

EXEMPTING UNIFORMED MEMBERS OF THE ARMED  
FORCES OF THE UNITED STATES FROM ADMISSIONS  
TAX

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AUGUST 13 (legislative day, AUGUST 1), 1951.—Ordered to be printed

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

## REPORT

[To accompany H. R. 4601]

The Committee on Finance, to whom was referred the bill (H. R. 4601) to provide that the admissions tax shall not apply in respect of admissions free of charge of uniformed members of the Armed Forces of the United States, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

## PURPOSE

This bill would exempt from admissions tax members of the Armed Forces of the United States in uniform when admitted free of charge to sporting events, moving-picture theaters, and any other places subject to the admissions tax. This would be accomplished by amending section 1700 (a) (1) of the Internal Revenue Code, effective as to admissions on and after the first day of the first month which begins more than 10 days after the date of enactment.

## GENERAL STATEMENT

Under present law, persons (including members of the Armed Forces) admitted free or at reduced rates are required to pay the same amount of tax as a person who is charged the regular admissions price with certain minor exceptions. Your committee believes that an exemption for members of Armed Forces of the United States in uniform should be enacted as soon as possible. H. R. 4473, the revenue bill of 1951, which is now under executive consideration by your committee, provides an exemption from admissions tax for all persons who are admitted free to various places of amusements; however, this time of year is the height of the sporting season, and in order for this

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exemption to be of advantage to servicemen, it should be enacted promptly.

Your committee has been advised that there is considerable reluctance upon the part of persons who are operating ball parks, moving-picture theaters, and other places of amusement to extend the privilege of free admissions to men in uniform because they must still go to the trouble under present law of collecting the admissions tax based upon the established price of admissions to such places. Your committee has also been advised by persons who are in charge of the recreation programs for servicemen that it is sometimes impossible to obtain free admittance for such personnel because of the fact that the Federal Government itself levies a charge for such admissions by way of an admissions tax. During World War II, members of the military and naval forces of the United States when in uniform were exempted from admissions tax where admissions were free. Restoration of a similar exemption during the current period of mobilization for the national emergency would contribute greatly to the morale of the members of our Armed Forces.

This bill is endorsed by the American Legion, Veterans of Foreign Wars, and Disabled American Veterans organizations.

### CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the standing rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics; existing law in which no change is proposed is shown in roman):

#### SECTION 1700 (A) (1) OF THE INTERNAL REVENUE CODE

##### SEC. 1700. TAX.

There shall be levied, assessed, collected, and paid—

##### (a) Single or Season Ticket; Subscription.—

(1) RATE.—A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place, including admission by season ticket or subscription. In the case of persons (except bona fide employees, municipal officers on official business, and children under twelve years of age) admitted free or at reduced rates to any place at a time when and under circumstances under which an admission charge is made to other persons, an equivalent tax shall be collected based on the price so charged to such other persons for the same or similar accommodations, to be paid by the person so admitted. No tax shall be imposed on the amount paid for admission of a child under 12 years of age if the amount paid is less than 10 cents. Subject to such regulations as the Commissioner, with the approval of the Secretary, shall prescribe, no tax shall be imposed in the case of admission free of charge of a hospitalized member of the military, naval, or air forces of the United States or of a person hospitalized as a veteran by the Federal Government in a Federal, State, municipal, private, or other hospital or institution, except when such member or veteran is on leave or furlough. *No tax shall be imposed in the case of admission free of charge of a member of the Armed Forces of the United States when in uniform.*