

TO INCREASE THE INTERNAL REVENUE, AND FOR
OTHER PURPOSES.

OCTOBER 21, 1914.—Ordered to be printed.

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

CONFERENCE REPORT.

[To accompany H. R. 18891.]

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18891) to increase the internal 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, 2, 3, 11, 13, 14, 15, 18, 19, 20, 22, 56, 77, 84, and 96.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 6, 8, 9, 12, 17, 21, 25, 26, 27, 28, 30, 32, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 47, 49, 51, 54, 55, 57, 59, 60, 61, 62, 64, 65, 67, 68, 69, 70, 71, 73, 74, 75, 76, 78, 79, 80, 81, 83, 85, 86, 87, 88, 89, 90, 93, 97, and 98, and 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 inserted by said amendment insert the following:

Sec. 2. That upon all still wines, domestic and imported, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: On each bottle containing one-fourth pint or less, one-fourth cent; on each bottle containing more than one-fourth pint and not more than one-half pint, one-half cent; on each bottle containing more than one-half pint and not more than one pint, 1 cent; and on each bottle containing more than one pint and not

more than one quart, 2 cents; and on still wines in all other containers, not herein specially provided for, the tax shall be at the rate of 8 cents per gallon.

That upon all domestic and imported champagne and other sparkling wines, and upon all artificially carbonated wines, when sold or offered for sale or consumption, there shall be levied and collected taxes as follows: Upon each bottle containing one-half pint or less, 5 cents; on each bottle containing more than one-half pint and not more than one pint, 10 cents; on each bottle containing more than one pint and not more than one quart, 20 cents; and on all other containers at the rate of 20 cents per quart; and on all liqueurs, cordials, or similar compounds, domestic and imported, by whatever name sold or offered for sale, there shall be levied and collected a tax on each bottle containing not more than one-half pint, 1½ cents; more than one-half pint and not more than one pint, 3 cents; more than one pint and not more than one quart, 6 cents; and on larger containers a tax at the rate of 24 cents per gallon.

All of the taxes imposed in the preceding paragraphs of this section shall be paid by stamps to be affixed to each bottle or container in which such still wines, champagne wines, carbonated wines, liqueurs, or cordials, or similar compounds are sold or offered for sale: Provided, That when such still wines, champagne wines, carbonated wines, liqueurs, cordials, or similar compounds, taxable under the provisions of this section, are sold or delivered by the producer, importer, or dealer in wholesale quantities to other dealers, including rectifiers, manufacturing chemists, and druggists, the dealer receiving and selling, or offering the same for sale or consumption to any person other than a dealer, shall affix thereto the stamps hereinbefore prescribed: And provided further, That the stamp tax herein imposed shall not be collected on any still wine used by any rectifier, manufacturing chemist, or druggist in the manufacture of any liqueur, cordial, or compound subject to any internal-revenue tax imposed by this Act.

The Commissioner of Internal Revenue shall cause to be prepared suitable and special stamps denoting the tax herein imposed, to be affixed and canceled in such manner as he, with the approval of the Secretary of the Treasury, may prescribe; and in the absence of such stamps from any bottle or container containing wine, liqueur, cordial, or compound taxable under the provisions of this section, sold or offered for sale or consumption, shall be prima facie evidence that the tax thereon has not been paid, and all such wines, liqueurs, cordials, or compounds shall be forfeited to the United States.

There shall be levied and assessed against the maker or producer of all wines fortified under the provisions and conforming to the requirements of the sections of the tariff Act of October first, eighteen hundred and ninety, relating to the fortification of pure sweet wines, as amended, and as further amended by this Act, a tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him in the fortification of such wines: Provided, however, That the maker or producer of such fortified wines shall, under regulations and suitable bonds, to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, have assessed against him monthly the said tax of 55 cents on each taxable gallon of grape brandy or wine spirits used by him during the pre-

ceding month, which assessment shall be paid within ninety days from the date of notice thereof: Provided further, That nothing herein contained shall be construed as exempting any still wines, cordials, liqueurs, or similar compounds from the payment of any stamp tax provided for in this section.

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is hereby authorized to make all necessary regulations to make effective the provisions of this section.

That sections forty-two, forty-three, forty-five, forty-six, and forty-nine of the Act of October first, eighteen hundred and ninety, as amended by section sixty-eight of an Act approved August twenty-eighth, eighteen hundred and ninety-four, and by an Act approved June seventh, nineteen hundred and six, are further amended to read as follows:

"Sec. 42. That any producer of pure sweet wines may use in the preparation of such sweet wines, under such regulations, and after the filing of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, wine spirits produced by any duly authorized distiller, and the Commissioner of Internal Revenue in determining the liability of any distiller of wine spirits to assessment under section thirty-three hundred and nine of the Revised Statutes, is authorized to allow such distiller credit in his computations for the wine spirits withdrawn to be used in fortifying sweet wines under this Act: Provided, That such wine containing after fortification more than twenty-four per centum of alcohol, as defined by section thirty-two hundred and forty-nine of the Revised Statutes, shall be forfeited to the United States.

"Sec. 43. That the wine spirits mentioned in section forty-two of this Act is the product resulting from the distillation of fermented grape juice, to which water may have been added prior to, during, or after fermentation, for the sole purpose of facilitating the fermentation and economical distillation thereof, and shall be held to include the product from grapes or their residues, commonly known as grape brandy, and shall include commercial grape brandy which may have been colored with burnt sugar or caramel; and the pure sweet wine which may be fortified with wine spirits under the provisions of this Act is fermented or partially fermented grape juice only, with the usual cellar treatment, and shall contain no other substance whatever introduced before, at the time of, or after fermentation, except as herein expressly provided: Provided, That the addition of pure boiled or condensed grape must or pure crystallized cane or beet sugar, or pure dextrose sugar or water, or any or all of them, to the pure grape juice before fermentation, or to the fermented product of such grape juice, or to both, prior to the fortification provided in this Act, either for the purpose of perfecting sweet wines according to commercial standards or for mechanical purposes, shall not be excluded by the definition of pure sweet wine aforesaid: Provided, however, That the cane or beet sugar, or pure dextrose sugar so used shall not be in excess of eleven per centum of the weight of the wine to be fortified under this Act: And provided further, That the addition of water herein authorized shall

be under such regulations and limitations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may from time to time prescribe: Provided, however, That records kept in accordance with such regulations as to the percentage of saccharine, acid, alcoholic, and added water content of the wine offered for fortification shall be open to inspection by any official of the Department of Agriculture thereto duly authorized by the Secretary of Agriculture; but in no case shall such wines to which water has been added be eligible for fortification under the provisions of this Act, where the same, after fermentation and before fortification, have an alcoholic strength of less than five per centum of their volume.

"Sec. 45. That under such regulations and official supervision, and upon the execution of such entries and the giving of such bonds, bills of lading, and other security as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, any producer of pure sweet wines as defined by this Act may withdraw wine spirits from any special bonded warehouse in original packages or from any registered distillery in any quantity not less than eighty wine gallons, and may use so much of the same as may be required by him under such regulations, and after the filing of such notices and bonds and the keeping of such records and the rendition of such reports as to materials and products and the disposition of the same as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, in fortifying the pure sweet wines made by him, and for no other purpose, in accordance with the foregoing limitations and provisions; and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized whenever he shall deem it to be necessary for the prevention of violations of this law to prescribe that wine spirits withdrawn under this section shall not be used to fortify wines except at a certain distance prescribed by him from any distillery, rectifying house, winery, or other establishment used for producing or storing distilled spirits, or for making or storing wines other than wines which are so fortified, and that in the building in which such fortification of wines is practiced no wines or spirits other than those permitted by this regulation shall be stored in any room or part of the building in which fortification of wines is practiced. The use of wine spirits for the fortification of sweet wines under this Act shall be under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the Commissioner of Internal Revenue shall provide by regulations the time within which wines so fortified with the wine spirits so withdrawn may be subject to inspection, and for final accounting for the use of such wine spirits and for rewarehousing or for payment of the tax on any portion of such wine spirits which remain not used in fortifying pure sweet wines.

"Sec. 46. That wine spirits may be withdrawn from special bonded warehouses at the instance of any person desiring to use the same to fortify any wines, in accordance with commercial demands of

foreign markets; when such wines are intended for exportation, without the payment of tax on the amount of wine spirits used in such fortification, under such regulations, and after making such entries, and executing and filing with the collector of the district from which the removal is to be made such bonds and bills of lading, and giving such other additional security to prevent the use of such wine spirits free of tax otherwise than in the fortification of wine intended for exportation and for the due exportation of the wine so fortified, as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and all of the provisions of law governing the exportation of distilled spirits free of tax, so far as applicable, shall apply to the withdrawal and use of wine spirits and the exportation of the same in accordance with this section; and the Commissioner of Internal Revenue is authorized, subject to the approval of the Secretary of the Treasury, to prescribe that wine spirits intended for the fortification of wines under this section shall not be introduced into such wines except under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Whenever transportation of such wine is to be effected by land carriage the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe such regulations as to sealing packages and vehicles containing the same, and as to the supervision of transportation from the point of departure, which point shall be determined as the place where such wine spirits may be introduced into such wines to the point of destination as may be necessary to insure the due exportation of such fortified wines: Provided, That where, in accordance with regulations of the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, wines fortified under the provisions of this Act with brandy taxable at 55 cents per proof gallon are exported directly from the winery where fortified, there shall be allowed an abatement or refund of tax equivalent to 55 cents per gallon on each proof gallon of wine spirits contained in such wine at the time of exportation, which amount of wine spirits shall be ascertained by the Commissioner of Internal Revenue under regulations approved by the Secretary of the Treasury: Provided, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above fourteen per centum thereof.

"Sec. 49. That wine spirits used in fortifying wines may be recovered from such wines only on the premises of a duly authorized grape-brandy distiller, and for the purpose of such recovery wine so fortified may be received as material on the premises of such a distiller, on a special permit of the collector of internal revenue in whose district the distillery is located; and the distiller will be held to pay the tax on the product from such wines as will include both the alcoholic strength therein produced by the fermentation of the grape juice and that obtained from the added distilled wine spirits: Provided, That when application for such special permit for redistillation shall be made by the producer of any wines fortified with brandy subject to the tax of 55 cents per proof gallon, before such

wine shall have been moved from the premises of the winery where fortified and the redistillation is had under regulations made by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, an abatement or refund of the tax assessed against said producer shall be allowed equivalent to 55 cents per proof gallon of brandy contained in said spirits at the time of redistillation, which amount of brandy shall be ascertained by the Commissioner of Internal Revenue, under regulations approved by the Secretary of the Treasury, and wine spirits so recovered may be used in the manner provided by law for the fortification of other wine: Provided, That such wine spirits on which abatement or refund of tax is allowed shall not exceed the total amount of alcohol in such wine over and above fourteen per centum thereof."

That section three and section six of the Act of June seventh, nineteen hundred and six, amending the laws relating to the fortification of pure sweet wines, are hereby amended to read as follows:

"Sec. 3. That the Commissioner of Internal Revenue is hereby authorized to assign at each winery where wines are to be fortified such number of gaugers or storekeeper gaugers, in the capacity of gaugers, for special duties as may be necessary for the proper supervision of the making and fortifying of such wines, and the compensation of such officers shall not exceed \$5 per diem while so assigned, together with their actual and necessary traveling expenses, and also a reasonable allowance for their board bills, to be fixed by the Commissioner of Internal Revenue, but not to exceed \$2 per diem for said board bills. That bonds hereafter given under the provisions of the aforesaid Act of October first, eighteen hundred and ninety, as amended, shall be conditioned for the payment of the tax on all brandy removed thereunder and not used and accounted for within the time and in the manner required by law and regulations, and for the payment of all taxes imposed on the brandy so withdrawn and used for fortifications; and the said bonds shall contain such other conditions as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

"Sec. 6. That any person who by any process recovers from wines fortified under the provisions of the aforesaid Act approved October first, eighteen hundred and ninety, as amendments thereto, any brandy or wine spirits used in the manufacture or fortification of said wine, otherwise than is provided for in said Act and its amendments, or who shall rectify, mix, or compound with distilled spirits or other materials, except as provided in this Act, such grape brandy, fortified wines, or wine spirits unlawfully recovered therefrom, shall, on conviction, be punished for each such offense by a fine of not less than \$200 nor more than \$1,000. But the provisions of this section and the provisions of section thirty-two hundred and forty-four of the Revised Statutes of the United States, as amended, relating to rectification, or other internal revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of pure sweet wines fortified under the provisions of this Act with each other or with other wines: Provided, That the pure sweet wines fortified under the provisions of this Act may be used in the manufacture of cordials, liqueurs, and similar compounds on which an internal revenue tax of 24 cents a gallon is imposed, and otherwise the provision of section thirty-two hundred and forty-four of the Re-

vised Statutes of the United States shall remain in full force and effect."

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:

Restore the matter stricken out by said amendment, striking out the word "from" and inserting in lieu thereof the word *on*; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, striking out the numeral "50" and inserting in lieu thereof the numeral 30; 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 inserted by said amendment insert the following: *where a charge for admission is made, having a seating capacity of not more than two hundred and fifty, shall pay \$25; having a seating capacity of more than two hundred and fifty and not exceeding five hundred, shall pay \$50; having a seating capacity exceeding five hundred and not exceeding eight hundred, shall pay \$75; having a seating capacity of more than eight hundred, shall pay \$100; and the Senate agree to the same.*

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following:

Tenth. Commission merchants shall pay \$20. Every person, firm, or company whose business or occupation it is to receive into his or its possession any goods, wares, or merchandise to sell the same on commission shall be regarded as a commission merchant: Provided, That any person having paid the special tax as a commercial broker shall not be required to pay the special tax as a commission merchant: Provided further, That this provision shall not apply to commission houses run upon a cooperative plan.

And the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, striking out the word "from" and inserting in lieu thereof the word *on*; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows:

In the matter inserted by said amendment strike out "\$600" and insert in lieu thereof \$200; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows:

After the last paragraph of the matter inserted by said amendment insert the following:

In arriving at the amount of license tax to be paid hereunder, and in the levy and collection of such tax, each person, firm, or corporation engaged in the manufacture of cigars, cigarettes, (including little cigars) or tobacco shall be considered and deemed a single manufacturer.

And the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, striking out the word "November" and inserting in lieu thereof the word *December*; and the Senate agree to the same.

Amendment numbered 40:

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows:

Strike out the numeral "11" and insert in lieu thereof the numeral 10; and the Senate agree to the same.

Amendment numbered 46:

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows:

Strike out the numeral "12" and insert in lieu thereof the numeral 11; and the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows:

Strike out the numeral "13" and insert in lieu thereof the numeral 12; and the Senate agree to the same.

Amendment numbered 50:

That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows:

Strike out the numeral "14" and insert in lieu thereof the numeral 13; and the Senate agree to the same.

Amendment numbered 52:

That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows:

Strike out the numeral "15" and insert in lieu thereof the numeral 14; and the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows:

Strike out the numeral "16" and insert in lieu thereof the numeral 15; and the Senate agree to the same.

Amendment numbered 58:

That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with amendments as follows:

In line 1 of the matter inserted by said amendment strike out the numeral "18" and insert in lieu thereof the numeral 17.

In lines 1 and 2 of the matter inserted by said amendment strike out the words "thirty days after the approval of this Act" and insert in lieu thereof the words *on and after December first, nineteen hundred and fourteen.*

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:

Strike out the numeral "23" and insert in lieu thereof the numeral 22; and the Senate agree to the same.

Amendment numbered 66:

That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: *on and after the first day of December, nineteen hundred and fourteen;* and the Senate agree to the same.

Amendment numbered 72:

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows:

In line 9 of the matter inserted by said amendment strike out the words "sender of" and insert in lieu thereof the words *person paying for.*

In line 10 of the matter inserted by said amendment strike out the words "the originator of the."

And the Senate agree to the same.

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Amendment numbered 82:

That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: *except life, personal accident, and health insurance, and insurance described and taxed or exempted in the preceding paragraph and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit*; 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 amendments as follows:

In line 9 of the matter inserted by said amendment, after the word "applied" where it first occurs, strike out the comma and the words "or to be used or applied," and in the same line, after the word "perfumes," strike out the comma.

In lines 9, 10, and 11 of the matter inserted by said amendment strike out the words "applications to the hair, mouth, or skin, or otherwise used, made, prepared" and insert in lieu thereof the word *cosmetics*.

In lines 36, 37, 38, and 39 of the matter inserted by said amendment, beginning with the word "Sparkling," in line 36, strike out all down to and including the word "cents," in line 39.

In line 42 of the matter inserted by said amendment strike out the words "thirty days" and insert in lieu thereof the words *on and*.

In lines 42 and 43 of the matter inserted by said amendment strike out the words "the approval of this act" and insert in lieu thereof the words *December first, nineteen hundred and fourteen*.

And the Senate agree to the same.

Amendment numbered 92:

That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows:

Strike out the numeral "24" and insert in lieu thereof the numeral ~~23~~; and the Senate agree to the same.

Amendment numbered 94:

That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: *\$200,000, or so much thereof as may be required, out of any money in the Treasury not otherwise appropriated; \$170,000 to be added to and made a part of the appropriations for "salaries and expenses of collection of internal revenue, nineteen hundred and fifteen; and \$30,000 to the appropriation for paper for internal revenue stamps, nineteen hundred and fifteen*; and the Senate agree to the same.

Amendment numbered 95:

That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows:

Strike out the numeral "25" and insert in lieu thereof the numeral 24; and the Senate agree to the same.

That in the enrollment of the bill the sections and paragraphs thereof be numbered in consecutive order.

OSCAR W. UNDERWOOD,

CLAUDE KITCHIN,

Managers on the part of the House.

F. M. SIMMONS,

WILLIAM J. STONE,

JOHN SHARP WILLIAMS,

Managers on the part of the Senate.

STATEMENT.

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. 18891) to increase the internal 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 increased the tax of \$1 on fermented liquors to \$1.50 per barrel. The Senate increased the tax to \$1.75 per barrel; and the Senate recedes.

Amendment No. 2. The Senate provided a discount upon the sales of stamps to brewers, and recedes from this amendment.

Amendment No. 3. The Senate provided a tax of 5 cents upon rectified whisky, and recedes from its amendment.

Amendment No. 4. The House provided a tax on the producers of wine. The Senate struck out this provision; and the House agrees.

Amendment No. 5. The Senate shifted the tax proposed by the House upon the producers of wine to the dealer in wines receiving and selling or offering for sale or consumption to any person other than a dealer. The House agrees to the amendment with certain minor changes. The provisions as amended place a tax on still wines of 8 cents per gallon; on champagne and other sparkling wines and all artificial carbonated wines, of 20 cents per quart; and on cordials, liqueurs, and similar compounds, of 24 cents per gallon. This amendment removes certain restrictions now imposed upon the manufacture of wine spirits to be used in fortifying pure sweet wines. It also imposes a tax of 55 cents per gallon upon grape brandy or wine spirits in lieu of the charge of 3 cents per gallon now imposed.

Amendment No. 6. The House bill taxed gasoline 2 cents per gallon. The Senate struck out this provision, and the House agrees to the Senate amendment.

Amendment No. 7. The Senate struck out the House provision that the special tax provisions should become effective November 1, 1914, and the Senate recedes.

Amendment No. 8. The House provided a tax of \$2 for each \$1,000 of capital and surplus used or employed by bankers. The Senate lowered the tax to \$1, and the House agrees.

Amendment No. 9. This amendment exempts postal savings banks from the payment of the tax upon bankers, and the House agrees.

Amendment No. 10. The House bill taxes brokers \$50. The Senate struck out this tax. The House provision is restored with an amendment fixing the tax at \$30.

Amendment No. 11. This amendment relates to a change in paragraph number, and the Senate recedes.

Amendment No. 12. The House placed a tax of \$20 upon pawn-brokers. The Senate increased this tax to \$50, and the House agrees to the tax of \$50.

Amendments Nos. 13, 14, and 15 relate to changes in paragraph numbers, and the Senate recedes.

Amendment No. 16. The House placed a tax of \$100 upon all proprietors of theaters, museums, and concert halls in cities having more than 15,000 population. The Senate changed this tax to a graduated tax according to seating capacity, and the House agrees with the following amendment:

Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than two hundred and fifty shall pay \$25; having a seating capacity of more than two hundred and fifty and not exceeding five hundred, shall pay \$50; having a seating capacity exceeding five hundred and not exceeding eight hundred, shall pay \$75; having a seating capacity of more than eight hundred shall pay \$100.

Amendment No. 17. This amendment exempts armories rented or used occasionally for concerts or theatrical representations from the taxes levied on theaters, museums, and concert halls, and the House agrees.

Amendment No. 18. The House bill provided that whenever any theater was under lease at the passage of the act, the lessee should pay the tax. The Senate bill provided that whenever any theater was under lease when this act takes effect, the lessee should pay the tax, and the Senate recedes.

Amendments Nos. 19 and 20. These amendments merely relate to changes in paragraph numbers, and the Senate recedes.

Amendment No. 21. This amendment exempts Chautauquas, lecture lyceums, agricultural or industrial fairs, or exhibitions held under the auspices of religious or charitable associations, and the House agrees.

Amendment No. 22. This amendment merely relates to change in the paragraph number, and the Senate recedes.

Amendment No. 23. The Senate amendment placed a tax of \$20 on commission merchants. The House agrees to the Senate amendment with an amendment providing that any person paying the special tax as a commercial broker will not be required to pay this tax.

Amendment No. 24. The House provided that the special taxes on tobacco dealers and manufacturers should take effect on November 1, 1914. The Senate provided that they should go into effect immediately after the passage of the act. The Senate recedes from its amendment.

Amendments Nos. 25, 26, 27, and 28. The House bill taxes the annual sales of leaf tobacco. The Senate bill taxes the annual sales or transfers of leaf tobacco, and the House agrees to the Senate amendments.

Amendment No. 29. The Senate amended the tax on tobacco dealers not specially provided for by exempting dealers whose annual receipts from the sale of tobacco do not exceed \$600. The House agrees to this amendment with an amendment limiting the exemption to \$200.

Amendment No. 30. This amendment provides that the \$4.80 tax shall be levied for each store, shop, or place in which tobacco in any form is sold and the House agrees.

Amendment No. 31. The House bill provided a tax upon manufacturers of tobacco and cigars ranging from \$12 to \$24 and a tax on manufacturers of cigarettes of \$24. The Senate amended this provision, placing a graduated tax upon manufacturers of tobacco, cigars, and cigarettes ranging from \$6 to \$2,496, according to the quantity of tobacco, cigars, or cigarettes sold, and the House agrees to the Senate amendment with an amendment as follows: "In arriving at the amount of license tax to be paid hereunder and in the levy and collection of such tax each person, firm, or corporation engaged in the manufacture of cigars, cigarettes (including little cigars), or tobacco shall be considered and deemed a single manufacturer."

Amendment No. 32. This amendment provides that the special taxes imposed by this act and payable during the special tax year ending June 30, 1916, shall be collected and paid proportionately for the period during which such taxes shall remain in force during said year, and the House agrees.

Amendment No. 33. The House bill provided that the taxes imposed in Schedule A of this act should go into effect on November 1, 1914. The Senate amended it so that these taxes should be levied immediately after the passage of this act. The conferees placed the date of effectiveness at December 1, 1914.

Amendment No. 34. This amendment is made necessary by reason of the adoption of Schedule B into the act, and the House agrees to the amendment.

Amendment No. 35. This amendment eliminated the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts, and the House therefore agrees to the Senate amendment.

Amendment No. 36. This amendment provides the method by which the stamps required to be affixed on the articles enumerated in Schedule B shall be canceled, to which the House agrees.

Amendments Nos. 37, 38, and 39. These amendments are merely clerical changes, and the House agrees.

Amendment No. 40. This amendment provides for the proper numbering of this section, the House agreeing to same.

Amendment No. 41. This amendment is merely a change in phraseology, and the House agrees.

Amendment No. 42. The Senate amendment requires each designated depository to furnish a bond as well as each collector, and the House agrees.

Amendments Nos. 43, 44, and 45. These amendments are merely clerical changes, and the House agrees.

Amendment No. 46. This amendment provides for the proper numbering of this section, to which the House agrees.

Amendment No. 47. This amendment eliminated the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts, and the House therefore agrees to the Senate amendment.

Amendment No. 48. This amendment merely provides for the proper numbering of a section, to which the House agrees.

Amendment No. 49. This amendment eliminated the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts, and the House therefore agrees to the Senate amendment.

Amendment No. 50. This amendment merely provides for the renumbering of a section, to which the House agrees.

Amendment No. 51. This amendment eliminates the provision that certain documents should not be competent evidence in any court. The Federal Government has no right to say what will be evidence in State courts, and the House therefore agrees to the Senate amendment.

Amendments Nos. 52 and 53. These amendments merely provide for the renumbering of sections, to which the House agrees.

Amendments Nos. 54 and 55. The House amendment exempted the stock and bonds issued by cooperative building and loan associations whose capital stock does not exceed \$10,000. The Senate amendment exempts the stock and bonds issued by all cooperative building and loan associations and of mutual ditch or irrigating companies, and the House agrees to the Senate amendment.

Amendment No. 56. It is believed the Senate amendment would exempt cooperative building and loan associations and mutual ditch or irrigation companies from the payment of all of the taxes provided in this act, and the Senate recedes.

Amendment No. 57. This amendment relates to the administration of Schedule B of the act, and the House agrees.

Amendment No. 58. This amendment relates to the penalty for violation of the provisions of Schedule B of this act, and the House agrees with an amendment making the penalties effective on and after December 1, 1914.

Amendments Nos. 59, 60, 61, 62, and 63. These amendments relate to the section numbers of the act, and the House agrees with amendments making the numbers 19, 20, 21, and 22, in lieu of 18, 19, 20, 21, 22, and 23.

Amendment No. 64. This amendment provides that the Commissioner of Internal Revenue shall cause the necessary stamps to be distributed as well as prepared, and the House agrees.

Amendment No. 65. This amendment becomes necessary because of the addition of Schedule B to the act, and the House agrees.

Amendment No. 66. The House provides that the tax should be levied on bonds, debentures, or certificates of indebtedness issued after November 1, 1914. The Senate amendment struck out November 1, 1914, and levied the tax on all bonds, etc., issued 30 days after the approval of this act, and the House agrees with an amendment making the date December 1, 1914.

Amendment No. 67. This amendment provides that it is not intended by this act to impose a tax upon an agreement evidencing a deposit of stock certificates as collateral security for money loaned thereon, which stock certificates are not actually sold, nor upon such stock certificates so deposited, and the House agrees.

Amendment No. 68. This amendment limits agreements of sale, etc., to those for future delivery; and the House agrees.

Amendment No. 69. This amendment exempts the tax upon express and freight in all cases where a charge not exceeding 5 cents is made for transportation; and the House agrees.

Amendment No. 70. The bill as it came from the House had the same provision with respect to the use of bills of lading for bundles of newspapers as did the act of 1898, but since 1898 there has been quite a change in the manner of the distribution of papers, due in large part to the growth in the interurban railway system. Time has increasingly become the essence of the situation in the distribution of afternoon daily papers. The issuing of a bill of lading for each bundle would become vexatious and burdensome. This amendment provides that the publisher of the newspaper in lieu of the stamped bill of lading is to make a return under oath on the 15th of each month of the general bundles shipped during the preceding month, to which return he is required to attach a 1-cent stamp for each bundle so reported. Instead of the stamp on the bill of lading he makes his return and puts on as many stamps as there are bundles shipped; and the House agrees to the Senate amendment.

Amendment No. 71. This amendment strikes out the House provision that "no bill of lading, manifest, or other memorandum shall be used in evidence unless it shall be duly stamped," because the Federal Government has no right to say what will be evidence in a State court; and the House agrees to the amendment.

Amendment No. 72. The House bill required the telephone or telegraph company to pay the tax imposed. The Senate committee recommends that the sender be required to pay it, and they recommend that this tax be collected by the telegraph and telephone companies, and at the end of each month they make a sworn statement to the Commissioner of Internal Revenue, and the taxes be settled upon the basis of that statement; and the House agrees to the Senate amendment.

Amendment No. 73. This amendment limits the tax upon conveyances to only the real interest conveyed, and the House agrees to the amendment.

Amendment No. 74. This amendment provides that nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt, and the House agrees.

Amendment No. 75. This House bill proposed a tax on life insurance for each \$100 or fractional part thereof of 8 cents on the amount insured. The Senate struck out this provision, and the House agrees to the Senate amendment.

Amendment No. 76. This amendment is merely a clerical change, and the House agrees.

Amendment No. 77. This amendment refunds the tax paid upon policies which were canceled or upon premiums which were returned, and the Senate recedes.

Amendment No. 78. This amendment exempts cooperative or mutual associations carrying on business not for profit, and the House agrees.

Amendment No. 79. This amendment provides that policies of re-insurance shall be exempt from the marine, inland, and fire insurance tax, and the House agrees.

Amendments Nos. 80 and 81. These amendments merely relate to clerical changes, and the House agrees.

Amendment No. 82. This amendment exempts life, personal, accident, and health insurance, etc., policies from the tax, and the House agrees.

Amendment No. 83. This amendment makes liability insurance companies subject to the tax upon liability, fidelity, and guaranty insurance, and the House recedes.

Amendment No. 84. This amendment refunds the tax paid upon policies which were canceled or upon premiums which were returned, and the Senate recedes.

Amendment No. 85. The House bill taxes mortgages, etc., the Senate struck out the House provision, and the House agrees to the Senate amendment.

Amendment No. 86. This amendment provides that the tax on passage tickets shall be paid when purchased in the United States, regardless of the port from which the vessel is to sail, and the House agrees.

Amendments Nos. 87 and 88. These amendments are necessary to make effective amendment No. 86, providing that the passenger-ticket tax shall be collected when the ticket is sold in the United States, although the vessel may sail from a port in another country, and the House agrees.

Amendment No. 89. This amendment exempts passage tickets costing less than \$10, to which the House agrees.

Amendment No. 90. This amendment reduces the tax on parlor-car seats and sleeping-car berths from 2 cents to 1 cent, and the House agrees.

Amendment No. 91. This amendment reenacts the provisions of the war revenue act of 1898 pertaining to perfumery, cosmetics, and chewing gum, with sundry minor amendments, and the House agrees.

Amendment No. 92. This amendment provides for the renumbering of a section, and the House agrees.

Amendment No. 93. This amendment provides that any person liable to tax under the provisions of this act shall keep such records and comply with such regulations as may be issued by the Commissioner of Internal Revenue. It further provides a penalty for the violation of any of the provisions of this act, and the House agrees.

Amendment No. 94. This amendment appropriates money with which to carry out the provisions of this act. The House appropriated \$130,000 and the Senate appropriated \$492,000. The conference fixed the sum at \$200,000.

Amendment No. 95. This amendment merely provides for the renumbering of the section, and the House agrees.

Amendment No. 96. The House provided that the act, unless otherwise specified, should take effect on the date following its passage. The Senate provided that it should become effective 30 days after its passage. The conferees adopted the House provision.

18 TO INCREASE INTERNAL REVENUE, AND FOR OTHER PURPOSES.

Amendment No. 97. This amendment provides that the taxes levied under this act shall become inoperative on the 31st day of December, 1915, and the House agrees.

Amendment No. 98. This amendment provides that the provisions of the law now in effect with regard to fermented liquors shall be in full force on and after the 1st of January, 1916, and the House agrees.

OSCAR UNDERWOOD,
CLAUDE KITCHIN,
Managers on the part of the House.

