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80TH CONGRESS }
2d Session }

SENATE

} REPORT
} No. 1745

WAR LOSSES

JUNE 17 (legislative day, JUNE 15). 1948.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the following

REPORT

[To accompany H. J. Res. 428]

The Committee on Finance, to whom was referred the joint resolution (H. J. Res. 428) providing an extension of time for claiming credit or refund with respect to war losses, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

By virtue of this act, the Committee on Finance adopts the report of the Committee on Ways and Means which follows:

GENERAL STATEMENT

The joint resolution extends the time for filing of claims for credit or refund with respect to war losses sustained in 1941 and 1942 to December 31, 1949. A similar extension was provided last year which expires December 31, 1948.

STUDIES OF WAR-LOSS PROBLEMS

The staffs of the Joint Committee on Internal Revenue Taxation and the Treasury Department have been studying for several years the treatment of war loss recoveries with various groups representing a large number of the taxpayers concerned.

In view of the fact that this is an extremely difficult subject, it is not possible for your committee to deal with this problem prior to adjournment. However, your committee contemplates taking this subject under consideration as early as practicable in the next session

EFFECT OF THE JOINT RESOLUTION

The joint resolution provides that in the case of a claim for credit or refund due to an overpayment of tax arising from the failure of the taxpayer to take a deduction in respect of property deemed destroyed

or seized under section 127 (a) of the code for a taxable year beginning in 1941 or 1942, the 3-year period of limitation prescribed under section 322 (b) (1) shall not expire prior to December 31, 1949. Also, in the case of any such claim filed on or before such date, the amount of credit or refund will not be subject to the limitations provided by section 322 (a) (2) or (3) to the extent of the overpayment attributable to such war loss deduction.

