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The Director of Retirement Claims
Through the Chief Executive Officer

The General Counsel

Status of Union Stock Yards Company, Springfield, Missouri.

On June 11, 1952, the Chief Executive Officer referred to my office a report from our branch manager at Springfield, Missouri, to the effect that a claim for unemployment insurance benefits has been received, based on service to this Company. For that reason, and because the question of the Company's status has been before us as a matter of coordination with the Bureau of Internal Revenue in its administration of Subchapter B of Chapter 9 of the Internal Revenue Code, I am issuing this opinion notwithstanding your request of January 19, 1949 for cancellation of your submission.

In a ruling on the status of this Company under Subchapter B of Chapter 9 of the Internal Revenue Code, the Bureau of Internal Revenue has held that the Company is a carrier by railroad subject to part I of the Interstate Commerce Act but in respect only to its rail-borne loading and unloading activities; and that the Company was liable for taxes on compensation paid for services in the operations of "loading of live-stock into railroad cars from, and the unloading of rail-borne livestock from railroad cars into, the chutes or pens which are a part of, connected with, or adjacent to, the railroad loading or unloading platforms". It appears that the Company has been paying taxes in accordance with this ruling by the Bureau.

From information furnished to the Board and to the Bureau of Internal Revenue by the Company, it appears that the Company was incorporated as a public stockyard in 1929 and has been registered as such with the Department of Agriculture. Until July 2, 1945, it never engaged in the performance of any services in connection with the transportation of passengers or property by railroad. On that date it entered into a contract with the St. Louis-San Francisco Railway Company, under which contract it has since been operating, for the loading and unloading, at specified rates, of livestock in transit over the lines of the Railway Company. It appears, moreover, that the Company has so maintained its records that the rail-borne livestock loading and unloading operations described, have been conducted as an identifiable enterprise, so that under the Board's Regulations (20 C.F.R. 202.3), the Company's carrier-by-railroad operations are segregable from its general

stockyard operations. Therefore, it is, and has been, an employer within the meaning of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, but in respect only to the rail-borne livestock operations conducted under the contract of July 2, 1945. That status commenced, however, on August 1, 1945, when, according to information furnished by the Company, operations under the contract actually began.

Myles F. Gibbons
General Counsel

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