN T. TREADWAY,  
JNO. N. GARNER,  
J. W. COLLIER,

*Managers on the part of the House.*

