
TAX RATE EXTENSION ACT OF 1962

JUNE 26, 1962.—Ordered to be printed

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

CONFERENCE REPORT

[To accompany H.R. 11879]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11879) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, 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 House recede from its disagreement to the amendments of the Senate numbered 10, 11, and 12, and agree to the same.

Amendment numbered 1:

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

On page 2, line 14, of the Senate engrossed amendments strike out "July 1, 1962" and insert *January 1, 1963*; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, 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:

SEC. 5. EXTENSION THROUGH NOVEMBER 15, 1962, OF TAX ON TRANSPORTATION OF PERSONS, AND FURTHER EXTENSION OF TAX ON TRANSPORTATION OF PERSONS BY AIR AT 5-PERCENT RATE FOR PERIOD NOVEMBER 16, 1962, THROUGH JUNE 30, 1963.

And the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, 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: *November 16, 1962*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, 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: *November 16, 1962*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, 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: *November 16, 1962*; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, 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: *November 15*; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, 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: *November 15*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, 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: *November 15*; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, 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: *November 15*; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, 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: *November 15*; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *November 16, 1962*; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, 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: *November 16, 1962*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, 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: *November 16, 1962*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, 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: *November 16, 1962*; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, 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: *November 15*; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, 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: *November 16, 1962*; and the Senate agree to the same.

W. D. MILLS,
CECIL R. KING,
THOMAS J. O'BRIEN,
NOAH MASON,
JOHN W. BYRNES,

Managers on the Part of the House.

HARRY F. BYRD,
ROBT. KERR,
RUSSELL LONG,
By Harry F. Byrd

JOHN J. WILLIAMS,
FRANK CARLSON,

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. 11879) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment adds a new section 4 to the bill to exempt from the communications tax certain private line services used in the conduct of a trade or business.

Under section 4252(e) of the Internal Revenue Code of 1954, wire mileage service is defined to mean any telephone or radiotelephone service, and any other wire or radio circuit service, not included in any other subsection of section 4252 of the code, except that such term does not include service used exclusively in furnishing wire and equipment service. Subsection (a) of the new section 4 amends section 4252(e) so that wire mileage service will include only service not used in the conduct of a trade or business.

Subsection (b) of the new section 4 added by Senate amendment No. 1 adds a new subsection (j) to section 4253 of the 1954 Code (relating to exemptions from the communications tax). Under the amendment the communications tax is not to be imposed on any amount paid for the use of any telephone or radiotelephone line or channel which constitutes general telephone service (within the meaning of sec. 4252(a) of the 1954 Code) if such use is in the conduct of a trade or business and such line or channel is furnished between specified locations in different States or between specified locations in different counties, municipalities, or similar political subdivisions of a State.

Subsection (c) of the new section 4 provides that the amendments made by subsections (a) and (b) are to apply with respect to services furnished on or after July 1, 1962.

The House recedes with an amendment which changes the effective date from July 1, 1962, to January 1, 1963.

Amendments Nos. 2, 3, 4, 5, 6, 7, 8, and 9: The bill as passed by the House provided for a 6-month extension of the existing tax on transportation of persons by rail, motor vehicle, water, or air at 10 percent for the period July 1, 1962, through December 31, 1962, and a further 6-month extension of the tax on transportation of persons by air at 5 percent for the period January 1, 1963, through June 30, 1963.

Senate amendments Nos. 2, 3, and 4 provide a 3-month extension of the existing 10-percent tax on transportation of persons for the period July 1, 1962, through September 30, 1962, and Senate amendments Nos. 5, 6, 7, 8, and 9 provide a further 9-month extension of the tax on transportation of persons by air at 5 percent for the period October 1, 1962, through June 30, 1963.

Under the conference agreement, the existing 10-percent tax on transportation of persons is extended through November 15, 1962, and the tax on transportation of persons by air is further extended at 5 percent for the period November 16, 1962, through June 30, 1963.

Amendment Nos. 10 and 11: Section 4262(a) of the 1954 Code defines taxable transportation as meaning—

(1) transportation which begins in the United States or in the 225-mile zone and ends in the United States or in the 225-mile zone, and

(2) in the case of transportation other than transportation described in paragraph (1), that portion of such transportation which is directly or indirectly from one port or station in the United States to another port or station in the United States.

The bill as passed by the House did not change such section 4262(a).

Senate amendment No. 10 amends paragraph (2) of such section 4262(a) to provide that the portion of the transportation referred to in paragraph (2) is to be included as taxable transportation only if such portion is not a part of uninterrupted international air transportation. Senate amendment No. 11 adds a new paragraph (3) to section 4262(c) of the 1954 Code to define the term "uninterrupted international air transportation". The term is defined to mean any transportation by air which is not transportation described in section 4262(a)(1) of the 1954 Code and in which—

(A) the scheduled interval between (i) the beginning or end of the portion of such transportation which is directly or indirectly from one port or station in the United States to another port or station in the United States and (ii) the end or beginning of the other portion of such transportation is not more than 6 hours, and

(B) the scheduled interval between the beginning or end and the end or beginning of any two segments of the portion of such transportation referred to in clause (i) above is not more than 6 hours.

The House recedes on Senate amendments Nos. 10 and 11.

Amendment No. 12: Section 4264(c) of the 1954 Code provides that where the tax on transportation of persons is not paid at the time payment for transportation is made then (under regulations prescribed by the Secretary of the Treasury or his delegate), to the extent that such tax is not collected under any other provision of subchapter C of chapter 33 of the code, payment of the tax is to be made to the person to whom the payment for transportation was made or to the Secretary of the Treasury or his delegate. In connection with Senate amendments Nos. 10 and 11, Senate amendment No. 12 provides that payment of such tax shall be made to the Secretary of the Treasury or his delegate, to the person to whom the payment for transportation was made, or, in the case of transportation other than transportation described in section 4262(a)(1) of the code, to any person furnishing any portion of such transportation.

The House recedes.

Amendments Nos. 13, 14, 15, 16, 17, 18, and 19: These are conforming amendments relating to the effective dates for changes in the tax on the transportation of persons.

The House recedes with conforming amendments.

W. D. MILLS,
CECIL R. KING,
THOMAS J. O'BRIEN,
NOAH MASON,
JOHN W. BYRNES,

Managers on the Part of the House.

