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The Director of Retirement Claims

The General Counsel

Muncie National Stockyards, Inc.
Muncie, Indiana

In a ruling on the status of the above-mentioned 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 with respect only to its rail-borne livestock loading and unloading activities; and that the company was liable for taxes on compensation paid for services in the operations of "loading of livestock 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 Bureau of Internal Revenue by the company, it appears that it operates a public stockyard and is posted with the Department of Agriculture; that it owns and operates the platforms, chutes and receiving pens which are necessary in the loading and unloading of rail-borne livestock, and that its employees perform all of the services in connection with this loading and unloading. In view of the Bureau's ruling that the services of the company's employees to be included in determining its liability for taxes imposed by Subchapter B of Chapter 9 of the Internal Revenue Code were those involving the loading and unloading of rail-borne livestock, it seems reasonable to infer that the company has since so conducted its business that under the Board's Regulations (20 C.F.R. 202.3), its carrier by railroad operations are segregable from its general stockyard operations. Therefore, the company is and has been since at least January 1, 1937 an employer within the meaning of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, with respect only to its rail-borne livestock loading and unloading operations.

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General Counsel